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Answer given by Mr Gentiloni
on behalf of the European Commission
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In the European Green Deal Communication¹ the proposal of a Carbon Border Adjustment Mechanism has been clearly linked to the increased climate ambition of the EU and the potential lack thereof of its trading partners.

The objective of this measure would be to address the risk of carbon leakage in the above scenario. If this risk materialises, there will be no reduction in global carbon emissions, and this will frustrate the efforts of the EU and its industries to meet the global climate objectives of the Paris Agreement².

A Carbon Border Adjustment Mechanism would be a climate measure, not a protectionist one. It would ensure that the price of imports reflects more accurately their carbon content. This measure would be designed to comply with World Trade Organization rules and other international obligations of the EU.

There is a breadth of considerations that need to be assessed in the design of a Carbon Border Adjustment Mechanism. At present, it is too early to talk about specific designs. The Commission services are currently conducting an impact assessment and an open public consultation³ was launched on 22 July 2020.

These activities will provide evidence and enable the Commission to propose the most effective design as well as understand and quantify its potential impacts. The European Green Deal foresees that the Carbon Border Adjustment Mechanism will be proposed for a number of selected sectors that are at risk of carbon leakage. The decision in terms of scope and coverage will also be informed by the ongoing impact assessment.

¹ [Communication and roadmap on the European Green Deal](#)

² [Paris Agreement on climate change](#)

³ [European Commission's 'Have Your Say' portal](#)