

---

FOEEiG/10/3/2020

**FOEEiG contribution on the Inception Impact Assessment  
on Carbon Border Adjustment Mechanism.**

**31th of March 2020**

FOEEiG, The Electricity and Gas Consumers Forum, is the coalition associating Polish industrial NGO's representing key companies from the chemical, paper, glass, lime, cement, non-ferrous metals and industrial gases sectors.

FOEEiG welcomes the possibility to provide feedback on the Inception Impact Assessment on Carbon Border Adjustment Mechanism (CBAM). We do not have a definitive position on many aspects of CBAM mainly because a lot remains to be defined. But we want to raise the following opinions:

1. CBAM has to be supplementary to free allocation; not an alternative.
2. CBAM should be straightforward: importers should pay in cash, not to buy EU-ETS allowances.
3. For the pilot phase one should choose some sectors having big direct emissions, uniform products and high trade intensity.
4. The mechanism should base on the average costs level that EU-producers in a given sector (subsector) face.
5. For most industrial sectors only CO<sub>2</sub> should be considered in the future regulation. However for some sectors, like chemical industry, all greenhouse gases should be taken into consideration (CO<sub>2</sub>e).
6. CBAM should be a holistic measure: importers should have to be excluded from any kind of customs, VAT preferences, e.g. simplification in settlement importation, no AEO status. CBAM could act as generally anti exit/denial rule in order to limit risk of carbon leakage. It means a signal to prevent exit from the EU and anti denial measure for importers.
7. The funds raised with the CBAM should be reinjected in the EU low CO<sub>2</sub> projects in industry.