



Committee on Budgets

Brussels, 09.12.2020 13:59.

- Secretariat - TM/KL

VOTING LIST

on Towards a WTO-compatible EU carbon border adjustment mechanism

(2020/2043(INI))

Rapporteur: Elisabetta Gualmini

Draft opinion: PE 653.861v01-00

Amendments: PE 660.345v01-00

Compromise amendments: COMP A - COMP H

| Part of the text being considered | AM | Author | Remarks | Rapp. | Vote |
|-----------------------------------|----|---|-----------------------------------|-------|------|
| Paragraph 1 | 1 | Valérie Hayer, Luis Garicano, Nils Torvalds, Fabienne Keller, Moritz Körner, Nicolae Ștefănuță, Olivier Chastel | | + | |
| Paragraph 1 | 3 | Hélène Laporte | | - | |
| Paragraph 1 | 2 | Angelika Winzig | Falls if AM 3 is adopted | - | |
| COMPROMISE A | | If adopted, AMs 8, 4, 6, 7, 9, 11, 14, 5, 10, 13, 12 fall Go to COMP B | | + | |
| Paragraph 1 a (new) | 4 | Elisabetta Gualmini | Falls if COMP A is adopted | + | |

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|---------------------|----|--|----------------------------|---|--|
| Paragraph 2 | 5 | Francisco Guerreiro | Falls if COMP A is adopted | - | |
| Paragraph 2 | 6 | Hélène Laporte (ID) | Falls if COMP A is adopted | - | |
| Paragraph 2 | 7 | Eero Heinäluoma, Elisabetta Gualmini | Falls if COMP A is adopted | + | |
| Paragraph 2 | 8 | Angelika Winzig, Adam Jarubas | Falls if COMP A is adopted | + | |
| Paragraph 2 | 9 | Erik Bergkvist | Falls if COMP A is adopted | + | |
| Paragraph 2 | 10 | Silvia Modig | Falls if COMP A is adopted | + | |
| Paragraph 2 | 11 | Valérie Hayer, Nils Torvalds, Fabienne Keller, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP A is adopted | + | |
| Paragraph 2 | 12 | Roberts Zīle, Bogdan Rzońca | Falls if COMP A is adopted | + | |
| Paragraph 2 | 13 | Francisco Guerreiro | Falls if COMP A is adopted | - | |
| Paragraph 2 | 14 | Valérie Hayer, Luis Garicano, Nils Torvalds, Fabienne Keller, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP A is adopted | + | |
| COMPROMISE B | | If adopted, AMs 16, 24, 27 fall Go to COMP C | | + | |
| Paragraph 2 a (new) | 16 | Angelika Winzig, Adam Jarubas | Falls if COMP B is adopted | + | |

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| Paragraph 2 c (new) | 24 | Elisabetta Gualmini | Falls if COMP B is adopted | + | |
| Paragraph 3 | 27 | Eero Heinäluoma, Elisabetta Gualmini | Falls if COMP B is adopted | + | |
| COMPROMISE C | | If adopted, AMs 23, 18, 25, 41, 20, 17 fall Go to AM 19 | | + | |
| Paragraph 2 a (new) | 17 | Roberts Zīle, Bogdan Rzońca | Falls if COMP C is adopted | - | |
| Paragraph 2 a (new) | 18 | Elisabetta Gualmini | Falls if COMP C is adopted | + | |
| Paragraph 2 a (new) | 20 | Francisco Guerreiro | Falls if COMP C is adopted | + | |
| Paragraph 2 c (new) | 23 | Angelika Winzig, Adam Jarubas | Falls if COMP C is adopted | - | |
| Paragraph 2 d (new) | 25 | Elisabetta Gualmini | Falls if COMP C is adopted | + | |
| Paragraph 5 a (new) | 41 | Valérie Hayer, Luis Garicano, Nils Torvalds, Fabienne Keller, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP C is adopted | + | |
| Paragraph 2 a (new) | 19 | Hélène Laporte | | - | |
| COMPROMISE D | | If adopted, AMs 21, 39, 22, 15, 38 fall Go to COMP E | | + | |
| Paragraph 2 a (new) | 15 | Valérie Hayer, Luis Garicano, Nils Torvalds, Fabienne Keller, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP D is adopted | + | |

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| Paragraph 2 b (new) | 21 | Angelika Winzig, Adam Jarubas | Falls if COMP D is adopted | - | |
| Paragraph 2 b (new) | 22 | Elisabetta Gualmini | Falls if COMP D is adopted | + | |
| Paragraph 5 | 38 | Roberts Zīle, Bogdan Rzońca | Falls if COMP D is adopted | - | |
| Paragraph 5 | 39 | Angelika Winzig, Adam Jarubas | Falls if COMP D is adopted | + | |
| COMPROMISE E | | If adopted, AMs 29, 26, 28 fall Go to AM 30 | | + | |
| Paragraph 3 | 26 | Valérie Hayer, Luis Garicano, Nils Torvalds, Fabienne Keller, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP E is adopted | + | |
| Paragraph 3 | 28 | Francisco Guerreiro | Falls if COMP E is adopted | + | |
| Paragraph 3 | 29 | Elisabetta Gualmini | Falls if COMP E is adopted | + | |
| Paragraph 3 a (new) | 30 | Hélène Laporte | | - | |
| COMPROMISE F | | If adopted, AMs 31, 35, 32, 33, 34, 36 fall Go to AM 37 | | + | |
| Paragraph 4 | 31 | Elisabetta Gualmini | Falls if COMP F is adopted | + | |
| Paragraph 4 | 32 | Francisco Guerreiro | Falls if COMP F is adopted | + | |
| Paragraph 4 | 33 | Roberts Zīle, Bogdan Rzońca | Falls if COMP F is adopted | + | |

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|---------------------|----|--|----------------------------|---|--|
| Paragraph 4 | 34 | Silvia Modig | Falls if COMP F is adopted | - | |
| Paragraph 4 | 35 | Valérie Hayer, Luis Garicano, Nils Torvalds, Fabienne Keller, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP F is adopted | + | |
| Paragraph 4 | 36 | Hélène Laporte | Falls if COMP F is adopted | - | |
| Paragraph 4 a (new) | 37 | Francisco Guerreiro | | + | |
| Paragraph 5 | 40 | Hélène Laporte | | - | |
| Paragraph 5 a (new) | 42 | Hélène Laporte | | - | |
| COMPROMISE G | | If adopted, AMs 43, 44, 45, 46 fall Go to COMP H | | + | |
| Paragraph 6 | 43 | José Manuel Fernandes, Angelika Winzig | Falls if COMP G is adopted | + | |
| Paragraph 6 | 44 | Elisabetta Gualmini | Falls if COMP G is adopted | + | |
| Paragraph 6 | 45 | Valérie Hayer, Luis Garicano, Nils Torvalds, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP G is adopted | + | |
| Paragraph 6 | 46 | Hélène Laporte | Falls if COMP G is adopted | - | |
| COMPROMISE H | | If adopted, AMs 47 and 49 fall Go to AM 48 | | + | |
| Paragraph 6 a (new) | 47 | Elisabetta Gualmini | Falls if COMP H is adopted | + | |

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| Paragraph 6 a (new) | 49 | Valérie Hayer, Luis Garicano, Nils Torvalds, Nicolae Ștefănuță, Olivier Chastel | Falls if COMP H is adopted | + | |
| Paragraph 6 a (new) | 48 | Hélène Laporte | | - | |
| Paragraph 7 | 50 | Hélène Laporte | | - | |

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| FINAL REPORT AS AMENDED (Roll-call vote) | In favour + | Against | Abstentions |
|---|------------------------|----------------|--------------------|

COMPROMISE AMENDMENTS

COMP A (EPP, S&D, RE, ECR, Greens)

Acknowledges that the primary purposes of the carbon border adjustment mechanism (CBAM) must be to protect the climate, to mitigate the carbon leakage dilemma, to provide a level playing field for decarbonisation costs and, to increase demand for low carbon products and processes, as well as to prevent distortions to competition and trade and to safeguard the competitiveness of EU industries; stresses that the CBAM will help the EU to meet its climate targets, while ensuring a level playing field in international trade, reducing off-shoring of production to third countries with less ambitious environmental regulations, and respecting the “polluter pays” principle, with the aim of galvanising the rest of the world into taking climate action in line with the Paris Agreement and the European Green Deal; believes that the eventual outcome of the introduction of a CBAM would be more innovation and investments into greener technologies; moreover, highlights the necessity for the CBAM to be designed with the highest environmental integrity in mind;

COMP B (EPP, S&D, RE)

Calls on the Commission to conduct a solid impact assessment of the different designs according to which the CBAM could be implemented, taking into account different scenarios, such the possibility to cover all the present and prospective ETS sectors from the beginning and the specific characteristics of the sectors that could be covered by the mechanism before presenting a legislative proposal; considers it indispensable that the assessment evaluate the impact of different designs on the capability to reduce GHG emissions, the economic and social consequences on the EU industrial sector, with specific regard to SMEs, the competitiveness of EU exporters and the possible counter measures taken by third countries and their suppliers towards EU industries; at the same time, in order to maintain strong decarbonisation incentives and to ensure a level playing field for EU goods in third markets, the impact assessment should also examine the merits and likely consequences of export rebates (even if phased-in) in the sectors covered and in sectors not covered by the CBAM as well as the complementarity with the carbon leakage measures under the ETS scheme; stresses the importance to assess the impacts of each option on living standards of consumers, especially those of more vulnerable groups, as well as the impact on revenue; calls on the Commission to also include in the impact assessment the consequences on the revenue generated from the CBAM as an own resource for the EU budget depending on the design and modalities chosen;

COMP C (EPP, S&D, RE, ECR, Greens)

Underlines the importance of avoiding internal market distortions, as well as protectionist measures against the EU; notes that the EU's increased ambition on climate change leads to an increased risk of carbon leakage, due to lower environmental standards and lack of ambitious climate actions in third countries; therefore, urges the Commission to ensure full carbon-leakage protection in all its policies accordingly, suggests a World Trade Organization-compatible, non-discriminatory and progressive mechanism and strongly encourages the Commission to remain open to a multilateral approach that can contribute

effectively to global climate actions in line with the Paris Agreement and that could avoid retaliation against the EU economy; at the same time, urges the Commission to pursue multilateral WTO reforms that bring international trade law in line with the goals of the Paris Agreement; considers that - against the background of the global pandemic and ensuing economic crises - it becomes all the more indispensable to develop international policies which can reconcile climate action imperatives with industrial competitiveness and fair trade;

COMP D (EPP, S&D, RE, ECR)

Acknowledges that the CBAM could be implemented either as an extension of the current regime of customs duties or as a complementary scheme within the existing ETS framework; emphasises that both approaches could be entirely consistent with an own resources initiative; highlights that the second model, centralised according to ETS standards for sectors, materials and carbon prices, would facilitate the establishment of equivalent levels of carbon pricing on EU and non-EU products and therefore guarantee a fair level playing field in international trade and compatibility with World Trade Organization law and specifically with Art. III GATT; points out that, while the final mechanism should eventually cover a range of imports as wide as possible, the initial CBAM design could be limited to certain sectors of the economy, chosen according to the impact assessment;

COMP E (S&D, RE, Greens)

Recalls that the Parliament, the Council and the Commission agreed on the creation of new own resources in the course of the next Multiannual Financial Framework (MFF), including the CBAM, in the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (IIA); stresses that dedicating the financial flows resulting from the CBAM to the EU budget would help to mitigate issues of fiscal equivalence and ensure a fairly distributed impact across Member States, as well as ensuring a lean structure with minimal administrative overhead costs; concludes, therefore, that defining the proceeds as an EU own resource and reducing the share of GNI-based contributions in the financing of the EU budget, would help to mutualise the impact of the CBAM in a fair way across all Member States; considers that any savings at national level due to lower GNI-contributions will increase Member States' fiscal space; stresses that the implementation of the mechanism should be accompanied by the removal of environmentally harmful subsidies granted to energy-intensive industries in particular tax exemptions and breaks on energy used by energy-intensive industries;

COMP F (S&D, RE, ECR, Greens)

Welcomes that the CBAM, when it becomes a basis for an own resource according to the IIA, will bring the revenue side of the EU budget into closer alignment with strategic policy

objectives such as the European Green Deal, the fight against climate change, the circular economy and the just transition, and that it would thereby help to generate co-benefits, incentives and EU added value; considers that CBAM revenues would be, by their nature and origin, strictly linked to climate policies, external borders, as well as trade policy at the EU level, and would therefore constitute a highly suitable basis for an EU own resource; stresses, for the sake of environmental integrity, that the revenues generated from the CBAM would thus not be used to subsidise policies or actions which are against the Paris Agreement and the European Green Deal objectives;

COMP G (EPP, S&D, RE)

Is determined to ensure that the CBAM-based own resource will be part of a basket of own resources raising an amount sufficient to cover the level of overall expected expenditure for the repayment costs of the principal and the interests of the borrowing incurred under the Next Generation EU instrument, while respecting the principle of universality; moreover, recalls that any surplus from the repayment plan shall continue to serve the EU budget as general revenue; underlines that any earmarking of CBAM revenues would contravene the IIA, the Own Resources Decision and the Financial Regulation;

COMP H (S&D, RE)

Stresses that the introduction of a basket of new own resources, as provided for in the Roadmap towards the introduction of New Own Resources under the Interinstitutional Agreement, could facilitate a better focus of expenditure at Union level on priority areas and common public goods with high efficiency gains compared to national spending; reminds that any failure to respect the terms agreed in the IIA by one of the three institutions could expose it to a legal challenge by the others;