Amendment 221
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) Tackling climate and other environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the European Green Deal. The value of the European Green Deal has only grown in light of the very severe effects of the COVID-19 pandemic on the health and economic well-being of the Union’s citizens.

Amendment

(3) Tackling climate and other environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the European Green Deal. The value of the European Green Deal has only grown in light of the very severe effects of the COVID-19 pandemic on the health and economic well-being of the Union’s citizens, as well as the need to implement national policies to restore the industrial sovereignty of Member States and to promote the relocation of sustainable value chains within the EU.

Or. en
Amendment 222
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) A transitional period should apply during the period 2023 until 2025. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) An administrative transitional period should apply during the period 1 January 2023 until 31 December 2026 and should be used for data collection and analysis of the impact of CBAM on the industries concerned and to prevent the carbon leakage, with a particular focus on the potential impact of the phase-out of free allocations. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade and European industry. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the administrative transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en
Amendment 223
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 50 a (new)

Text proposed by the Commission

(50 a) A comprehensive transitional period should apply during the period 1 January 2027 to 31 December 2027, with the objective of facilitating a smooth roll out of the CBAM thereby reducing the risk of disproportionate impact on European industry. Should the comprehensive transitional period be proven to be incompatible with WTO rules, the administrative transitional period should be extended until 31 December 2027.

Amendment

Or. en
Amendment 224
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 50 b (new)

Text proposed by the Commission

(50 b) The full effectiveness of the CBAM in tackling the carbon leakage risk both on the Union market and on export markets should be assessed and positively verified by the Commission through a strong monitoring of the impacts on Union businesses, with a view to amending this Regulation, if necessary.

Or. en
Amendment 225
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 52

Text proposed by the Commission

(52) The Commission should evaluate the application of this Regulation before the end of the transitional period and report to the European Parliament and the Council. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods\(^\text{47}\).

Amendment

(52) The Commission should evaluate the application of this Regulation before the end of the administrative transitional period and report to the European Parliament and to the Council. The Commission should, as part of that evaluation, assess the impact on sectors listed in Annex I to ensure that the complex production processes and deeply integrated value chains of specific sectors listed in that Annex have been appropriately taken into account. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050 and possibilities to improve carbon leakage measures to ensure a level playing field between the Union and third countries. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, sectors and goods other than those listed in Annex I as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods\(^\text{47}\).

\(^{\text{47}}\) Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and
communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).
Amendment 226
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 52 a (new)

_text proposed by the Commission_

(52 a) At the end of the first year after the comprehensive transitional period, the Commission should submit to the European Parliament and to the Council a report with a particular focus on the competitiveness of the products that are exported outside the Union. That Commission report should assess the risk of Union exports on global markets being replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. The Commission report should be accompanied by a legislative proposal to develop WTO-compatible solutions such as export adjustment mechanisms to be implemented to avoid the effects of carbon leakage on Union exports, while preserving emission reduction targets.

_or. en_
Amendment 227
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 52 b (new)

Text proposed by the Commission

(52 b) If after the comprehensive transitional period, the evidence collected by the Commission indicates that the potential costs of the CBAM outweigh its benefits and the CBAM cannot effectively protect European industries falling within its scope against carbon leakage, a further phase-in of the CBAM should be delayed until an effective solution is found.

Or. en
Amendment 228
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini
on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to in Annex I, upon their importation into the customs territory of the Union, in order to prevent the risk of carbon leakage.

Amendment

1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to in Annex I, upon their importation into or exportation from the customs territory of the Union, in order to progressively reduce the Union’s imported emissions, preserve the competitiveness of Union industries, and prevent the risk of carbon leakage.

Or. en
Amendment 229
Catherine Griset, Ivan David, Paolo Borchia, Elena Lizzi, Danilo Oscar Lancini on behalf of the ID Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 1 – paragraph 2

Text proposed by the Commission

2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by applying an equivalent set of rules to imports into the customs territory of the Union of goods referred to in Article 2.

Amendment

2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by applying an equivalent set of rules to imports into or export from the customs territory of the Union of goods referred to in Article 2.

Or. en