



2020/2043(INI)

5.10.2020

AMENDMENTS

1 - 120

Draft opinion

Jens Geier

(PE655.622v01-00)

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

Amendment 1
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph -1 (new)

Draft opinion

Amendment

-1. Whereas the Article XX of the GATT allows WTO members to implement measures that are necessary to protect human, animal or plant life or health (b), or natural resources (g);

Or. en

Amendment 2
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph -1 a (new)

Draft opinion

Amendment

-1a. Whereas the Commission's communication on the European Green Deal states that the carbon border adjustment mechanism "would be an alternative to the measures that address the risk of carbon leakage in the EU's Emissions Trading System";

Or. en

Amendment 3
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph -1 b (new)

Draft opinion

Amendment

-1b. Whereas recently published report by the European Court of Auditors concludes that the current free allocation system under the EU ETS is not providing an incentive for industries to decarbonise;

Or. en

Amendment 4
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph -1 c (new)

Draft opinion

Amendment

-1c. Whereas scientific literature reviews show the absence of evidence that the EU ETS had widespread negative or positive effects on the competitiveness of regulated firms, nor is there evidence of significant carbon leakage^{1a} ;

^{1a} The impact of the EU Emissions Trading System on competitiveness and carbon leakage: the econometric evidence <https://www.tandfonline.com/doi/full/10.1080/14693062.2018.1502145>.

Or. en

Amendment 5
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 1

Draft opinion

Amendment

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

1. Welcomes the Paris Agreement ***as an international commitment to fight climate change and underlines the necessity to conduct a thorough***

that **an** EU carbon border adjustment mechanism ('the mechanism') **could incentivise** international efforts to combat climate change;

evaluation of all international rulebooks regarding their compatibility with the climate goals; welcomes the European efforts in this regard like the Green Deal and the goal to achieve a cost-efficient, just, socially balanced and fair transition leading to climate neutrality by 2050 at the latest; notes with concern the lack of sufficient ambitious international climate efforts and measures, especially with regard to implementing the decisions made under the Paris Agreement, as well as the withdrawal of the USA from the Agreement; believes that a EU carbon border adjustment mechanism ("the mechanism") can incentivize low-emission imports to the EU, market creation of low-emission technologies and products in the EU, increased international efforts to combat climate change and be a first step towards international carbon pricing as decentralised climate protection measures are not sufficient to combat climate-change;

Or. en

Amendment 6

Tomas Tobé, Angelika Niebler, Maria da Graça Carvalho, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera
on behalf of the PPE Group

Draft opinion Paragraph 1

Draft opinion

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

Amendment

1. Welcomes the Paris Agreement, the Green Deal and the goal of achieving climate neutrality by 2050; notes the ***significant divergence of*** climate efforts ***between different countries; underlines that EU climate policy must go hand in hand with increased economic growth and competitiveness for the European industry***

climate change;

based on the principles of free and fair competition; believes that an EU carbon border adjustment mechanism ('the mechanism') *should serve to* incentivise international efforts to combat climate change, *therefore asks the Commission to consider all available options while drawing up proposal for any such mechanism*;

Or. en

Amendment 7
Paolo Borchia

Draft opinion
Paragraph 1

Draft opinion

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;

Amendment

1. *Regrets the lack of international efforts to achieve climate neutrality*; notes that the EU is only responsible for 9% of global GHG emission levels and stresses that EU environmental efforts as well as competitiveness of EU economy will be offset by the non-compliance of other international major producers of GHG emissions unless binding tools are adopted to foster global commitment to reduce pollution levels; believes that an EU carbon border adjustment mechanism ('the mechanism') could incentivise international efforts to combat climate change;

Or. en

Amendment 8
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph 1

Draft opinion

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;

Amendment

1. Welcomes the Paris Agreement **and** the Green Deal; **supports the achievement of** climate neutrality by **2040 and the intermediate goal of reducing CO2 emissions by 65% by 2030**; notes the lack of international **mechanisms to ensure attainment of climate goals in line with the Paris Agreement**; believes that an EU carbon border adjustment mechanism ('the mechanism') **should** incentivise international efforts to combat climate change, **thereby creating a virtuous circle to combat climate change on an international level**;

Or. en

Amendment 9

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 1

Draft opinion

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;

Amendment

1. **Recalls the international obligations of the Union under** the Paris Agreement; **acknowledges** the Green Deal, the goal of achieving climate neutrality by 2050 **and the newly announced target of at least 55% reduction of greenhouse gas emissions by 2030**; 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;

Or. en

Amendment 10

Eleonora Evi, Ignazio Corrao

Draft opinion

Paragraph 1

Draft opinion

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;

Amendment

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, ***if carefully designed within a comprehensive policy package and accompanied by stronger action in multilateral coordination***, an EU carbon border adjustment mechanism ('the mechanism') could incentivise international efforts to combat climate change;

Or. en

Amendment 11

Sara Skyttedal

Draft opinion

Paragraph 1

Draft opinion

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;

Amendment

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') ***which is compatible with World Trade Organisation agreements*** could incentivise international efforts to combat climate change ***only in the absence of progress towards a global CO2 price***;

Or. en

Amendment 12

Izabela-Helena Kloc

on behalf of the ECR Group

Elżbieta Kruk, Evžen Tošenovský, Zdzisław Krasnodębski, Jessica Stegrud, Margarita de la Pisa Carrión

Draft opinion
Paragraph 1

Draft opinion

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;

Amendment

1. ***Acknowledges*** the Paris Agreement, the Green Deal and the ***EU collective*** 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;

Or. en

Amendment 13
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 1 a (new)

Draft opinion

Amendment

1a. Notes that the EU is the world's largest carbon importer and that the carbon content of exported goods from Europe lies well below the carbon content of imported goods; deduces that European efforts to combat climate change are higher than the average international efforts; highlights that in order to measure overall climate impact of the Union the reporting method should not only take into consideration the territorial emissions, but also emissions from the imports to the EU;

Or. en

Amendment 14
Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion
Paragraph 1 a (new)

Draft opinion

Amendment

1a. Stresses that, according the Commission's impact assessment, without removals by carbon sink (forests, soil etc.), the real target for emission reductions is 52,8% by 2030, and not 55%; underlines that, in order to respect the Paris Agreement long-term goal to limit the temperature increase to 1.5°C above pre-industrial levels, the best available scientific data and the United Nations recommend a reduction of at least 65% by 2030;

Or. en

Amendment 15
Paolo Borchia

Draft opinion
Paragraph 1 a (new)

Draft opinion

Amendment

1a. Stresses that avoiding the risk of carbon leakage is a pre-condition for preserving EU industrial competitiveness, since it contributes to reducing emissions at the global level while keeping jobs and investments in Europe; stresses that strategic sectors such as steel are particularly exposed in terms of impact on their output and investment capacity;

Or. en

Amendment 16
Sara Skyttedal

Draft opinion
Paragraph 1 a (new)

Draft opinion

Amendment

1a. *The mechanism (climate tariffs) need to be compatible with World Trade Organisation agreements and, be non-discriminatory and be simple to administer, furthermore, they should also avoid weakening European companies export opportunities to third countries in the form of retaliatory actions;*

Or. en

Amendment 17

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 1 a (new)

Draft opinion

Amendment

1a. *Emphasises that the main goal of the mechanism is to facilitate the achievement of carbon neutrality; underlines that the mechanism should enable European industry to contribute substantially to meeting the climate ambitions of the European Union;*

Or. en

Amendment 18

Klemen Grošelj, Andrus Ansip, Christophe Grudler

Draft opinion

Paragraph 1 a (new)

Draft opinion

Amendment

1a. *Stresses the need to uphold the Union's climate ambition in line with the 2050 climate neutrality objective and the raised 2030 target while making sure that the polluter-pays principle is consistently applied;*

Amendment 19

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 1 b (new)

Draft opinion

Amendment

1b. Underlines that the Union goals regarding the reduction of greenhouse gas emissions are biased if they ignore the emissions embedded in imported goods and services; expresses its deep worriedness that the lack of objective regarding imported emissions create a phenomenon under which EU emissions are reduced through a transfer of emissions to third countries and the relocation of industrial activities; stresses that the achievement of climate neutrality in the Union by 2050 cannot be achieved at the expense of third countries by relocating polluting industries which are detrimental to the environment and local populations; urges the Commission and Member States to adopt a carbon footprint approach in defining their climate objectives;

Or. en

Amendment 20

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 1 b (new)

Draft opinion

Amendment

1b. Calls on the Commission to take into account the social dimension of the mechanism in its coming proposal; underlines the need to assess the risks of

both intra and extra-EU industrial delocalisation and outsourcing that may be caused by an inadequately designed mechanism; stresses also the need to assess the impact of each options for consumers and end-users in order to ensure fair burden-sharing; favours an option that would ensure that the mechanism incentivises industries to engage in substantial efforts towards the decarbonisation of their manufacturing processes, while protecting them from unfair competition;

Or. en

Amendment 21
Eleonora Evi, Ignazio Corrao

Draft opinion
Paragraph 2

Draft opinion

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;

Amendment

2. Underlines that international carbon pricing and fully competitive ***zero-to-low-emission*** solutions would render the mechanism obsolete, ***as the creation of a carbon border adjustment mechanism will not necessarily ensure the further decarbonisation of affected sectors and materials in Europe and therefore requires additional measures***; stresses, therefore, that the EU needs to step up efforts in this respect ***by adopting more ambitious and effective norms, quotas and standards that would stimulate the development of lead markets for more sustainable industrial materials and products, in particular those with high Capex requirements; calls on the Commission to design this mechanism as part of a comprehensive and long-term oriented policy package that is consistent with achieving a highly energy and resource efficient, fully renewable-based, net-zero GHG economy by 2050 at the***

latest;

Or. en

Amendment 22

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 2

Draft opinion

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;

Amendment

2. Underlines that ***the mechanism cannot help against indirect carbon-leakage; further underlines that sufficient international climate efforts, such as through an*** international carbon pricing and fully competitive low-emission ***technologies, products and production processes will*** render the mechanism obsolete; ***encourages the Commission to design the mechanism as a transitional measure and*** to step up efforts in this respect ***by establishing a thorough framework to support industry and society in the low-carbon transition and by engaging in climate diplomacy.***

Or. en

Amendment 23

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 2

Draft opinion

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;

Amendment

2. Underlines that international carbon pricing and fully competitive low-emission solutions **could** render the mechanism obsolete; ***stresses that the US decision to pull out of the Paris agreement has strongly undermined global response to climate change;*** stresses, therefore, that the

EU needs to step up efforts in this respect *meanwhile implementing the mechanism; recalls that the Union has a historical responsibility regarding the accumulation of greenhouse gas and therefore has a duty to take ambitious climate and environmental actions;*

Or. en

Amendment 24

Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyrali, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion Paragraph 2

Draft opinion

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;

Amendment

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; *recalls that many technical solutions for mitigating CO₂ are still at the pilot stage and far from being economically feasible; underlines that the Union's increased climate ambition at the core of the Green Deal will increase the risk of carbon leakage in many industrial sectors;*

Or. en

Amendment 25

Markus Pieper, Massimiliano Salini

Draft opinion Paragraph 2

Draft opinion

Amendment

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;

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; ***stresses that the Union's increased climate ambition at the core of the Green Deal will increase the risk of carbon leakage in many industrial sectors; calls on the Commission to ensure comprehensive and timely carbon leakage protection for all sectors;***

Or. en

Amendment 26

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 2

Draft opinion

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;

Amendment

2. Underlines that ***widespread, robust and consistent*** international carbon pricing and fully competitive low-emission solutions ***could*** render the mechanism obsolete ***over time***; stresses, therefore, that the EU needs to step up efforts in this respect;

Or. en

Amendment 27

Margarita de la Pisa Carrión

Draft opinion

Paragraph 2

Draft opinion

2. Underlines that international carbon pricing and fully competitive low-emission solutions would render the mechanism obsolete; ***stresses, therefore, that the EU***

Amendment

2. Underlines that international carbon pricing and fully competitive low-emission solutions would render the mechanism obsolete;

needs to step up efforts in this respect;

Or. en

Amendment 28

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 2 a (new)

Draft opinion

Amendment

2a. Underlines that the mechanism should be part of wider set of policies to enable and promote the investment in low carbon industrial processes, energy efficiency measures and renewable energies to achieve the decarbonisation of industry; suggests to promote, alongside the mechanism, strong public innovation policies excluding support for fossil lock-in technologies and obligations to purchase low carbon materials through public procurement; calls for a revision of EU State Aids rules to ensure proper support to the constitution of a strong decarbonized industrial base in the Union;

Or. en

Amendment 29

Sara Skyttedal

Draft opinion

Paragraph 2 a (new)

Draft opinion

Amendment

2a. Large parts of the world, especially system rivals, do not share the EU's ambitious environmental and climate agenda, therefore, demand for European solutions and European companies' competitiveness is eroded on the global market where certain companies and

states have considerably lower environmental requirements than those in Europe;

Or. en

Amendment 30

Sven Schulze

Draft opinion

Paragraph 2 a (new)

Draft opinion

Amendment

2a. Points to the dilemma arising if such carbon border tax arrangements were to allow for the reimbursement of carbon costs for EU exports at its external borders in the interests of competitiveness; notes that this would undermine the climate protection objective of the tax;

Or. de

Amendment 31

Klemen Grošelj, Andrus Ansip, Christophe Grudler

Draft opinion

Paragraph 2 a (new)

Draft opinion

Amendment

2a. Underlines that the mechanism must ensure that the price of imports reflects their true carbon content in line with WTO rules and EU obligations;

Or. en

Amendment 32

Jens Geier

on behalf of the S&D Group

Draft opinion
Paragraph 2 a (new)

Draft opinion

Amendment

2a. Stresses that the mechanism should ensure predictability for the European industry, as well as for trading partners;

Or. en

Amendment 33
Sara Skyttedal

Draft opinion
Paragraph 2 b (new)

Draft opinion

Amendment

2b. It is therefore in the interest of European companies to strengthen global environmental requirements, not only because that would be beneficial to companies but also because climate change is a global problem that requires global solutions, the EU should therefore continue to support the establishment of a global price for CO₂ emission in line with Article 6 of the Paris Agreement;

Or. en

Amendment 34
Sara Skyttedal

Draft opinion
Paragraph 2 c (new)

Draft opinion

Amendment

2 c. Emphasises that a large part of the world's state aid goes to activities that are damaging to the environment which means that European companies face competition that is distorted and harmful

to the environment, at the same time they face increasingly greater pressure to reduce their own negative environmental impacts, therefore, attempts to limit global state support will contribute towards improving the competitiveness of European companies and reducing emissions at the same time;

Or. en

Amendment 35

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 3

Draft opinion

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;

Amendment

3. Emphasises that decentralised climate actions can lead to carbon ***and investments*** leakage and a competitive disadvantage on international markets for the EU industry; urges the Commission, therefore, to ensure full carbon-leakage protection ***with a mechanism created as an alternative to the current measures against carbon leakage under the EU ETS*** and to consider the inclusion of export rebates in the mechanism; ***stresses the need for the mechanism to include the emissions resulting from transport in the carbon content pricing; urges the mechanism to aim for a reduction of EU share of imported emissions, which implies a reduction in value chains and their length;***

Or. en

Amendment 36

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 3

Draft opinion

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;

Amendment

3. Emphasises that decentralised climate actions can lead to **carbon-leakage leading to an increase of global emissions** and a competitive disadvantage on international markets for the EU industry **and that they hence put at risk European jobs and value chains; stresses that the EU industry suffers increased economic pressure due to cheap imports from trading partners and the COVID-19 crisis; thus** urges the Commission to ensure full **and effective climate and** carbon-leakage protection and to consider export rebates in the **design of the** mechanism;

Or. en

Amendment 37
Marek Pawel Balt

Draft opinion
Paragraph 3

Draft opinion

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;

Amendment

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 **by a design of a carbon border adjustment mechanism as an additional and complementing measure to the existing carbon leakage measures** and to consider the inclusion of export rebates in the mechanism;

Or. en

Amendment 38
Damien Carême

Draft opinion
Paragraph 3

Draft opinion

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;***

Amendment

3. ***Notes that while in theory*** decentralised climate actions can lead to carbon leakage, ***in reality such effects did not occur in*** the EU^{1a}; urges the Commission, therefore, to ensure ***a more targeted*** carbon-leakage protection and to ***apply the carbon border adjustment mechanism as an alternative to the current measures against carbon leakage under the EU ETS; opposes any introduction*** of export rebates, ***which would undermine the incentives for exporting industries to reduce their climate impact;***

^{1a} ***There is no evidence of carbon leakage having taken place due to climate policies such as the EU ETS, and ex-ante theoretical predictions have found a very limited risk in the future.***

Or. en

Amendment 39
Paolo Borchia

Draft opinion
Paragraph 3

Draft opinion

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;

Amendment

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, ***the Parliament and the Council*** to ensure full carbon-leakage protection ***by designing and adopting a carbon border adjustment mechanism as an additional and complementing***

measure to the existing carbon leakage measures and to consider the inclusion of export rebates in the mechanism;

Or. en

Amendment 40

Massimiliano Salini, Markus Pieper, Marian-Jean Marinescu, Antonio Tajani, François-Xavier Bellamy, Aldo Patriciello, Salvatore De Meo, Jerzy Buzek, Adam Jarubas

Draft opinion Paragraph 3

Draft opinion

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;

Amendment

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 ***implement the mechanism as a complementary tool to existing carbon measures*** to ensure full carbon-leakage protection and to consider the inclusion of export rebates in the mechanism;

Or. en

Amendment 41

Klemen Grošelj, Andrus Ansip, Christophe Grudler

Draft opinion Paragraph 3

Draft opinion

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;***

Amendment

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;

Or. en

Amendment 42
Eleonora Evi, Ignazio Corrao

Draft opinion
Paragraph 3

Draft opinion

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**;

Amendment

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 **effective** carbon-leakage protection;

Or. en

Amendment 43
Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion
Paragraph 3

Draft opinion

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;

Amendment

3. Emphasises that **asymmetrical** 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 **include** export rebates in the mechanism;

Or. en

Amendment 44

Jessica Stegrud

Draft opinion
Paragraph 3 a (new)

Draft opinion

Amendment

3a. Emphasises that the introduction of protectionist measures often lead to retaliation with unforeseeable consequences for the competitiveness of companies within the EU. Notes that trade barriers in general lead to lower exports, lower imports and a lower rate of economic growth. Further highlights the need for a balanced and holistic approach, which continues to enable opportunities for trade and investment with the rest of the world and is aware of the fact that the EU has greatly benefited from being one of the most open economies in the world.

Or. en

Amendment 45

Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion
Paragraph 3 a (new)

Draft opinion

Amendment

3a. Recalls that the EU's climate policy and industrial policy must go hand in hand, to avoid carbon and investment leakage and protect jobs; stresses that any mechanism must be embedded into our industry strategy, creating an incentive for industries to produce clean and competitive products, and avoid carbon leakage, without endangering trade opportunities.

Amendment 46

Klemen Grošelj, Andrus Ansip, Christophe Grudler, Martina Dlabajová

Draft opinion

Paragraph 3 a (new)

Draft opinion

Amendment

3a. Stresses that the mechanism must comply with EU internal market regulations and not cause any additional unnecessary market distortions and red tape, which could limit fair, open and rule-based market competition and have a particularly adverse effect on SMEs or become a tool for protectionism;

Or. en

Amendment 47

Sara Skyttedal

Draft opinion

Paragraph 3 a (new)

Draft opinion

Amendment

3a. Acknowledges that if the mechanism is designed and implemented as an import-ETS system, maintaining the existing free allowances would not amount to double protection, especially if importers are able to demonstrate that their imports are at least as efficient as the best in class;

Or. en

Amendment 48

Sven Schulze

Draft opinion

Paragraph 3 a (new)

Draft opinion

Amendment

3a. *Points to the great complexity involved in calculating the carbon costs of end products resulting from a division of labour and cross-border manufacturing processes;*

Or. de

Amendment 49

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 3 b (new)

Draft opinion

Amendment

3b. *Underlines that, in order for the mechanism to meet its climate objective and to ensure its effectiveness, the price per ton of carbon will need to be significantly increased; affirms that the introduction of the mechanism must above all be accompanied by an appropriate revision of the EU-ETS system and full phasing out of free allowances; calls on the Commission to extend the scope of greenhouse gases covered by the EU-ETS system, including methane, and to reflect it in the mechanism; stresses the need to update the benchmarking and calculation methods, based on scientific evidence, and to end speculation in the EU ETS system;*

Or. en

Amendment 50

Klemen Grošelj, Andrus Ansip, Christophe Grudler

Draft opinion

Paragraph 3 b (new)

Draft opinion

Amendment

3b. *Calls on the Commission to evaluate all operational options of the mechanism, such as a carbon tax on select imported and domestic products, a new carbon duty or tax on imports, or the extension of the EU ETS to imports;*

Or. en

**Amendment 51
Sara Skyttedal**

**Draft opinion
Paragraph 3 b (new)**

Draft opinion

Amendment

3b. *Calls on the Commission not to replace existing carbon leakage measures with an untested mechanism which could create considerable uncertainties and risks for European industry, such as retaliatory measures;*

Or. en

**Amendment 52
Sara Skyttedal**

**Draft opinion
Paragraph 3 c (new)**

Draft opinion

Amendment

3c. *Urges the Commission to coordinate with worldwide EU trading partners such as the US and Australia, whose governments have a different approaches to climate protection and could regards the mechanism as arbitrary and unjustified discrimination, recent trade conflicts with the US have demonstrated what conflict potential there*

is in unilateral customs tariffs, therefore, an unbalanced "climate tariff" should be very carefully weighed up against the risk of renewed trade disputes with allies and to avoid signalling protectionist measures;

Or. en

Amendment 53
Sara Skyttedal

Draft opinion
Paragraph 3 d (new)

Draft opinion

Amendment

3d. Welcomes the announcement of the Chinese Communist Party's intent to reach climate neutrality by 2060; welcomes this announcement as a success for continued climate diplomacy, furthermore, stresses the importance of climate diplomacy and rejects the notion of climate protectionism;

Or. en

Amendment 54
Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion
Paragraph 4

Draft opinion

Amendment

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;

4. Highlights the role such a mechanism could play, if balanced and appropriately implemented, in energy intensive industries, such as steel, cement and aluminium, given the experienced trade exposure of those sectors and their

participation in the ETS; Suggests a progressive mechanism that first includes sectors with the highest risk of carbon leakage before being enlarged over time if deemed appropriate; considers it necessary that the scope of the mechanism covers as a large part of the carbon footprint of a product as possible, i.e. through the inclusion of emissions from energy in production; stresses that this should be done considering their respective value chains and not lead to internal market distortions notably on downstream markets; recalls that determining the carbon footprint of a product includes several insecurities and that the mechanism should not contribute to an undue regulatory burden for importing companies especially SMEs;

Or. en

Amendment 55

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 4

Draft opinion

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;***

Amendment

4. Suggests a progressive mechanism that first includes sectors ***which are emissions intensive and*** with the highest risk of carbon leakage ***such as clinker, cement, iron, steel, aluminium, some bulk chemicals, pulp, paper and oil refining,*** before being enlarged over time ***to encompass all imports; recalls the importance of adopting complementary measures to reduce the emissions intensity of these sectors, such as renovation of the building stock and raw construction material substitution;***

Or. en

Amendment 56

Sara Skyttedal

Draft opinion

Paragraph 4

Draft opinion

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;

Amendment

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; ***acknowledges however, that for many products it's difficult to determine and verify a "product carbon footprint", this applies in particularly to complex technical products whose production and supply processes consist of multiple stages;***

Or. en

Amendment 57

Izabela-Helena Kloc

on behalf of the ECR Group

Elżbieta Kruk, Evžen Tošenovský, Zdzisław Krasnodębski

Draft opinion

Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive mechanism that first includes sectors ***based on sector's*** risk of carbon leakage, ***with the potential for emissions abatement in third countries, and limited impact on downstream sectors*** before being enlarged over time, ***after a thorough and comprehensive analysis of the mechanism's impact on the sectors in question and downstream sectors;*** stresses that this should not lead to internal market distortions;

Or. en

Amendment 58
Marek Pawel Balt

Draft opinion
Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive mechanism that first includes sectors with the highest risk of carbon leakage before being enlarged ***overtime***; stresses that this should not lead to internal market distortions ***and should cover imports from all countries not subject to astringent carbon trading scheme of equivalent CO2 emission reduction targets and costs.***

Or. en

Amendment 59
Josianne Cutajar

Draft opinion
Paragraph 4

Draft opinion

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;

Amendment

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; ***underlines that consumers, especially those of Member States heavily relying on imports from third countries, should be protected from possible higher product prices;***

Or. en

Amendment 60
Massimiliano Salini, Markus Pieper, Marian-Jean Marinescu, Antonio Tajani, François-Xavier Bellamy, Aldo Patriciello, Salvatore De Meo, Jerzy Buzek, Adam Jarubas

Draft opinion
Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive mechanism that first includes sectors with the highest risk of carbon leakage before being enlarged over time; stresses that **such mechanism** should **be applied to all third countries without a carbon trading scheme ideally linked to the EU ETS or equivalent carbon pricing mechanism** and not lead to internal market distortions;

Or. en

Amendment 61
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive mechanism that first includes sectors with the highest **share** of carbon **emissions** before being enlarged over time; stresses that this should not lead to internal market distortions **and should be conditional on phasing out free allowances and state aid for indirect cost compensation to these sectors** ^{2a};

^{2a} **CBAM should be an alternative to free allowances under the EU ETS and State Aid. In addition to being double subsidies to industry, it is also unclear and doubtful that both provisions (CBAM and free allowances) would be compatible with WTO rules.**

Or. en

Amendment 62

Paolo Borchia

Draft opinion

Paragraph 4

Draft opinion

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;

Amendment

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 ***be applied to all third countries that do not have a carbon trading framework linked to the EU schemes and should*** not lead to internal market distortions;

Or. en

Amendment 63

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive mechanism, ***firstly including*** sectors with the highest risk of ***carbon-leakage and*** being enlarged over time; ***believes that such a design could reduce international retaliation and serve as a test phase for EU industry;*** stresses ***however*** that this should not lead to internal market distortions;

Or. en

Amendment 64

Margarita de la Pisa Carrión

Draft opinion

Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive mechanism that first includes sectors with the highest risk of carbon leakage ***in accordance with the realities of each sector and the maturity of the technology***, before being enlarged over time; stresses that this should not lead to internal market distortions;

Or. en

Amendment 65

Eleonora Evi, Ignazio Corrao

Draft opinion

Paragraph 4

Draft opinion

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;

Amendment

4. Suggests a progressive ***and sector-specific*** 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;

Or. en

Amendment 66

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 5

Draft opinion

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;

Amendment

5. Stresses the need to limit international retaliation measures against the EU caused by the mechanism; urges the Commission to take a multilateral approach to its design; ***strongly suggests to use the environmental exemption provisions under the Article 20 of the GATT agreement; recalls that over the last decade the World Trade Organization has***

proven increasingly blocked and bypassed by third States; stresses that the Union has other international obligations, notably under the Paris Agreement; recalls that the European Parliament has declared a climate and environmental emergency and has called on the Commission to ensure that every legislative and budgetary proposals are all fully aligned with the objective of limiting global warming to under 1.5°C; calls therefore on the Union to initiate a profound reform WTO rules in order to ensure that world trade is fully aligned with the realisation of the Paris Agreement long-term goal to limit the temperature increase to 1.5°C above pre-industrial levels;

Or. en

Amendment 67

Tomas Tobé, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Ioan-Rareş Bogdan, Jerzy Buzek, Sara Skyttedal, Pilar del Castillo Vera
on behalf of the PPE Group

Draft opinion Paragraph 5

Draft opinion

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;

Amendment

5. ***Strongly emphasises that the success of European SMEs and Hidden Champions depends on access to global markets. Therefore, calls on the Commission to base any legislative proposal on a thorough impact assessment, which takes into consideration the impact of possible counter measures taken by affected third countries against European industries***
Stresses the need to limit ***and possibly avoid*** international retaliation measures against the EU caused by the mechanism; urges the Commission to make the mechanism ***compatible with the WTO***

acquis and provisions in the Union's free trade agreements and to take a multilateral approach to its design; underlines the need to deduct costs incurred from carbon taxes, emissions rights under cap-and-trade schemes or equivalent climate mitigation measures, including those of a regulatory rather than a fiscal nature, in the country of production from payments at import under the mechanism and to avoid any discrimination based on origin;

Or. en

Amendment 68

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5

Draft opinion

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;

Amendment

5. Stresses the need to limit international retaliation measures against the EU caused by the mechanism *in order to minimise negative effects on the European trade balance and the EU industry; encourages the Commission to ensure a level-playing field in international trade paying due respect to the principles of a free and fair global market; thus* urges the Commission make the mechanism *WTO-compatible, preferably by using articles XX(b) and (g) that allow WTO members to justify GATT-inconsistent measures if these are either necessary to protect human, animal or plant life or health* and to *have* a multilateral approach to its design *by involving international trading partners by making it part of the negotiations for multilateral environmental agreements while taking into consideration the European Union's position as the world's largest trading block; underlines that the mechanism shall not be a prerogative for the EU to foster protectionism vis-a-vis*

third countries;

Or. en

Amendment 69

Paolo Borchia

Draft opinion

Paragraph 5

Draft opinion

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;

Amendment

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, *without prejudice to its effectiveness;*

Or. en

Amendment 70

Tomas Tobé, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Ioan-Rareş Bogdan, Jerzy Buzek, Sara Skyttedal, Pilar del Castillo Vera
on behalf of the PPE Group

Draft opinion

Paragraph 5 a (new)

Draft opinion

Amendment

5a. Expresses its deep concern over the erosion of the multilateral trading system and the effects from increased trade barriers and trade conflicts for the competitiveness of the EU industry; stresses that the introduction of a mechanism must not contribute to an increased insecurity in this regard; recognises that in order for the European industry to be competitive, it needs access to global supply chains for sourcing and

further processing and to global markets; calls on the Commission to actively engage with trade partners' governments to ensure a continued dialogue with trade partners' governments on this initiative; Underlines that trade policy can and should be used to promote a positive environmental agenda and to avoid major differences in environmental ambition between the EU and the rest of the world, but this should be done in proportional and balanced ways, be evidence based and not be used as a cover for protectionism;

Or. en

Amendment 71

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5 a (new)

Draft opinion

Amendment

5a. Underlines that a well-working mechanism, under which a distinctive definition of the carbon leakage that shall be prevented is included and that puts Europe in the position to fight carbon-leakage, requires a complex design and calculation method to determine carbon contents of products; recognizes that the more complex the mechanism and the calculation of the adjustment needed to be paid by importers, the more effective climate and carbon-leakage protection can be; calls nonetheless on the Commission to consider technical feasibility and the availability of reliable data for and from importers and exporters in case of export rebates; stresses that the European calculation system should not result in disadvantages for European industries;

Or. en

Amendment 72
Sara Skyttedal

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5a. Supports unilateral environmental requirements on developing countries in exchange for market access as an alternative to linking EU tariff-free access in the General System of Preferences scheme not only to ratification and implementation of international environmental conventions but also directly to relevant initiatives in the EU Green Deal;

Or. en

Amendment 73
Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5a. Encourages to minimise risks that exporters to the EU try to avoid the mechanism or compromise its effectiveness, for example by rerouting production between markets or exporting semi-finished goods;

Or. en

Amendment 74
Izabela-Helena Kloc
on behalf of the ECR Group
Elżbieta Kruk, Zdzisław Krasnodebski

Draft opinion

Paragraph 5 a (new)

Draft opinion

Amendment

5a. *Highlights that introduction of CBAM should be seen as increased effort to ensure emissions reductions in addition to existing measures.*

Or. en

Amendment 75

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5 b (new)

Draft opinion

Amendment

5b. *Calls on the Commission to come up with a design and method of calculation that takes account as much as possible of the actual carbon content of the concerned good ; at the same time the calculation method should not refer to the EU average when establishing the carbon contents of products since that would strongly reduce the effectiveness of the instrument; further notes that the design and calculation method must aim to ensure the most effective climate and carbon-leakage protection, while respecting WTO-rules;*

Or. en

Amendment 76

Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion

Paragraph 5 b (new)

Draft opinion

Amendment

5b. *Emphasises that while the purpose of the mechanism must be to contribute to lower carbon emissions globally and limit carbon leakage, the design should contribute to a level playing field for the European industry both on European and in international markets in line with the Industry Strategy; highlights the need for specific attention to maintaining the availability of inputs in the supply chains and competitiveness of downstream manufacturing industries;*

Or. en

Amendment 77

Sara Skyttedal

Draft opinion

Paragraph 5 b (new)

Draft opinion

Amendment

5b. *Calls on the Commission not to present a mechanism which undermines the Paris Agreement which allows the definition of CO2 reduction targets to be tailored to individual countries; if the mechanism presented by the Commission aims to balance out the various reduction paths of the individual countries by means of Carbon Border Adjustment, it may possibly undermine the Paris Agreement's approach*

Or. en

Amendment 78

Izabela-Helena Kloc

on behalf of the ECR Group

Elżbieta Kruk, Evžen Tošenovský, Zdzisław Krasnodębski

Draft opinion
Paragraph 5 b (new)

Draft opinion

Amendment

5b. *Stresses that an important objective of the carbon border adjustment mechanism should be creating incentives for third country governments and exporters to reduce their emissions, therefore the potential for reducing greenhouse gas emissions should be an important factor when selecting sectors to be covered by the mechanism;*

Or. en

Amendment 79

Tomas Tobé, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, François-Xavier Bellamy, Eva Maydell, Pernille Weiss, Maria Spyraiki, Angelika Winzig, Ioan-Rareş Bogdan, Jerzy Buzek, Sara Skyttedal, Pilar del Castillo Vera
on behalf of the PPE Group

Draft opinion
Paragraph 5 c (new)

Draft opinion

Amendment

5c. *Emphasises that the EU Emissions Trading System (ETS) is and should remain the key market based instrument to cost-effectively reduce CO2 emissions this includes the system of free allowances; asks the Commission to consider any design options that allow the existing carbon leakage measures to co-exist with the mechanism while not leading to double protection; therefore takes the view that the mechanism should co-exist together with the free allocation of allowances for certain sectors; the phasing out of existing carbon leakage measures could cause a loss of competitiveness of companies in the single market and globally; stresses the need for equally effective measures if existing measures are to be phased out.*

Amendment 80

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5 c (new)

Draft opinion

Amendment

5c. Notes that the determination of the carbon content of an end- or intermediate product is difficult due to international value chains; further notes with concern that a mechanism only based on basic materials could lead to a shift in imports towards intermediate and end products not covered by the mechanism and harm the EU industry; points out that the mechanism needs to be designed in way that prevents circumventing behaviour such as resource shuffling or importing semi-finished or end products not covered under the mechanism;

Or. en

Amendment 81

Izabela-Helena Kloc

on behalf of the ECR Group

Elżbieta Kruk, Evžen Tošenovský, Zdzisław Krasnodębski

Draft opinion

Paragraph 5 c (new)

Draft opinion

Amendment

5c. Observes that since carbon border adjustment mechanism can only secure the competitiveness of the EU industry against competing polluting imports on the domestic EU market and not on export markets, then EU should maintain all existing measures ensuring EU industry's competitiveness on export markets;

Amendment 82
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 5 d (new)

Draft opinion

Amendment

5d. Further notes that, in order to prevent unfair competition on the European market, no competitive disadvantages should be created by the mechanism amongst competing materials;

Or. en

Amendment 83
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 5 e (new)

Draft opinion

Amendment

5e. Calls on the Commission to provide technical advice and support to industries at home and abroad, especially for SMEs, in setting up reliable greenhouse gas emissions accounting systems for imports and potential export rebates in order to maintain a strong European industry while continuing good relations with trading partners; further calls on the Commission to ensure that importers are allowed to demonstrate low carbon content of their products, giving them the opportunity to lower the carbon payment for these products; call on the Commission to guarantee the feasibility with the ETS;

Or. en

Amendment 84

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5 f (new)

Draft opinion

Amendment

5f. *Notes that there is difficulties in collecting verified and reliable data concerning the carbon content of the imported products; stresses the importance of establishing a thorough monitoring, reporting and verification system in order to evaluate the efficiency of the mechanism regarding climate and carbon leakage protection; considers that independent third party verification could be considered as a tool to ensure the reliability of the data;*

Or. en

Amendment 85

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5 g (new)

Draft opinion

Amendment

5g. *Underlines that the inclusion of importers in the EU ETS by obliging to buy CO2 allowances according to the carbon content of their imports could lead to a significant and unpredictable increase in carbon prices in addition to the increase foreseen by the ETS itself by lower free allocation, the market stability reserve and the linear reduction factor that could facilitate achieving our climate goals in the EU, leading to an unbearable burden for European industry that is unproportioned to the EU industry's*

decarbonisation efforts and exacerbating carbon-leakage risks;

Or. en

Amendment 86

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 5 h (new)

Draft opinion

Amendment

5h. Believes that the mechanism should take account of the specific situations of least developed countries that have not emitted much historically; stresses that it should not hamper their sustainable development;

Or. en

Amendment 87

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 6

Draft opinion

Amendment

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;

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 **social and** climate measures, **including for supporting third countries, particularly developing countries, in their efforts to decarbonize their economies, mitigate and adapt to climate change; stresses the importance of transferring decarbonized technologies towards developing countries; urges Member States to take measures, particularly fiscal measures, to support low-income households and compensate any rise in price on imported**

goods as a result of the implementation of the mechanism;

Or. en

Amendment 88

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 6

Draft opinion

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;

Amendment

6. Underlines that *according to the European Parliament resolution of 14 November 2018 on the Multiannual Financial Framework 2021-2027*, the resources incurred by the mechanism *shall* be considered *European* own resources; is convinced that these resources *shall be solely* used for measures *to achieve climate-neutrality, for example carbon-neutral and sustainable industrial production processes, recycling and material efficiency or to finance administrative costs incurred by the mechanism*;

Or. en

Amendment 89

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 6

Draft opinion

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;

Amendment

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 *both within and outside the EU; suggests that these resources*

could partly feed into the EU's contribution to the adaptation fund for developing countries created by the Paris Agreement;

Or. en

Amendment 90

Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion Paragraph 6

Draft opinion

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;*

Amendment

6. Underlines that resources incurred by the mechanism *must not create distortions based on the Member State of import but help level the global playing field between competing industries and for low carbon investment and industrial manufacturing transformation;*

Or. en

Amendment 91

Izabela-Helena Kloc
on behalf of the ECR Group
Elżbieta Kruk, Evžen Tošenovský, Zdzisław Krasnodebski

Draft opinion Paragraph 6

Draft opinion

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;

Amendment

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; *in particular it should be channelled to the regions covered by*

Amendment 92

Paolo Borchia

Draft opinion

Paragraph 6

Draft opinion

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***;

Amendment

6. Underlines that the resources incurred by the mechanism are to be considered EU own resources; is convinced that these resources must be used ***to avoid that environmental non-compliance of third countries offsets the competitiveness of EU industry***;

Amendment 93

Margarita de la Pisa Carrión

Draft opinion

Paragraph 6

Draft opinion

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***;

Amendment

6. Underlines that the resources incurred by the mechanism are to be ***made available to the member states of the Union; they can be used in sustainable industrial economic growth and job creation***.

Amendment 94

Sven Schulze

Draft opinion

Paragraph 6

Draft opinion

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;

Amendment

6. Underlines that the resources incurred by the mechanism are to be considered EU own resources; is convinced that ***a substantial share of*** these resources must be used for climate measures;

Or. de

Amendment 95
Markus Pieper

Draft opinion
Paragraph 6

Draft opinion

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;

Amendment

6. Underlines that the resources incurred by the mechanism are to be considered ***at least partially*** EU own resources; is convinced that these resources must be used for climate measures;

Or. en

Amendment 96
Sara Skyttedal

Draft opinion
Paragraph 6

Draft opinion

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;

Amendment

6. Underlines that the resources incurred by the mechanism are to be considered ***Member State*** resources; is convinced that these resources must be used for climate measures;

Or. en

Amendment 97

Tomas Tobé, Henna Virkkunen, François-Xavier Bellamy, Eva Maydell, Pernille Weiss, Maria Spyrali, Angelika Winzig, Ioan-Rareş Bogdan, Jerzy Buzek, Sara Skyttedal, Pilar del Castillo Vera, Marian-Jean Marinescu, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Salvatore De Meo, Massimiliano Salini, Markus Pieper
on behalf of the PPE Group

Draft opinion
Paragraph 6 a (new)

Draft opinion

Amendment

6a. Underlines that the CO₂ content of imported products would need to be reliably and precisely determined, inter alia through independent third party verification and if such cannot be provided relevant average data; stresses the need for the mechanism to cover both direct and indirect carbon emissions; reiterates the need for adequate anti-circumvention mechanisms; stresses nevertheless that the mechanism should not lead to excessive administrative burden, especially for small- and medium-sized enterprises.

Or. en

Amendment 98
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 6 a (new)

Draft opinion

Amendment

6a. Notes that the mechanism could lead to higher product prices for consumers; underlines that consumers, especially those with low incomes, should not suffer from a higher burden on their purchasing power; calls on the Commission and Member States to assess the potential impacts on living standards, especially those of vulnerable groups of our society, and to establish effective

transfer mechanisms;

Or. en

Amendment 99
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 6 b (new)

Draft opinion

Amendment

6b. Stresses the need to consider the complementary role of improved product standards in line with the EU Circular Economy Action Plan; emphasises that product standards can ensure low-carbon, resource-efficient manufacturing as well as help to guarantee minimal negative environmental impacts from product use;

Or. en

Amendment 100
Eleonora Evi, Ignazio Corrao

Draft opinion
Paragraph 7

Draft opinion

Amendment

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.

7. Calls on the Commission to conduct an impact assessment of different mechanisms and designs, ***including a Charge on Added Emissions or similar carbon charges***, to incentivise international climate action and prevent carbon leakage before presenting a legislative proposal; ***stresses that this study should carefully assess the cross-border effects of the mechanism and its potential burden on neighbouring countries and international partners, especially developing countries; calls on the Commission to come forward with***

initiatives for minimising the burden on international partners through information and cooperation, thus reinforcing EU leadership in the global fight against climate change;

Or. en

Amendment 101

Jens Geier

on behalf of the S&D Group

Draft opinion

Paragraph 7

Draft opinion

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.*

Amendment

7. Calls on the Commission to conduct *a thorough* impact assessment *on* different mechanisms and designs, *including a carbon tax on consumption and carbon footprint requirements in public procurement, before presenting a legislative proposal in order to evaluate in how far they incentivize* international climate action and prevent *carbon-leakage; the assessment should also analyse the possibility to transitionally maintain free allowances under the ETS and/or electricity price compensation while slowly phasing in the mechanism;*

Or. en

Amendment 102

Margarita de la Pisa Carrión

Draft opinion

Paragraph 7

Draft opinion

7. Calls on the Commission to conduct an impact assessment of different mechanisms and designs to incentivise international climate action and prevent

Amendment

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.

carbon leakage before presenting a legislative proposal, *taking into consideration the risk of relocation of companies, of strategic sectors, of unfair competition from member states and third countries. Carry out an in-depth analysis of the compatibility with the multilateral system included in the provisions of the World Trade Organization.*

Or. en

Amendment 103

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 7

Draft opinion

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.

Amendment

7. Calls on the Commission to conduct an *in-depth* impact assessment *on the environmental impacts of the different forms of possible mechanism; advises the Commission to take the environmental criterion as the leading factor in the choice of the form of the mechanism; calls on the Commission to make the results of the impact assessment publicly available as soon as it is possible, and before the publication of its legislative proposal;*

Or. en

Amendment 104

Izabela-Helena Kloc

on behalf of the ECR Group

Elżbieta Kruk, Evžen Tošenovský, Zdzisław Krasnodębski, Jessica Stegrud

Draft opinion

Paragraph 7

Draft opinion

Amendment

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.

7. Calls on the Commission to conduct an impact assessment, ***which covers the impact of the mechanism on each Member State***, of different mechanisms and designs to incentivise international climate action and prevent carbon leakage before presenting a legislative proposal; ***stresses the need to take the competitiveness of the EU industry in consideration whilst carrying out the impact assessment.***

Or. en

Amendment 105

Tomas Tobé, Eva Maydell, Marian-Jean Marinescu, Pernille Weiss, Maria Spyraiki, Massimiliano Salini, Angelika Winzig, Sara Skyttedal, Ioan-Rareş Bogdan, Jerzy Buzek, Pilar del Castillo Vera, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Henna Virkkunen, Salvatore De Meo, François-Xavier Bellamy
on behalf of the PPE Group

Draft opinion Paragraph 7

Draft opinion

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.***

Amendment

7. Calls on the Commission to conduct an ***in-depth*** impact assessment of different mechanisms and ***alternatives before presenting a legislative proposal; including regulatory climate standards for imported products and the compatibility with EU ETS's free allocation of allowances,*** to incentivise international climate action and prevent carbon leakage.

Or. en

Amendment 106

Klemen Grošelj, Andrus Ansip, Christophe Grudler, Martina Dlabajová

Draft opinion Paragraph 7

Draft opinion

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.

Amendment

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; ***calls on the Commission, in its impact assessment, to identify measures for sectors where the risk of carbon leakage is highest;***

Or. en

Amendment 107

Manuel Bompard, Marisa Matias, Cornelia Ernst, Sira Rego

Draft opinion

Paragraph 7

Draft opinion

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.

Amendment

7. Calls on the Commission to conduct an impact assessment of different mechanisms and designs to incentivise international climate action and prevent carbon ***and investment*** leakage before presenting a legislative proposal.

Or. en

Amendment 108

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 7 a (new)

Draft opinion

Amendment

7a. Considers that the carbon border adjustment mechanism must complement the wide range of other mechanisms that promote decarbonisation and cannot be sufficient on its own to achieve the European Union's climate objectives;

underlines the need to accompany the mechanism with an ambitious industrial policy that is both environmentally ambitious and socially fair, as well as with an action plan for circular economy, and the implementation of the Just Transition Mechanism aimed at assisting the most affected regions by the transition efforts;

Or. en

Amendment 109
Eleonora Evi, Ignazio Corrao

Draft opinion
Paragraph 7 a (new)

Draft opinion

Amendment

7a. Recalls the good results achieved by the Union in increasing energy and resource efficiency through product requirements and labelling, which were able to stimulate responsible consumption, engage European citizens and support industrial competitiveness and innovation by promoting the better environmental performance of products; calls on the Commission to draw on this experience and explore analogous measures that could complement or replace the mechanism;

Or. en

Amendment 110
Jens Geier
on behalf of the S&D Group

Draft opinion
Paragraph 7 a (new)

Draft opinion

Amendment

7a. Emphasises the importance of the European Parliament to ensure the

representation of European citizens and interests, as well as for the achievement of EU priorities such as climate protection and international competitiveness; therefore calls on the Commission and the Council to fully involve the European Parliament as co-legislator in the legislative process to establish the mechanism.

Or. en

Amendment 111

Tomas Tobé, Marian-Jean Marinescu, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Salvatore De Meo, Massimiliano Salini, Markus Pieper, Jerzy Buzek, Pernille Weiss, Henna Virkkunen, Eva Maydell, Maria Spyraiki, Angelika Winzig, Ioan-Rareş Bogdan, Sara Skyttedal, Pilar del Castillo Vera
on behalf of the PPE Group

Draft opinion
Paragraph 7 a (new)

Draft opinion

Amendment

7a. *Calls on the Commission to intensify its efforts for global CO2 pricing and facilitating trade in climate and environmental protection technologies for instance through trade policy initiatives such as the WTO Environmental Goods Agreement; stresses that the Union can play a pioneering role with ambitious energy and sustainability chapters in its trade agreements.*

Or. en

Amendment 112

Markus Pieper, Massimiliano Salini

Draft opinion
Paragraph 7 a (new)

Draft opinion

Amendment

7a. Underlines that existing carbon leakage protection mechanisms are effective, should be maintained and even extended where needed; the phasing out of existing mechanism could cause a loss of competitiveness of companies in the single market and globally; stresses the need for equally effective measures if existing measure are to be phased out.

Or. en

Amendment 113

Klemen Grošelj, Andrus Ansip, Christophe Grudler, Martina Dlabajová

Draft opinion

Paragraph 7 a (new)

Draft opinion

Amendment

7a. Calls for a special evaluation of the impact of the mechanism on SMEs and on competition within the internal market; calls for the creation, if needed, of a support mechanism for SMEs to successfully adjust to the new market reality, thereby preventing them from being victims of unfair practices by larger market players;

Or. en

Amendment 114

Sara Skyttedal

Draft opinion

Paragraph 7 a (new)

Draft opinion

Amendment

7a. Acknowledges that the mechanism is in principle trade restrictive, the impact assessment should look into the ease with which the mechanism could be adjusted or removed once breakthrough technologies reach global marketability,

global climate ambitions are converged or when retaliation occurs;

Or. en

Amendment 115

Sven Schulze

Draft opinion

Paragraph 7 a (new)

Draft opinion

Amendment

7a. *Calls on the Commission to carefully examine the implications of a carbon border tax for the European emissions trading system (ETS) and its possible effects on company competitiveness;*

Or. de

Amendment 116

Tomas Tobé, Marian-Jean Marinescu, Maria da Graça Carvalho, Angelika Niebler, Edina Tóth, Tom Berendsen, Hildegard Bentele, Adam Jarubas, Salvatore De Meo, Massimiliano Salini, Markus Pieper, Jerzy Buzek, Pernille Weiss, Henna Virkkunen, Eva Maydell, Maria Spyraiki, Angelika Winzig, Ioan-Rareş Bogdan, Sara Skyttedal, Pilar del Castillo Vera

on behalf of the PPE Group

Draft opinion

Paragraph 7 b (new)

Draft opinion

Amendment

7b. *Calls on the Commission to also consider alternative measures and to thoroughly demonstrate the added value of a carbon border adjustment mechanism; considers that a digital product passport, well designed and synchronised with existing systems, business standardisation bodies and global standards could help in this process; in the post-COVID-19 economy, carbon prices may prove to be too*

unstable to support effective industrial decarbonisation; therefore, there is a need for product policies to push forward new standards on low-carbon, resource-efficient products to secure the transition to a sustainable economy.

Or. en

Amendment 117
Eleonora Evi, Ignazio Corrao

Draft opinion
Paragraph 7 b (new)

Draft opinion

Amendment

7b. Stresses that, whereas it is crucial for the mechanism to be manageable, cost-efficient and explainable to the Union's international partners, its primary goal is to cut direct and indirect emissions by targeting processes and production methods of products consumed in the EU, regardless of their origin; calls on the Commission to explore the best available digital solutions, including distributed ledger technologies, to ensure product traceability and that emissions accounts are as close to reality as possible;

Or. en

Amendment 118
Damien Carême
on behalf of the Verts/ALE Group

Draft opinion
Paragraph 7 b (new)

Draft opinion

Amendment

7b. Stresses that, regardless of its nature, the implementation of the mechanism will have to be accompanied

by a set of standards that would prevent the mechanism from being bypassed and ensure its effective application;

Or. en

Amendment 119

Klemen Grošelj, Andrus Ansip, Christophe Grudler, Martina Dlabajová

Draft opinion

Paragraph 7 b (new)

Draft opinion

Amendment

7b. Underlines that the mechanism should reflect and be commensurate with the internal EU carbon price;

Or. en

Amendment 120

Damien Carême

on behalf of the Verts/ALE Group

Draft opinion

Paragraph 7 c (new)

Draft opinion

Amendment

7c. Underlines that there should be a clear and ambitious timeline for the implementation and evolution of the mechanism;

Or. en