Carbon Market Platform
Strategic Dialogue on Carbon Markets and the Regulatory Environment

14th Partnership Assembly
Partnership for Market Readiness (PMR)
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In June 2015, Schloss Elmau in Germany, **G7 leaders decided** to **establish a platform** for a strategic dialogue on effective policies and actions throughout the global economy, including carbon market-based and regulatory instruments.

**The rationale behind the establishment of the Platform:**

- Over 80 INDCs imply the use of carbon markets.
- Article 6 of the PA provides countries with opportunities to use ITMOs and UN-backed credits to achieve their NDCs.
- A broad variety of approaches including domestic carbon pricing and market approaches are implemented steadily but in a fragmented manner.
- There’s a need for new cooperative and common approaches for the commitment to the long-term objective of applying effective policies and actions, including carbon market-based and regulatory instruments.
Strategic Dialogue:

- Main forum of the Platform, engaged by Director-General level policy makers
- To identify political and institutional gaps at the national and international level and allow for new cooperative and common approaches to be developed.

- Working together with relevant partners (ICAP, World Bank, OECD, UNFCCC)

- Membership open to countries other than G7, balanced dialogue representing a range of different perspectives
Key issues likely to be discussed at the 1st Dialogue (June 16-17, Tokyo)

- Development of carbon markets and carbon pricing in the light of the Paris Agreement (country info sharing)
- Discovering options for cooperative approaches and ITMOs (addressing Article 6.2 of the Paris Agreement)
- Potentials of a mechanism to be established under the authority and guidance of the CMA (addressing Article 6.4 of the Paris Agreement)
- The role of a framework for international cooperation on the use of carbon markets
- Wrap-up and conclusions of the Dialogue
What are the next steps?

♦ **Annual strategic dialogue** at Director-General level, supported by preparatory work at expert level

♦ For an **initial three-year** phase: Germany as Co-chair, accompanied by a rotating Co-chair from the actual G7 presidency (2016: Japan)

♦ 1st strategic dialogue **hosted by Japan in 16/17 June 2016** in Tokyo

♦ **Preparatory meeting at expert level at the margin of the SB session** in Bonn (22 May)

♦ **Up to 10 further countries** to be invited to join in 2016

♦ Activities to be reported at **a side event during COP22 in Morocco**
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