



Procedures for EU ETS linking and an update on EU-Swiss linking negotiations

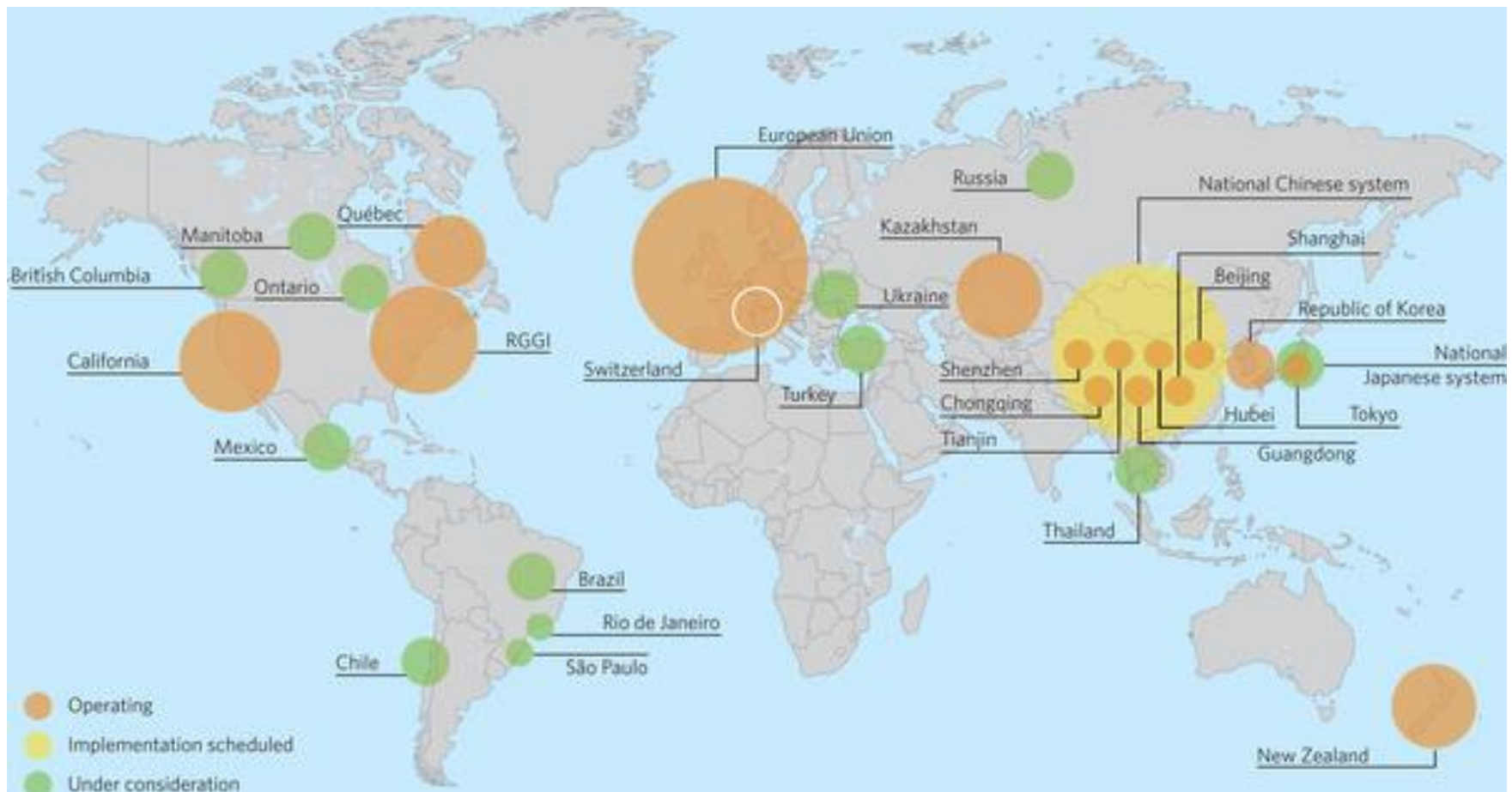
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**Climate
Action**

International spread of carbon pricing and ETSs



EU ETS linking experience

- ❖ **Norway, Iceland, Liechtenstein:** linked with the EU ETS since 2007 through incorporation of Directive in the EEA Agreement
- ❖ **Switzerland:** negotiations ongoing; close relations between Switzerland and EU economically and geographically and similar content foreseen as with EEA-EFTA states
- ❖ **Australia:** ETS launched 2012 but repealed 2014: negotiating mandate conferred in 2013 but not proceeding

EU ETS linking: conditions + process

EU ETS Directive, Art. 25(1)+(1a): minimum conditions for linking

- 1. Compatible**
- 2. Mandatory**
- 3. Absolute Emissions Cap**

TEU, Art. 17: COM represents EU in the negotiations

TFEU, Art. 218:

- **COM has Council authorisation for negotiations**
- **European Parliament to be informed at all stages**
- **COM proposals for signature and conclusion, leading to Council decisions**
- **European Parliament consent necessary for Council decision to conclude**

EU ETS and linking with Swiss ETS

EU ETS Directive, Art. 25(1a): Conditions for Linking

- **Compatible:**
 - Compatibility relevant pre- & post- linking
- **Mandatory + Absolute Emissions Cap:** → yes
- **Convergence on coverage**

TFEU, Art. 218:

- **Council authorisation given in December 2010**
 - Negotiations launched in spring 2011
 - European Parliament has been informed accordingly
 - Technical negotiations working to finalise solid agreement
 - COM proposal for decisions for signature & conclusion dependant on overall EU-Swiss bilateral relations