



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 16 June 2014**

**8568/13  
ADD 1 DCL 1**

**ENV 305  
ENER 131  
IND 108  
COMPET 214  
MI 298  
ECOFIN 273  
TRANS 169  
AUS 3  
OC 234**

**DECLASSIFICATION**

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of document: 8568/13 ADD 1 RESTREINT UE/EU RESTRICTED

dated: 24 April 2013

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Subject: Draft Council Decision authorising the Commission to open negotiations on linking the EU emissions trading scheme with an emissions trading system in Australia  
- Negotiating Directives

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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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<b>TRANS</b>	<b>169</b>
<b>AUS</b>	<b>3</b>
<b>OC</b>	<b>234</b>

**NOTE**

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from : General Secretariat  
to : Coreper/Council

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Subject : Draft Council Decision authorising the Commission to open negotiations on linking the EU emissions trading scheme with an emissions trading system in Australia  
- Negotiating Directives

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NEGOTIATING DIRECTIVES**A. Procedure for negotiations**

1. The Commission shall conduct negotiations in accordance with relevant Union legislation in force. Where appropriate, detailed negotiating positions of the Union shall be established within the special committee referred to in Article 1(2) or within the Council. The Working Party on the Environment is designated as special committee to assist the Commission in this task. The meetings of the special committee shall be organised and chaired by the Member State holding the Presidency of the Council.
2. The negotiations must be prepared for well in advance. To this end, the Commission shall inform the Council of the schedule anticipated and the issues to be negotiated and shall forward the relevant documents as early as possible, in order to allow the members of the special committee reasonable time to prepare themselves properly for the forthcoming negotiations.
3. Each negotiating session shall be preceded by a meeting within the Special Committee in order to identify the key issues and establish negotiating positions or guidance, as appropriate. Where appropriate, guidance on specific technical aspects of the linking negotiations can be sought from the Climate Change Committee, subject to prior authorisation from the special committee.
4. The Commission shall report to the Council on the outcome of the negotiations after each negotiating session, and, in any event, at least quarterly. The Commission shall inform the Council and consult the special committee on any major problem that may arise during the negotiations.

**B. Content And Scope Of The Negotiations**

1. The Commission shall ensure that the agreement to link the EU emissions trading system with the Australian emissions trading system is consistent with relevant Union legislation.
2. The Commission shall ensure that:
  - (1) the linking agreement allows for the recognition of allowances only where these come from a compatible mandatory greenhouse gas emissions trading system with an absolute emissions cap. In assessing the compatibility of the two systems, the Commission shall, inter alia, assess whether they cover the same sectors, including aviation, and gases, with a fully comparable monitoring system in terms of accuracy, credibility and reliability of the data provided and a compliance system with the same level of stringency;
  - (2) the Australian system provides for meaningful emission reduction efforts;
  - (3) the use of credits from projects or other emission reducing activities in the Australian ETS emissions trading system does not negatively affect the EU Emissions Trading System;
  - (4) no elements in the Australian system are accepted that can negatively affect the efficient functioning of the EU Emissions Trading System;
  - (5) in case of evolution of the relevant Union acquis, the compatibility and consistency between both systems is assessed and ensured on a continuous basis;
  - (6) provisions are included to ensure compliance, the monitoring of compliance and the effective resolution of conflicts;

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- (7) there will be comparable opportunities and responsibilities for market participants and that the linked ETS should remain to be a cost-effective market-based instrument where the "cost of carbon" would be determined by the demand and supply in the market place.
3. The Commission shall ensure provisions are included for adjusting or terminating the agreement to link both systems.

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