

# Harmonisation between national and international tradeable permit schemes

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## From linking to harmonisation?

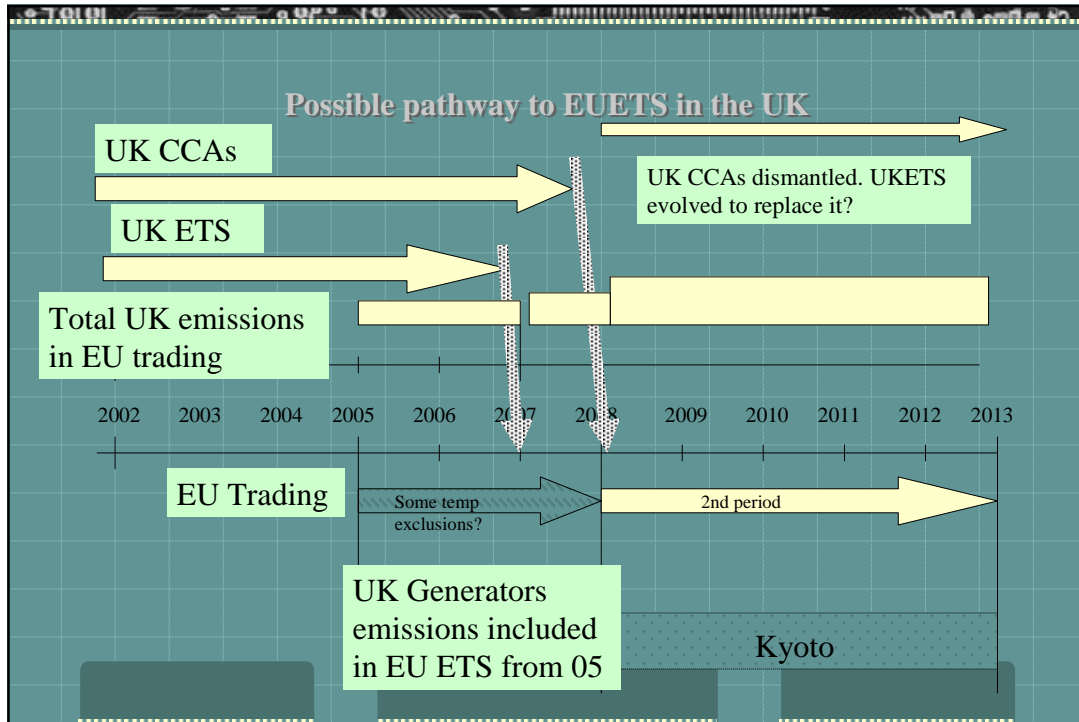
- Are the two synonymous?
- Implications for evolution of carbon markets?
- Implications for policy objectives?

**What guiding principles for linking emissions trading schemes?**

- Environmental rationale
- Economic rationale
- Credibility

**Planning to link to EU ETS- issues for the UK**

- No direct link between UKETS and EU ETS
- New sectors involved in trading from 2005
- Broad criteria for Phase One eases transition



### Harmonisation beyond national emissions trading schemes?

- What impact on domestic emissions trajectories?
- Will other policy instruments need to be more or less harmonised?
- What impact on scope for differing use of other flexible mechanisms?

## **Conclusions**

- Need to understand more about equity and Efficiency impacts of linking and/or harmonisation.
- Practical questions of linking possibilities
- Linking and the wider policy mix