Steady increase of global market value
(in Billion US$)

- Other project-based
- Other allowances
- Secondary CER
- Primary CER post-2012
- Primary CER pre-2013
- EU Allowances

2005 - 11
2006 - 31
2007 - 63
2008 - 135
2009 - 144
2010 - 159
2011 - 176

(in Billion US$)
EU and other markets increasing value
(in Billion US$)

pre-2013 CDM
-32%
0.3
-36%
0.3
-49%
0.3

post-2012 CDM
+63%
2.0

New Zealand
+249%
0.4

N. America
-18%
0.5

Secondary CDM + JI
+12%
23.1

EU ETS Allowances
147.8
Historic low EUA and CER prices responding to macro-economic fundamentals

- Peak of demand in "sellers market" 2008-09 financial crisis and economic downturn
- 2-y of relatively low volatility and stable prices
- EU debt crisis & oversupply in KP and EU ETS post-2012
- CERs & EUAs decouple ETS rescue plan vs. CERs & ERUs issuance

Daily prices (€)

- EUA
- Secondary CER
- Primary CER
- Primary CER post-2012

Graphical representation of daily prices from April 2008 to July 2013.
Contraction of the CDM market

Pre-2013 market values (US$ million)

Pre-2013 CER
Supply of international credits outstrips demand

* EU-27, Iceland, Liechtenstein, Norway and Switzerland

** Only covers supply of Kyoto credits
Carbon initiatives are developing faster than ever.
New schemes with growing GHG coverage

Circumference sizes intended to indicate magnitude of GHG emissions

- EU ETS
- Switzerland
- RGGI
- Tokyo
- Calif.
- Kaz.
- Québec
- Guangdong
- Beijing
- Tianjin
- Korea
- Shanghai
- Shenzhen

Estimated coverage vs Date of implementation
Over 20% of global emitters with carbon pricing initiatives implemented or scheduled

Considering similar approaches: over 60 jurisdictions emitting 24 GtCO$_2$e/y (half of global emissions)
Thank you!!

Alexandre Kossoy

www.carbonfinance.org

Prepared by
ECOFYS
## Price stabilisation?

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Price (US$/tCO$_{2}$e)</th>
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<tr>
<td>Kyoto credits</td>
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<td>EU ETS</td>
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<td>Calif. Cap-and-Trade</td>
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<td>KAZ ETS</td>
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<td>NZ ETS</td>
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<td>UK Carbon Price Floor</td>
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### Notes:
- **No**
- **Upper price**
- **Upper and lower price**
- **No explicit**