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World's carbon markets case studies highlight different models of emissions trading

BARCELONA, 27 May – Carbon markets around the world are continuing to expand and gather momentum, according to a series of case studies released by IETA, Environmental Defense Fund (EDF) and CDC Climat Research today, despite diverse challenges.

[The case studies](#) – released at [Carbon Expo](#) in Barcelona – find that while countries such as [Kazakhstan](#), [Norway](#) and [New Zealand](#) are opting for market-based carbon pricing systems, each system is tailored to suit the national circumstances.

Case studies on carbon markets and pricing in [Australia](#), [Brazil](#), [the EU](#), [Japan](#), [India](#), [Tokyo](#), [South Africa](#), [the UK](#) and [Switzerland](#) have also all been updated, to reflect the latest in policy developments in these regions. Each case study identifies unique challenges and lessons learned for each market, such as how forestry could be handled in an ETS, addressing competition concerns and moving away from free allocations.

[The World Bank](#) estimates that the world's emissions trading systems are now valued at \$34 billion.¹ A report by the International Carbon Action Partnership earlier this year found that jurisdictions with an ETS now represent 40% of global GDP.²

“This collection of work showcases how different governments have used market forces to curb emissions, tailored to their unique circumstances,” says IETA President and CEO Dirk Forrister. “As we increasingly move towards a bottom-up world of climate policy, these case studies offer an array of models that others can borrow from. They show that carbon markets can work for all regions, all circumstances and all economic structures.”

IETA - Climate Challenges, Market Solutions

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“It is highly encouraging to see the growth and development of carbon markets around the world,” said Gernot Wagner, Lead Senior Economist at EDF. “As more governments implement innovative and effective market systems, we are beginning to see the needle shift on global climate policy.”

“There is a growing consensus on the fact that carbon pricing is becoming a priority among economic decision makers around the world – the big question is how to put a price on carbon,” says Benoît Leguet, Director of CDC Climat Research. “These case studies provide a fantastic collection of experiences that can be extremely useful to share government experience and inform the implementation of these innovative climate policies.”

He adds: “Whatever their stage of maturation, each system has to overcome important challenges to ensure the credibility and the stability of the system and the emergence of a robust and predictable carbon price signal.”

Today’s release is the third and final instalment of the World’s Carbon Markets series, following releases of the [China](#), [Alberta](#), [California](#), [Québec](#) and [RGGI](#) case studies earlier this year.

NOTES

1 The World Bank’s valuation is based on the price of allowances in all ETSs on 1 April 2015 multiplied by the allowance volume for 2015. See [Carbon Pricing Watch 2015](#), released by the Bank on 26 May for more information.

2 See the [ICAP Status Report 2015](#) for more information.

About IETA:

[IETA](#) has been the leading voice of the business community on the subject of carbon markets since 1999. IETA’s 130 member companies include some of the world’s leading corporations, including global leaders in oil, electricity, cement, aluminium, chemical, paper, and other industrial sectors; as well as leading firms in the data verification and certification, brokering and trading, legal, finance, and consulting industries.

About EDF:

[Environmental Defense Fund](#), a leading international non-profit organisation, creates transformational solutions to the most serious environmental problems. EDF links science, economics, law and innovative private-sector partnerships. Connect with us on [EDF Voices](#), [Twitter](#) and [Facebook](#).

About CDC Climat Research:

[CDC Climat Research](#) benefits from the support of the Caisse des Dépôts Group to provide independent expertise on economic issues relating to climate and energy policies. CDC Climat Research helps public and private decision-makers improve the way in which they understand, anticipate, and encourage the use of economic and financial resources aimed at promoting the transition to a low-carbon and resilient economy.