



Post-Kyoto Global Emissions Trading: Perspectives for Linking National Emissions Trading Schemes with the EU ETS in a Bottom-Up Approach

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ABSTRACT

The analysis at hand constitutes a legal, institutional and in particular qualitatively economic assessment of a global climate change policy architecture evolving from the linkage of the European Emissions Trading Scheme (EU ETS) with emerging domestic emissions trading schemes (ETS) worldwide. Initially, the marked-based climate change regimes on global as well as on EU level are reviewed. The efficiency of the complex negotiation process at the global level is assessed by its outcome according to international law. The analysis of EU legislation sets the stage for deducing essential criteria as provisions for an effective linking with other national ETS. These critical design issues are then revealed for each linking candidate in order to evaluate the linking potentials of specific domestic ETS. Moreover, the results of this multi-dimensional approach enable statements on the economic efficiency and ecological effectiveness. In particular the inefficiencies of centralized and decentralized regimes are analyzed. Due to these findings subsequent challenges for a fair and effective allocation of allowances in a bottom-up system without a centralized institution re-sponsible for the limitation of the total amount of certificates are dealt with. As starting point for a discussion on conceivable legal constructions thereto the latter may play a role within the negotiation process towards future climate change combat strategies and agreements.

KEYWORDS

Post-Kyoto; Emissions Trading Schemes; Bottom-Up Linking

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