

A Way Forward for Emissions Trading – Using Block Chain for Transactions

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ABSTRACT

Block chain technology was originally created for the purpose of developing online crypto-currencies. Nevertheless, innovations in the technology and its use are seeing it being utilized in many other areas of trade, commerce, and logistics. This paper looks at the feasibility of using block chain technology to facilitate carbon or emissions trading. The block chain technology could fit the role of providing a decentralized carbon ledger—a registry and record of transactions in emissions trading that is maintained by a huge network of individuals. In particular, as international carbon trading and linking is set to become more decentralized after 2020 with the Paris Agreement, we look at whether block chain could be used for international trading or linking of various national programs for emission reduction.

Keywords: Block chain; Carbon Trading; Emissions Trading; Offsets; Paris Agreement.