



EUROPEAN COMMISSION

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*Roberto FICO
President of the Camera dei Deputati
Piazza Montecitorio
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Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the proposal for a Regulation of the European Parliament and of the Council establishing a carbon border adjustment mechanism {COM(2021) 564 final}.

This proposal forms part of the ‘Fit for 55’ package, consisting in a set of interrelated and integrated measures needed to achieve the EU goal to reduce greenhouse gas emissions by at least 55% by 2030. A carbon border adjustment mechanism (‘CBAM’), announced in the European Green Deal, is part of that package and will serve as an essential element to meet the objective of a climate-neutral European Union by 2050 in line with the Paris Agreement by addressing risks of carbon leakage as a result of the increased EU climate ambition.

The Commission recalls that the carbon border adjustment mechanism is a climate measure that should prevent carbon leakage and reinforce the EU’s Emissions Trading System¹, which is currently proposed for revision. In this respect, the mechanism is designed to mirror the EU Emissions Trading System in a way that ensures a consistent approach to carbon pricing on goods whether they are produced in the EU or outside the EU. It will thus be non-discriminatory and compliant with the World Trade Organization rules as well as other trade agreements of the EU and international commitments.

The Commission is pleased that the Camera dei Deputati shares the view that action at EU level is required in the field of decarbonisation.

The Commission takes note of the observations in the Opinion as regards the contribution of CBAM to the EU budget. The Interinstitutional agreement of December

¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (Text with EEA relevance); OJ L 275, 25.10.2003, p. 32–46.

2020² underlines in this respect the importance of the CBAM as a new EU Own Resource, both for the long-term EU budget but also for the repayment needs under NextGenerationEU. It is also acknowledged that the introduction of new own resources should support the adequate financing of EU expenditure in the Multiannual Financial Framework, while reducing the share of national contributions based on the gross national income in the financing of the EU's annual budget.

The Commission also duly notes the need for a close cooperation between competent authorities within the EU for an effective implementation of the CBAM. It should be highlighted in that regard that the actions developed under this mechanism imply a strong interaction between the authorities of each Member State. In particular, the role of customs, in close collaboration with national climate authorities, will be essential for its implementation, especially for the purposes of proper collection of the CBAM as a new EU Own Resource. These interactions will increase the level of coherence.

Furthermore, an effective implementation of the mechanism also implies the adoption by the Commission of delegated acts according to the empowerment granted by the co-legislators. That empowerment is subject to specific limitations. The European Parliament and the Council may revoke the delegation or express objections to the delegated acts.

As regards the need for a close monitoring of the implementation of the CBAM, together with other measures stemming from the 'Fit for 55' package, this will be done in a predictable manner to give industry time to adjust. The mechanism will reflect the carbon costs faced by EU producers also for importers, and as such both instruments are complementary. This is the reason why the transition from free Emissions Trading System allowances to the CBAM will take place very slowly in a closely coordinated manner and in full compliance with World Trade Organization rules. Such a stepwise approach allows stepping up the EU's efforts to reduce greenhouse gas emissions while effectively addressing the risk of carbon leakage.

The Commission hopes that the clarifications provided in this reply address the questions raised by the Camera dei Deputati and looks forward to continuing the political dialogue in the future.

Yours faithfully,

Adina-Ioana VĂLEAN
Member of the Commission

² Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources; OJ L 433I , 22.12.2020, p. 28–46.