

# Carbon Emissions Trading in China

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# 1. Overview of ETS Development in China

- Long command-and-control policy tradition
- Switching to market-based approaches in the big policy context of deepening reforms comprehensively
- “Crossing the river by feeling the stones” philosophy and tradition
- Decision to pilot emissions trading in seven provinces and municipalities in 2011
- National ETS expected to be operational in 2017

## 2. Challenges Facing ETS Establishment

- 1) Lack of reliable data, especially verified emissions data
- 2) Lack of necessary resources, e.g. financial, human resources
- 3) Insufficient capacity, e.g. institutional and personal capacity at different levels and sectors
- 4) Lengthy legislation process
- 5) Lack of cooperation of relevant authorities
- 6) Lack of coordination of various relevant policies
- 7) Coordination of different authorities