**\* Agenda\***

**Border Carbon Adjustment in the EU**

**Does CBAM need to be aligned with the evolving circumstances?**

***This meeting is on the record / press is invited***

**Date**: October 27, 2022

**Time:** 15:00 – 17:00 (CET)
**Location**: Hybrid event – Rue Archimède 61, 1000 Brussels and on Zoom – [REGISTRATION](https://us02web.zoom.us/webinar/register/WN_QWUO1j61RhisK93T0-gOJA)

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| The European Commission (EC) has proposed a Carbon Border Adjustment Mechanism, aiming to have the regime functional by 2023. The European Parliament has voted on its position and the Council has agreed on a general approach. After this step, trilogue negotiations have started to decide the shape of the final instrument. One of the most critically important issues, yet to be resolved, is the question of how to compare the level of effort in third countries’ climate policies to that of the EU, in order to determine crediting against the CBAM. The US, for example, has embarked on a suite of transformational climate-related initiatives under its Inflation Reduction Act (IRA), but employing subsidies rather than pricing.The IRA is a particularly salient example of evolving circumstances that invite further thinking about the CBAM’s elaboration and implementation. As well as the question of whether to credit for equivalent effort, the IRA’s heavy subsidization may have relevance for the CBAM’s design in the area of export rebates, timeline of implementation, and roll-back of free allocation.Other current events also have relevance. Many European industrial sectors were already struggling with long-term competitive challenges but are now also facing unprecedented costs because of the Russia-Ukraine war and longer-standing supply chain disruptions. Are these evolving challenges grounds for rethinking aspects of CBAM, or for an increasing focus on parallel supporting industrial policies?Considering these policy questions, this roundtable discussion will bring together global experts in the areas of economics, law, and policy to address the evolving context of trade and industrial decarbonization. ERCST’s work on border carbon adjustment in the EU is made possible by support from CEFIC, EBRD, EdF, Enel, Eurofer, Eurmetaux, ExxonMobil, Fertilizers Europe, the Government of France, the Government of Germany, and MetInvest. |

15:00 **Presentation of ERCST Report**

* A. Marcu, Executive Director, ERCST
* M. Mehling, ERCST
* A. Cosbey, ERCST

15:30 **Stakeholder reactions**

* K. Botwright, WEF
* N. Girouard, OECD
* M. Steleki, Department of Forestry, Fisheries and Environment, South Africa
* N. Purvis, Climate Advisers
* M. E. Scoppio, European Commission
* S. Van den Plas, Carbon Market Watch

16:15 **Q & A and roundtable discussion with participants**

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| Roundtable discussion will focus on a number of issues based on the outline above, including:* Do recent policy developments such as the Inflation Reduction Act in the United States necessitate a fundamental rethinking of the EU’s current approach to competitiveness and carbon leakage, including the CBAM?
* Does the broader geopolitical and economic context – including the energy crisis and high inflation – call for changes to the CBAM design and its implementation timeline? If so, in what ways?
* Do recent statements by European Commission leadership – that the U.S. might be exempted from the CBAM – suggest that it is reconsidering its proposed approach? Does the EU’s ‘Stop the Clock’ decision on international aviation offer a relevant precedent?
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16:50 **Concluding remarks**