



Joint Statement

On the tenth anniversary of the International Carbon Action Partnership's (ICAP) founding, supporting governments and public authorities, representing supranational, national, and subnational levels, emphasize the following:

Need for Urgent Action to Control Climate Change

Climate change presents significant risks to the environment, economic and social prosperity, as well as human health; hence the need for bold, ambitious and rapid actions and measures to reduce greenhouse gas (GHG) emissions and move towards low-carbon economies. Yet, the need to decouple economic growth from GHG emissions also presents an important opportunity to spur a transition toward more sustainable and energy-efficient development. This transition can unlock significant employment and investment opportunities, allowing jurisdictions to grow in a more inclusive and sustainable manner.

Importance of implementing the Paris Agreement

The Paris Agreement sent a clear signal that governments are committed to acting on climate change, with the goal of limiting the average rise in global temperature to well below 2°C and pursue efforts to limit it to 1.5°C. As Parties work toward the implementation of their commitments under the Paris Agreement, and subnational jurisdictions implement their own climate change programs, emissions trading and cooperation across borders will be a key building block in many jurisdictions' strategies. Emissions trading can help ensure that the goals of the Paris Agreement are met in a cost-effective manner.

Significance of Subnational Action

Action against climate change is important at all levels. Commitments at the subnational level, such as those through the Subnational Global Climate Leadership Memorandum of Understanding, or Under2MOU, are essential to combating climate change. Subnational efforts, including those of many ICAP members, are crucial to achieving our climate goals.

Emissions Trading as a Key Element in Decarbonization

A well-designed emissions trading system (ETS) puts an adequate price on GHG emissions, guarantees emissions are reduced at the lowest cost, and offers governments certainty that mitigation targets will be met. Over the past decade, the number of ETSs



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has grown gradually and these systems now cover close to 15% of global emissions. Interest in emissions trading is rising, including in major emerging economies.

Significance of ICAP

2017 marks the tenth anniversary of ICAP, which has doubled in size since its founding to include 35 member and observer governments across four continents. ICAP provides a unique forum that brings together jurisdictions from multiple levels of governance working on emissions trading. ICAP has created a close-knit international community of emissions trading experts, including more than 400 ICAP course alumni involved in carbon pricing activities in developing countries. Over time, ICAP has emerged as the foremost knowledge hub on emissions trading, with a diversity of high-quality knowledge products that reach a wide global audience. The partnership has encouraged the emergence of best practices and diverse forms of collaboration that lay the groundwork for the future cooperation and possible linking of ETSs.

Therefore the listed governments and public authorities will work together to:

Strengthen Existing Emissions Trading Systems

Well-designed ETSs will be needed if governments are to achieve increasingly ambitious, long-term decarbonization targets in line with the goals of the Paris Agreement. Recognizing this, signatories will work to ensure their systems are effective in reducing emissions and send an appropriate, long-term carbon pricing signal. Signatories are also committed to applying sound and transparent accounting rules that can safeguard the reliability, confidence, and integrity of linked systems, considering also the cooperative approaches outlined in Article 6 of the Paris Agreement.

Leverage ICAP

Signatories reaffirm their commitment to ICAP's work in fostering a dialogue among all levels of government that have or are interested in implementing an ETS. ICAP will continue to act as a forum for discussions on ETS design and compatibility issues with a view to facilitating future linking, focusing on pertinent issues such as the relationship between linking and domestic climate targets, as well as raising climate ambition. ICAP can also leverage its expert networks to intensify cooperation with aspirant ETS jurisdictions to encourage the development of new carbon markets around the world. Early engagement with these jurisdictions and their exposure to ICAP's accumulated practical experience from its membership base can ensure the transmission of best practices and lessons learned in emissions trading.



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Encourage Carbon Market Cooperation

Signatories commit to strengthening cooperation on joint actions involving their carbon markets. Steps can include technical cooperation, information sharing, exploring design alignment, or any other efforts that contribute to the principles acknowledged in this statement. Signatories also commit to supporting the implementation of robust and ambitious ETSs in other jurisdictions. Early collaboration lays the groundwork to future cooperation and opens the way to the progressive linking of systems and increasingly unified carbon pricing signals across different jurisdictions. ICAP also commits to stepping up its cooperation with interested jurisdictions to prepare and support their collaboration and linking efforts.



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ICAP Members:

California
Denmark
France
Germany
Ireland
Italy
Manitoba
Massachusetts
Netherlands
New York
New Zealand
Norway
Ontario
Oregon
Portugal
Québec
Spain
Switzerland
Tokyo Metropolitan Government
United Kingdom
Vermont
Washington

Other jurisdictions and partners:

Japan (Ministry of the Environment)
Mexico
Republic of Korea
Ukraine