## **Opinion**

of the Foreign and European Union Affairs Committee of the Senate of the Republic of Poland on the proposal for a Regulation of the European Parliament and of the Council establishing a carbon border adjustment mechanism COM(2021)564 adopted at the sitting held on  $23^{\rm rd}$  November 2021

Taking into account the opinion of the Special Committee on Climate adopted at the sitting held on 3-4 November 2021, the Foreign and European Union Affairs Committee delivers the following opinion:

- 1. The Foreign and European Union Affairs Committee and the Special Committee on Climate (the Committees) support establishing a carbon border adjustment mechanism as a tool to level the playing field for EU businesses covered by the EU ETS. In the opinion of the Committees, the carbon border adjustment mechanism proposed by the European Commission will effectively promote emission reductions also related to imported goods, while maintaining the competitiveness of EU products.
- 2. The Committees welcome linking the mechanism as much as possible to the EU ETS with regard to certificate prices. The Committees also support the mechanism for linking the price of certificates to the production methodology of imported goods. Such a mechanism should be an effective tool against carbon leakage and should contribute to reducing emissions to a greater extent than the current system of free emissions allowances.
- 3. The Committees note, however, that in view of the ground-breaking nature of the European Commission's proposal, its impact on the competitiveness of certain, above all particularly energy-intensive, industries is not entirely clear. For this reason, the Committees favour the temporary retention of at least partially free allowances, with only the difference being made up by means of certificates.
- 4. The Committees also draw attention to the need to consult the new system as widely as possible with foreign partners and to ensure that the new system is fully compatible with World Trade Organisation law, as essential elements for the success of the proposed solution.