

CARBON MARKET PLATFORM

1ST STRATEGIC DIALOGUE

Tokyo, 16th-17th June 2016

CO-CHAIR'S PRESS RELEASE

From 16 to 17 June 2016, representatives from Australia, Canada, Chile, European Union, France, Germany, Indonesia, Italy, Japan, Korea, New Zealand, Senegal, Switzerland, United Kingdom, United States and Vietnam as well as from the international organizations International Carbon Action Partnership (ICAP), OECD, the UNFCCC secretariat and the World Bank met in Tokyo, Japan for the first Strategic Dialogue of the Carbon Market Platform, which was established based on Leaders' Declaration of the G7 Summit at Schloss Elmau in Germany in June 2015.

In the Declaration, the heads of states emphasised that deep cuts in global greenhouse gas emissions are required with a decarbonisation of the global economy over the course of this century. In order to facilitate a worldwide low-carbon development path, they committed to the long-term objective of applying effective policies and actions throughout the global economy, including carbon market-based and regulatory instruments, and decided to establish a political platform for a strategic dialogue on these issues.

The aim of the Platform is to facilitate an informed and open strategic dialogue between countries on climate change policies, and the Platform will provide a forum to identify political and institutional gaps at the national and international levels and allow for new cooperative and coordinated approaches to be developed.

The Dialogue was co-chaired by Mr. Shigemoto Kajihara, Vice-Minister for Global Environmental Affairs, Ministry of the Environment of Japan, and Mr. Karsten Sach, Director General, Climate Policy, European and International Policy, Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) of Germany.

In the Dialogue, participants have presented their experiences with carbon markets, carbon pricing and regulatory instruments in the context of nationally determined contributions (NDCs) and discussed with the aim to foster understanding of the various domestic approaches, uncover their drivers and barriers, identify best practices, and discover new options for policy coordination that can enhance environmental integrity, leverage gains in efficiency, and reduce competitiveness concerns.

Participants also discussed Article 6 of the Paris Agreement which provides countries with opportunities to use internationally transferred mitigation outcomes (ITMOs) and UN-backed credits to achieve their NDCs, and how the Platform should support and complement activities to the UNFCCC process in the development of guidelines, rules, modalities, procedures and best practices, which are necessary to support environmentally sound and cost-effective mitigation outcomes while using carbon markets.

During the course of discussions, it was highlighted that the Platform can provide political impetus and ultimately support fostering a robust and sustainable development of carbon markets globally, while taking into account national preferences and circumstances. It was also highlighted that continuous dialogue that will engage policymakers at the Director-General level are essential in order to keep providing political impetus and that such dialogue should be supported by preparatory work at the expert level.

In this regard, the second Strategic Dialogue will be held in Italy in 2017, co-chaired by Italy and Germany, with a view to accommodate the diversity of approaches in its members' climate policy strategies and to ensure a balanced participation.

The outline of this Dialogue will be presented at a side event during COP22 in Marrakech, Morocco.

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