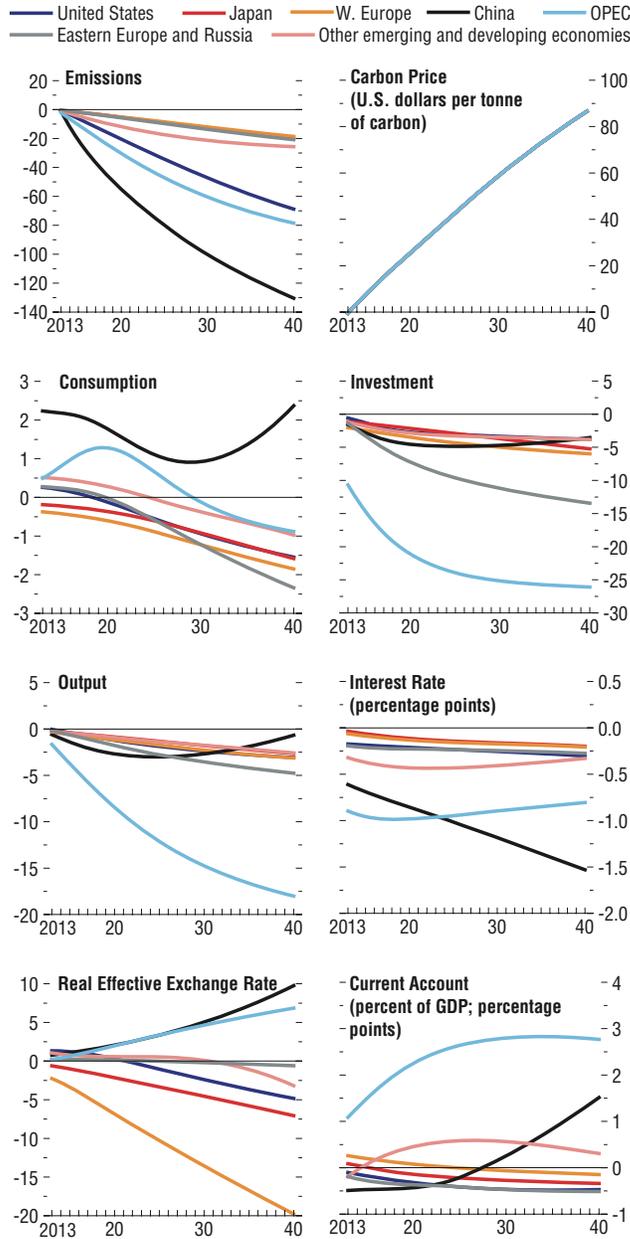


Figure 4.14. Cap-and-Trade System for All Regions Based on Share of World Population, 2013–40¹

(Deviation from the baseline; percent unless otherwise stated)

Beginning in 2013, there is a cap-and-trade system for all regions to gradually achieve 60 percent reductions in total world (energy-based) carbon-dioxide emissions relative to the 2002 level by 2100, allowing for some increases in the medium term, peaking in 2018. This corresponds to a 96 percent reduction in global emissions relative to the baseline at 2100. Emission rights are allocated by share of global population in each year from 2013 onward.



Source: IMF staff estimates.
¹Output refers to gross national product. Interest rate refers to 10-year real interest rate. For real effective exchange rate, a positive value is an appreciation relative to the baseline.