



中华人民共和国生态环境部

Ministry of Ecology and Environment of the People's Republic of China

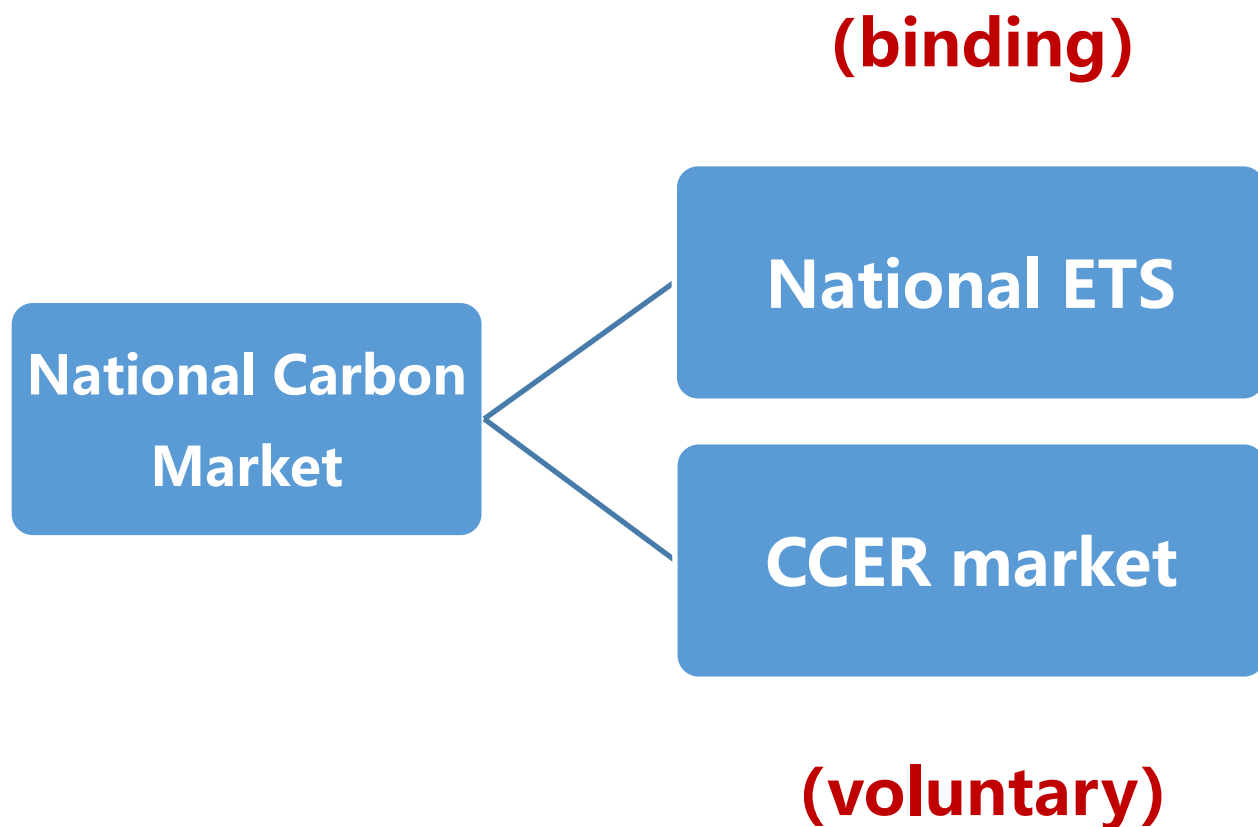


China's National Carbon Market Construction Progress and Achievement

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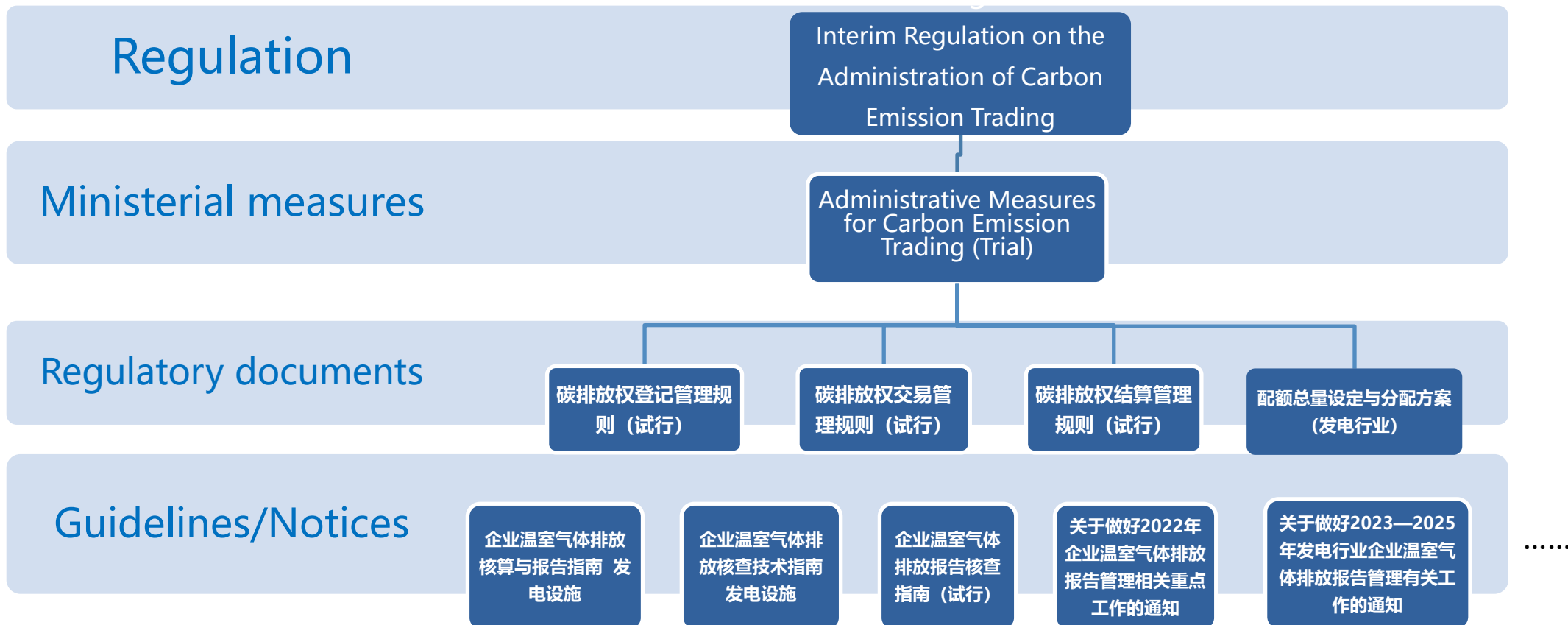
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A unified national carbon market system in line with China's actual situation, characteristics and international standards.

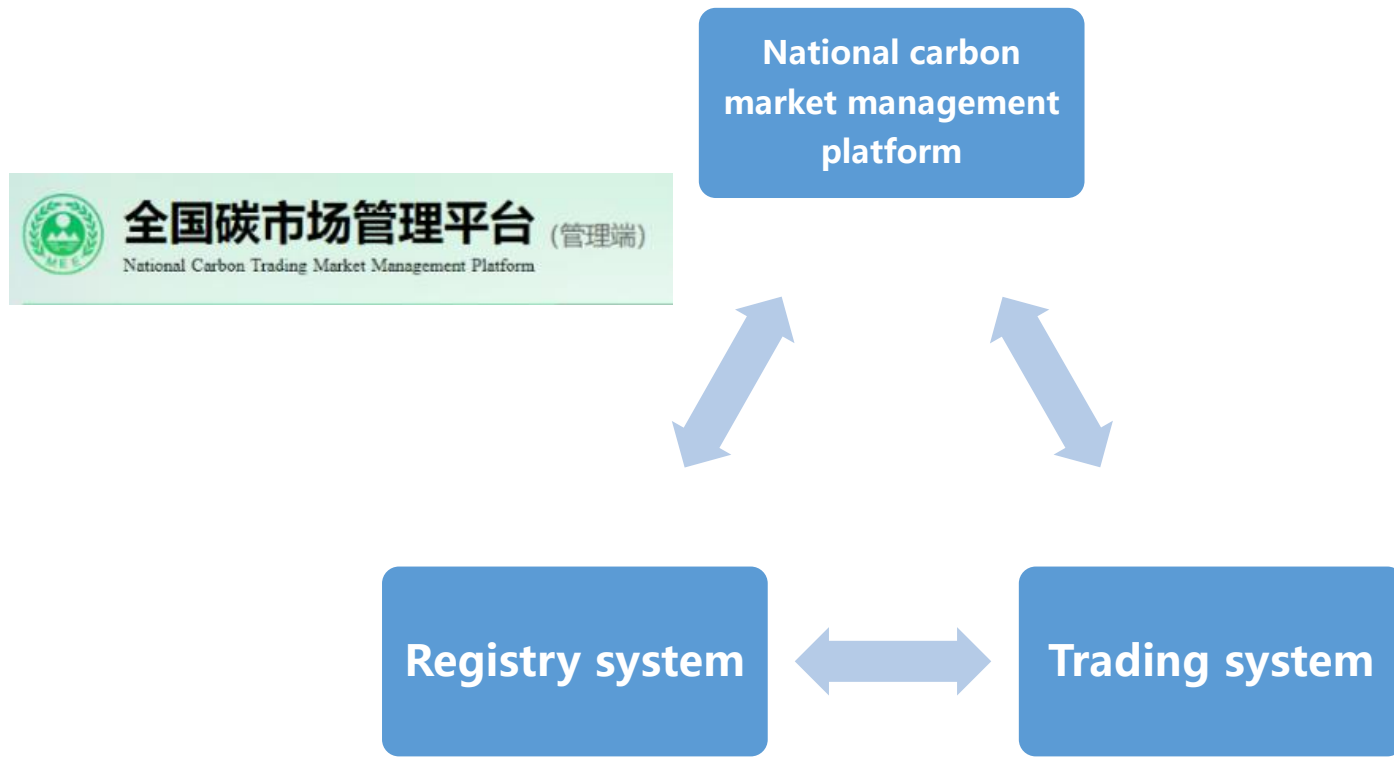


1. Established and perfected a Multi-level institutional framework





2. Supporting infrastructure systems “one network, two organizations and three platforms”





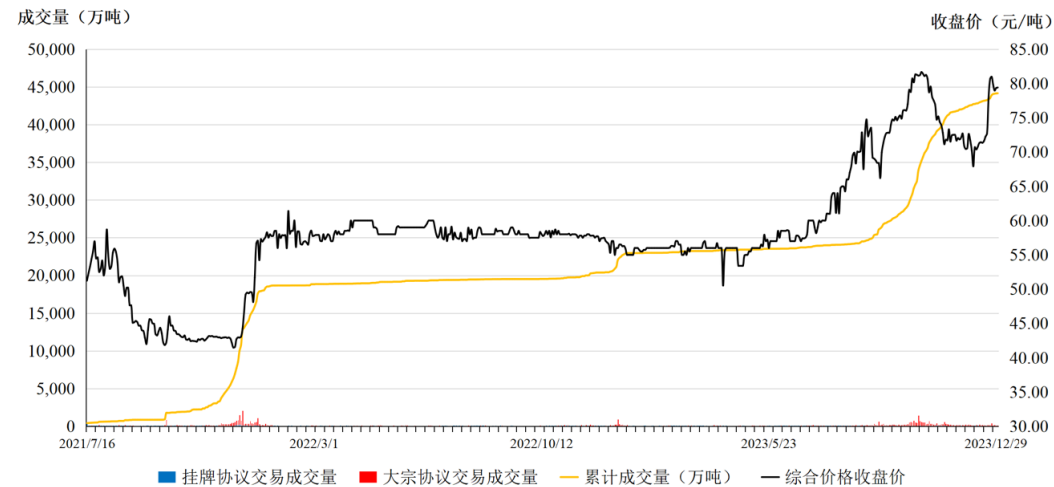
3. Sustained strengthen data quality management

- established 'national-provincial-municipal' emission data supervision mechanism
- based on annually reporting and verification, monthly data and information storage was added to enhance data management
- big data and block chain technology were used to enhance supervision efficiency

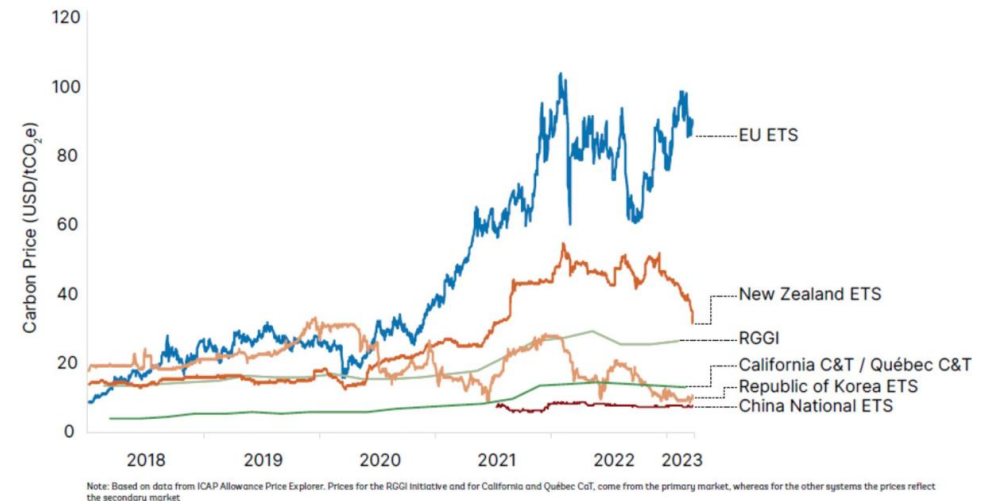


4. The market has been operating steadily and well

Since the launch of the national ETS, the market operation has been generally smooth and orderly. By the end of 2023, the cumulative volume had reached 440 million tons, with a turnover of about 24.9 billion yuan; the trading price has risen steadily, with the price remaining at about 50-80 yuan per ton. In mid Apr 2024, the price had exceeded 90 yuan per ton.



Trading volume and price from Jul 2021 to 2023



Global Major Carbon Market Price Trends 2018~2023



5. The two compliance cycles have been completed smoothly

The second compliance cycle of the national carbon market involves a total of 2,257 enterprises, covering more than 5 billion tons of GHG emissions annually.

- The compliance rate for the first cycle (2019-2020) is 99.5% (accounting by compliance amount).
- The compliance rates for the second cycle (2021 and 2022) were 99.61% and 99.88%,



6. Ongoing Capacity building

- implement a series of training activities for stakeholders
- establish a Q&A mechanism
- In 2023, a total of 134 carbon market construction trainings were conducted across the country, with 11,600 people participating in them





- ◆ In terms of enterprise management capacity, power generation enterprises have all been equipped with specialized staff for carbon emission management, and large power groups have set up carbon asset management companies, significantly improving their management level and accounting capacity.
- ◆ In terms of the capacity of technical service institutions, the verifiers have gained a deeper understanding of the technical guidelines for accounting and verification, verification process has become more standardized, and the technical evaluation scale has become more uniform.
- ◆ In terms of supervision capacity, provincial ecological and environmental authorities have set up specialized technical teams, and urban ecological and environmental authorities have arranged for specialists to be responsible for carbon market work.



Progress of CCER mechanism

- ◆ January 22, 2024 - The Launching Ceremony of the National Voluntary GHG Emission Reduction Trading Market was held in Beijing.
- ◆ This marks the completion of the construction of China's national carbon market system, which is driven by both mandatory and voluntary markets.

- ◆ Various types of social entities can voluntarily develop emission reduction projects, and the effect can be quantified and verified through scientific rules and methods, and then traded for revenues, so as to encourage a wider range of industries and enterprises to participate in GHG emission reduction actions.



Progress of CCER mechanism

additional

conservative

double promise

real

No double counting

MEE has published 4 CCER project methodologies, including grid-connected electricity generation from off-shore wind power, grid-connected electricity generation from solar thermal power, forestation, and mangrove vegetation creation.





1. Further improve institutional and administrative system

- ◆ publicize and implement the Interim Regulations on the Administration of Carbon Emissions Trading
- ◆ revise related policy documents and technical guidelines
- ◆ continuous implement carbon emission data quality management



2. Gradually expand scope of national ETS to more industries

- ◆ Prioritize the inclusion of key industries with large carbon emissions, serious overcapacity, good synergistic effect of pollution reduction and carbon reduction, and a good data quality basis.
- ◆ Gradually incorporate more industries and expand the scale of emissions covered by the market, based on the principle of "one mature, one covered"
- ◆ Strive to implement the first expansion of national ETS as soon as possible



3. Enriching market functions and stimulating market vitality

- ◆ improve allocation method, gradually add paid allocation
- ◆ gradually add trading entities, trading products and trading method
- ◆ strengthen the supervision of market transaction, improve rules, and enhance the activity of transactions



4. Promoting construction of national voluntary GHG emission reduction trading market

- ◆ Efforts will be made to establish an standardized, effective, fair and transparent voluntary emissions reduction trading market, and to motivate a wider range of industries and enterprises to participate in GHG emissions reduction.
- ◆ Launching on-line trading of emission reductions from new projects, improving institutional, releasing new methodologies, establishing a mechanism for supervising the data, and promoting convergence with international rules.



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Thank you!