



2020/2043(INI)

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DRAFT OPINION

of the Committee on Industry, Research and Energy

for the Committee on the Environment, Public Health and Food Safety

towards a WTO-compatible EU carbon border adjustment mechanism
(2020/2043(INI))

Rapporteur for opinion: Jens Geier

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SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the Paris Agreement, the Green Deal and the goal of achieving climate neutrality by 2050; notes the lack of international climate efforts; believes that an EU carbon border adjustment mechanism ('the mechanism') could incentivise international efforts to combat climate change;
2. Underlines that international carbon pricing and fully competitive low-emission solutions would render the mechanism obsolete; stresses, therefore, that the EU needs to step up efforts in this respect;
3. Emphasises that decentralised climate actions can lead to carbon leakage and a competitive disadvantage on international markets for the EU industry; urges the Commission, therefore, to ensure full carbon-leakage protection and to consider the inclusion of export rebates in the mechanism;
4. Suggests a progressive mechanism that first includes sectors with the highest risk of carbon leakage before being enlarged over time; stresses that this should not lead to internal market distortions;
5. Stresses the need to limit international retaliation measures against the EU caused by the mechanism; urges the Commission to make the mechanism World Trade Organization-compatible and to take a multilateral approach to its design;
6. Underlines that the resources incurred by the mechanism are to be considered EU own resources; is convinced that these resources must be used for climate measures;
7. Calls on the Commission to conduct an impact assessment of different mechanisms and designs to incentivise international climate action and prevent carbon leakage before presenting a legislative proposal.