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DECLASSIFICATION¹

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Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

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Brussels, 15 May 2017 (OR. en)

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COVER NOTE

| From: | Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director |
|------------------|--|
| date of receipt: | 12 May 2017 |
| To: | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union |
| No. Cion doc.: | COM(2017) 175 final |
| Subject: | Recommendation for a COUNCIL DECISION authorising the opening of negotiations on an agreement between the European Union and the Global Green Growth Institute |

Delegations will find attached document COM(2017) 175 final.

Encl.: COM(2017) 175 final

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Brussels, 12.5.2017 COM(2017) 175 final

Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations on an agreement between the European Union and the Global Green Growth Institute



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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Reasons for and objectives of the proposal

The Global Green Growth Institute (GGGI) is an international organisation, established in 2012, dedicated to supporting and promoting strong, inclusive and sustainable economic growth in developing countries and emerging economies. It aims at a resilient world achieved through strong, inclusive sustainable green growth, and has a mission to support the transition of countries to a green growth model by developing and implementing strategies that simultaneously achieve poverty reduction, social inclusion, environmental sustainability and economic growth.

The UNFCCC Paris Agreement, adopted in December 2015, will strengthen the global response to the threat of climate change by holding the increase in the global average temperature to well below 2° Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5° Celsius. Each Party to UNFCCC maintains a Nationally Determined Contribution (NDC) setting out the measures it intends to take in order to achieve these goals. Parties also agreed on the importance of technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas (GHG) emissions.

The Paris Agreement necessitates a strongly reinforced and sustained international effort by all countries to mitigate GHG emissions to a maximum extent, in the fastest way possible. The Paris Agreement recognized the need to assist developing countries on delivering their climate plans.

In this context, the GGGI has emerged as a leading international actor on green growth. Through membership in the GGGI, the Union would gain access to a forum through which it can strengthen its climate diplomacy outreach towards developing and emerging economies, while also contributing with valuable experience, gained from the development of Union climate policies. Since the GGGI focuses on comprehensive green growth strategies, this would also help to exploit the synergies between climate objectives and the sustainable development goals adopted as part of the 2030 Sustainable Development Agenda. It is proposed to open negotiations with the GGGI on EU membership, as opposed to the alternative possibility to propose the accession of the Union to the Agreement on the Establishment of the GGGI. The reason is that the issue of EU voting rights as a future member of the GGGI should be clarified before the Union becomes member of this international organization.

• Consistency with existing policy provisions in the policy area

In order to limit the temperature increase to well below 2°C, the Paris Agreement needs to be truly global and effective. All countries would need to start implementing their intended nationally determined contributions. Through membership in the GGGI, the Union can:

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- Encourage existing and future member countries of the GGGI to implement and raise ambition of their National Determined Contributions to the Paris Agreement by, among other means, using good practices which are developed and implemented under the green growth approach.
- Cooperate with the GGGI in the context of the Union climate diplomacy strategy, fully taking into account synergies between reaching climate objectives and sustainable development goals.
- Conduct an exchange of best practices at a political and expert level based on the significant experience in developing and implementing climate strategies that the Union has gained.

• Consistency with other Union policies

The work of the GGGI, given its focus on green, sustainable growth is clearly linked to environmental and development matters as well as renewable energy and energy efficiency policies.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

Legal basis

Article 216 of the Treaty on the Functioning of the European Union (TFEU) specifies that the Union may conclude an agreement with an international organisation. Article 218 sets out the procedure to be followed when concluding an agreement with an international organisation and Article 218(3) the detail when nominating the Commission as negotiator on behalf of the Union.

• Subsidiarity (for non-exclusive competence)

Climate change is a trans-boundary issue. Coordination of climate action both at the global and European level is necessary and Union action is justified on the ground of subsidiarity. Article 191 TFEU specifies Union competencies in the area of the environment including climate change.

Union membership would allow for the sharing of GGGI's knowledge and best practices amongst all Member States; it would also permit Union efforts to spread policy and diplomatic messages regarding climate change as widely as possible with our international partners.

Proportionality

The recommendation for a Council Decision to negotiate Union membership of the GGGI is proportionate: it is the minimum legal and most simple step needed to allow for Union membership.

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Choice of the instrument

The adoption of a Council Decision is stipulated by Article 218(3) TFEU.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

• Ex-post evaluations/fitness checks of existing legislation

Not applicable.

Stakeholder consultations

Not applicable. However, the Commission published its intentions to seek authorisation from the Council to negotiate, on behalf of the Union, Union membership of the GGGI on its Better Regulation website on 8 November 2016. No comments from stakeholders have been received during the feedback period between 8 November 2016 and 12 January 2017.

Collection and use of expertise

Not applicable.

Impact assessment

No impact assessment has been prepared as a Council Decision authorising the opening of negotiations of Union membership of the GGGI does not imply any direct impact on the Commission's budget nor does it require Member States to implement any action.

However, the Commission considered the alternative option of not taking any action. The baseline option of <u>no action</u> would consist in a scenario where only a small number of Union countries are members of the GGGI (since its foundation as an international organisation in 2012, Denmark, the UK, and recently Hungary have become members). In this case, it is unlikely that the full range of Union experience on green growth issues are brought into the GGGI, and that the organisation is used to a maximum extent for the aims of the Union climate diplomacy strategy.

The preferred option put forward by means of this proposal is Union's membership of the GGGI. It is proposed to join as a participating member that does not contribute financially (GGGI Statutes, Article 3).

Regulatory fitness and simplification

Not applicable.

• Fundamental rights

Not applicable.

4. **BUDGETARY IMPLICATIONS**

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Union membership of the GGGI does not imply any direct effects for the EU budget.

5. **OTHER ELEMENTS**

• Implementation plans and monitoring, evaluation and reporting arrangements

Not applicable: a Council Decision to negotiate membership of the GGGI does not require the Member States to implement any action.

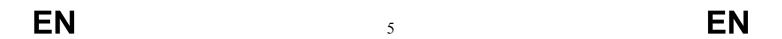
Explanatory documents (for directives)

Not applicable.

• Detailed explanation of the specific provisions of the proposal

The Commission recommends that:

- the Council should authorise the Commission to open and conduct negotiations for Union membership of the GGGI;
- the Commission should conduct such negotiations in consultation with the special committee pursuant to the provisions laid down in the TFEU;
- the Council should approve the negotiation guidelines attached to this recommendation.



Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations on an agreement between the European Union and the Global Green Growth Institute

THE COUNCIL OF THE EUROPEAN UNION.

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 218(3) and (4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- Only a small number of Union countries are currently members of the Global Green Growth Institute ('GGGI')². It is therefore unlikely that the full range of Union experience on green growth issues are brought into the GGGI, and that the organisation is used to a maximum extent for the aims of the Union climate diplomacy strategy.
- (2) Climate change is a trans-boundary issue. Coordination of climate action both at the global and European level is necessary and Union action is justified in accordance with the principle of subsidiarity. Article 191 TFEU specifies Union competencies in the area of the environment including climate change.
- (3) Union membership would allow for the sharing of GGGI's knowledge and best practices amongst all Member States. It would also permit Union efforts to spread policy and diplomatic messages regarding climate change as widely as possible with its international partners.
- (4) Since the GGGI focuses on comprehensive green growth strategies, Union membership of the GGGI would also help to exploit the synergies between climate objectives and the sustainable development goals adopted as part of the 2030 Sustainable Development Agenda.
- (5) The Commission should therefore be authorised to open negotiations on behalf of the European Union with a view to concluding an agreement on Union membership of the GGGI,

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Since its foundation as an international organisation in 2012, Denmark, the UK, and recently Hungary have become members of the GGGI.

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to negotiate, on behalf of the Union, an agreement on Union membership of the Global Green Growth Institute.

Article 2

The negotiating directives are set out in the Annex.

Article 3

The negotiations shall be conducted in consultation with the [name of the special committee to be inserted by the Council].

Article 4

This Decision is addressed to the Commission.

Done at Brussels,

For the Council The President

