

The DEVE CBAM opinion:

The Rapporteur's proposals for compromise amendments

ON THE OBJECTIVE OF THE REGULATION

COMP 1 EPP, S&D, Renew, Greens

Recital 12 Ams 2 (Rapporteur), 16 (Greens)

(12) *The objective of the CBAM is to support the implementation of the Paris Agreement (Greens) and contribute to the European Union's climate action by preventing the risk of carbon leakage, including by the use of more GHG emissions-efficient technologies by producers in third countries and the adoption of GHG emission-pricing and other arrangements in that respect in such countries*, so that less emissions per unit of output are generated.

COMP 2 EPP, S&D, Renew, Greens

Article 1, para 1 Ams 43 (Greens), 44 (EPP), 45 (Renew) and 8 (rapporteur)

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 *and contribute to the reduction of global greenhouse gas emissions* (EPP, Greens). *It incentivises and supports the reduction of emissions in third countries* (rapporteur, Renew), *while not harming or hindering the socioeconomic progress of least developed countries* (Renew).

ON DIRECTING CBAM REVENUE TO SUPPORT FOR CLIMATE ACTION IN LDCs, AS WELL AS IN LMICs PARTICULARLY AFFECTED BY CBAM.

COMP 3 EPP, S&D, Renew, Greens

Article 24a (new) ams 11 (Rapporteur), 33, 37, 48 (Greens), 31, 34, 49, 42 (Comín), 50 (Renew), 51 (EPP)

Usage of the revenues from the sale of the CBAM certificates

1. The revenue generated from the sale of the CBAM certificates, or the equivalent in financial value, shall be used for investments with the purpose of reducing greenhouse gas emissions and facilitating transitions into resource-efficient economies and societies with increased resilience against impacts of climate change in the least developed countries and

lower-middle income countries. At the same time, it will serve to finance technical assistance and support that compensate compliance costs in those countries and to the extent necessary to cover the costs of the operation, maintenance and enforcement of the CBAM.

The financing of climate action and compliance shall not crowd out other development and humanitarian assistance, the support provided in third countries shall also be guided by the Sustainable Development Goals as well as the goals established in the Global Europe-NDICI regulation and the Paris agreement. (Renew, Rapporteur, Comín; elaborated)

4. Beneficiary countries shall be selected among least developed countries, as well as among lower middle-income countries particularly affected by CBAM. (Comín, Renew, Rapporteur)

5. Decisions taken in accordance with paragraphs 1 and 4 shall be guided by the principles of the UN's Agenda 2030, the Sustainable Development Goals and the poverty reduction and eradication primary objective of the Union's development policy (Comín, Renew, Rapporteur), **as well as by the goals established in the Global Europe – NDICI regulation, ensuring coherence with the Global Gateway strategy.** (Renew) **The Commission shall on a yearly basis report to the European Parliament and the Council on this implementation, including on the results achieved, in order to ensure transparency.** (Greens, Comín, Renew, Rapporteur)

ON ALLEVIATING THE BURDEN FOR LDCs

(Preferential treatment of LMICs not permitted under WTO rules, so therefore not included)

COMP 4

EPP, S&D, Renew, Greens

Recital 12a (new)

Ams 5 (Rapporteur); 18, 36 and 20, 53 on WTO compatibility (EPP); 21, 22, 32, 47, 52 (Greens). 45 (Renew)

The Commission and the Member States shall seek to prevent negative net socioeconomic impacts of the CBAM on least developed countries. (Renew) *To this end, the Commission and the Member States shall implement provisions in this regulation with flexibility* (Rapporteur) *and provide targeted technical and financial support to them, in accordance with article 24a of this regulation. The Commission shall implement this Regulation with due regard for LDCs and provide flexibility where possible, while reducing CBAM surrender obligations in relation to goods imported from least developed countries, as appropriate and compatible with WTO rules* (EPP 20, 53). *The Commission shall monitor the efficiency of the flexibility and support, regularly report to the European Parliament and the Council on its findings in this regard and act on those findings as necessary.*

PROPOSED BY THE RAPPORTEUR TO PICK UP ELEMENTS POINTED TO IN THE NEGOTIATIONS BETWEEN THE GROUPS AND TO PROVIDE MORE CONTEXT:

COMP 5

Recital 3a (new)

The Union remains committed to the UN Climate Summit (COP15) pledge in Copenhagen 2009, that 100 billion USD annually shall be raised for climate action in developing countries.

COMP 6

Recital 3b (new)

The Union recalls the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts.