

# Carbon Levy of the European Union: at the Intersection of Climate and Trade Policies<sup>1</sup>

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## Abstract

*The European Union (EU) is getting ready for the implementation of CBAM—the world’s first carbon border adjustment mechanism. This article explores the correlation between intra-European and international facets of CBAM as two sides of the same coin: while appending the EU Emissions Trading Scheme, it is equally an instrument of foreign trade, immediately touching upon EU relations with trade partners and specialized international organizations. Once such correlation is taken into account, it becomes evident why the design of the European carbon levy remains capable of improvement as far as fighting climate change goes.*

*The concept of multilevel governance (MLG) assists this research as the basis for analyzing CBAM. The institutionalist approach clarifies the specifics of the European carbon border adjustment mechanism. They are important in order to scope out its true perspective. In particular, the MLG approach helps to expose the blurred lines between market regulation and tax policy in European governance practice.*

*The ways, if any, that CBAM differs from a carbon tax and, at the same time, is similar to a carbon tariff are considered. A reappraisal made in the article of this hybrid measure makes it possible to draw a conclusion that, as envisioned by the European Commission, it is meant to ensure more favourable conditions for investments in cost-intensive, low-carbon technologies while suppressing competition from cheaper, high-carbon imports. At the same time, so as to avoid unleashing trade wars, it is important for the Commission to assure the maximum possible conformity of CBAM to the World Trade Organization’s (WTO) legal requirements. Compatibility with WTO law would enhance the ecological legitimacy of the regulatory mechanism in question. It would make sure that international partners would not regard CBAM as a form of green protectionism.*

*Further, the subtle aspects of preferences in terms of CBAM design are discussed, as held by the Commission, EU member states, the European Parliament, and the representatives of European carbon-intensive industries. Particular attention is paid to the discussion in the EU on the issue of connecting export rebates for inside producers to CBAM.*

**Keywords:** emissions trading system, carbon pricing, export rebates, Carbon Border Adjustment Mechanism, European Commission, WTO, multilevel governance, carbon leakage

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## Introduction

This article exposes the importance of institutional logics in the efforts of the European Union to establish its Carbon Border Adjustment Mechanism (CBAM).<sup>2</sup> The focus is on the compound relationship between the rationale for CBAM as a measure to avoid carbon leakage, provided by the European Commission (EC), and the tasks set by the European Union (EU) as concern assurance of better conditions for European producers when competing in international markets.

Carbon taxes (or levies) are treated in the world as important tools for the acceleration of climate action. The EC proposed such a tool in the European Green Deal legislative package in 2021. In 2022, when the Russian special military operation in Ukraine began, Brussels unveiled its intention to fund the breaking of the EU's dependence on Russian fossil fuels [EC, n.d.]. Efforts were intensified to achieve European economic autonomy, not least at the cost of terminating Russian iron and steel imports to the EU.

CBAM is a multipurpose and cross-cutting measure. It touches upon climate and ecological policies, as well as international trade. CBAM also concerns customs and taxation matters and applies to European budget issues and supranational economic regulation. This article investigates the motivation of the EC when promoting this rather provocative initiative, proceeding from the assumption that the Commission is acting more or less rationally, guided by the interests of the European Union as an integration aggregate. Using the method of abduction and drawing on ample empirical data, the author develops hypotheses regarding the motives of the Commission and its preference for certain organizational decisions, which seems useful when making projections of future CBAM-related developments.

Available research on the subject is abundant and continues to grow [Bacchus, 2021; CENEF-XXI, 2021; Magacho, Espagne, Godin, 2022]. Yet, it is mostly concentrated on the legal or economic dimensions of the new mechanism, as proposed by Brussels. Less attention is paid to the general regulatory framework of the European carbon levy.

The article begins with a discussion of the concept of multilevel governance (MLG). This has been developed within the institutionalist paradigm and treats governance processes as unfolding at the internal (in this case, intra-European) and global levels simultaneously. Subsequent discussion confirms the affiliation of CBAM to the EU Emissions Trading Scheme (EU ETS), which is being supplemented with a carbon levy, delves into the decision-making process for CBAM regulation, and considers its compatibility with basic principles of the World Trade Organization (WTO). The author concludes that the EC was being reasonably cautious in its resistance to the attachment of export rebates to the cross-border carbon regulation mechanism. These would seriously discredit CBAM's rationalization, attempted through the invocation of carbon leakage risks.

## Multilevel Governance

The European Union includes 27 states. As members of the EU, they retain sovereignty, but function under the arch of a (decentralized) institutional superstructure with common European rules and institutions. Therefore, the conceptualization of the EU as a system of multilevel governance is quite influential among Europeanists [Eising, 2015; Panov, 2021]. At the same time, since the WTO was established, it has increased (upscaled) its powers with regard to national regulation,

<sup>2</sup> In the framework of organizational analysis, the idea of institutional logics infers the mixture of material practices and symbolic constructions [Shmerlina 2016]. Particular institutional logics determine organizing principles for existing or unfolding institutional regimes—in this case, for modes of carbon regulation.

and the new trade policy agenda at the global level has included environmental issues [Gavin, 2005]. Thus, the CBAM outlines are determined by supranational decisions within the EU but, to a point, they are also dependent on rules of global trade originating from the WTO. In that sense, we are witnessing a new level being added to the European MLG, where we find a legal regime of international trade regulation that can impact climate policy decisions in the EU.

The MLG was chosen as a theoretical scheme, with the European Commission in the role of a political entrepreneur [Silander, 2018] at the focus of attention. In other words, the EC is regarded as an organization, aiming toward transformation of regulatory norms (institutions). When institutionalism is applied to the study of organizational behaviour, the notion of institutional entrepreneurship involves tying together the functioning of disparate sets of institutions [Hoogstraaten, Frenken, Boon, 2020, p. 115] to provoke processes of institutional change and to subdue the almost inevitable resistance that such changes can encounter [Wijen, Ansari, 2007].

As a kind of administration for the European Union and, moreover, possessing a virtual *monopoly* on the introduction of *legislation* into the *legislative* process in the EU, the Commission is engaged both within the Union, implementing reform of the EU ETS, and at the level of the WTO, implementing European supranational foreign trade policy. The analytical approach chosen can assist in comprehending the hybrid form acquired by the European CBAM, which is continuously promoted by the EC at different levels in the interests of the EU, but not of its separate member states or industries.

Not without reason, some Russian authors emphasize the CBAM's sameness to a tax [Bazhan, Roginko, 2020]. Indeed, in CBAM we find a non-tradable emissions permit<sup>3</sup> in the form of an import certificate and a new revenue source to the EU budget on top of that, devised to be received on products crossing the external border of the Union.<sup>4</sup> Basically, cross-border carbon regulations can take the form of tariffs, taxes, or other measures applied to imported goods on the basis of the volume released of greenhouse gases from their production (and transportation) and/or allowances for the EU's own exporters to external markets in which comparable emission limits have not been introduced. Nevertheless, the EC prefers to look upon CBAM as a corrective mechanism and does not recognize it either as a customs charge or an import tax. To adopt a supranational regulation in tax matters would demand elusive unanimity in the Council of Ministers of the EU (in contrast, supranational decisions on climate matters are taken by qualified majority), while introduction of a customs duty, as clarified further below, would face difficulties in terms of achieving compatibility with WTO rules.

In essence, European institutions have no legal mandate, nor sufficient political capabilities, to conduct a course of their own in issues of taxation. At the same time, and to the contrary, the EC is endowed with wide-ranging powers in the field of regional market regulation. Unlike its member states, the European Union is incapable of imposing forced payments on individuals or corporate business. This is actually the reason for the predominantly regulatory character of European economic governance at large. However, Brussels can introduce measurable regulatory limitations in the national sphere of taxation when acting to support and promote market integration.

Taxation and regulation are usually considered to be two distinct governance tools but, in practice, the dividing line between them is not so clear. In European governance practice,

<sup>3</sup> Emission quotas amount to a market instrument of environmental policy. Accordingly, they should not be treated as a tax. Emissions permits in the form of import certificates resemble taxes to a greater extent, although uncertainty in their classification persists due to their linkage to the ETS.

<sup>4</sup> The major part of the auction revenues of the EU ETS has flowed to national budgets. The commission proposes to direct more than 75% of the income from CBAM to the European budget. Specifically, the EC anticipates the administrative burden of CBAM to be rather high.

the boundaries between market regulation and fiscal policy can become all the more blurred. Taxation, as well as regulation, is based on laws, standards, principles, and norms, and tax law is supported by the threat of sanctions. Ultimately, by discouraging taxed activities, taxes can produce regulatory impacts [Rixen, Unger, 2022, p. 622].

## The EU ETS and Carbon Leakage

In December 2019, Brussels launched the European Green Deal initiative, meant to form a carbon neutral space in Europe by 2050 [Bongardt, Torres, 2022]. Since that time, there has been anxiety on the continent that higher carbon prices and tighter production standards aimed at confronting climate change would negatively affect the international competitiveness of European producers of carbon-intensive products. Lobbyists representing industries directly concerned (the European Confederation of Iron and Steel Industries, the European Chemical Industry Council, the European Cement Association, and the European Fertilizers Manufacturers' Association) make public predictions that this will lead to the transfer of relevant industries to countries with weaker regulation and to massive job losses in the EU, holding out the prospect of diminished support for the aggressive-offensive climate action of Brussels within the European Union.

Meanwhile, the European Emissions Trading Scheme (cap-and-trade system) is the main instrument of the EU's climate policy. It covers more than 40% of greenhouse gas emissions [Bayer, Aklin, 2020]. The EU ETS started working in 2005 in all the countries of the EU, as well as Iceland, Lichtenstein, and Norway. In its framework, maximum allowable emissions are determined for particular products,<sup>5</sup> with the cap on emissions decreasing annually.

The effectiveness of the scheme is questionable [Barbiroglio, 2021; Varnavskii, 2023], not least because of the presence in the system of a large number of free allowances.<sup>6</sup> They weaken incentives for business to increase the energy efficiency of production and result in losses of proceeds from allowance auctions as the emission price has long remained too low. For instance, in 2008–19, the steel sector received 2.3 billion free allowances [Carbon Market Watch, 2022, p. 3].

The European Commission is managing the reform of the ETS with an intention to broaden its scope and coverage in the longer term and to gradually decrease free allocation. Brussels regards the cross-border corrective mechanism as a supplement to this reform, meant in particular for overcoming shortcomings of the existing European Trade Scheme (partly in spite of resistance from the side of the Council of the EU, offered through the legislative process [Kaveshnikov, 2021]) at a time when the price of allowances on the European Union's carbon market has skyrocketed. That being the case, the Commission's CBAM narrative is focused squarely on climate change. The EC insists that it is a means to escape the so-called carbon leakage in the EU ETS.

“Carbon leakage” implies a hypothetical risk of strict climate control in some jurisdictions translating into relocation of carbon-intensive production operations to countries with weaker climate policies to result in negligible overall reduction in greenhouse gas emissions at the global level. However, the reality of the risk of leakage caused precisely by environmental and climate policy remains debatable [Pirlot, 2022].

<sup>5</sup> About 10,000 installations, including power plants and energy-intensive industrial facilities, are regulated by the EU ETS. Since 2021, the scheme also regulates avia transportation within and among participating countries.

<sup>6</sup> European Union Allowances (EUA) are distributed free of charge or are sold at auction to companies and enterprises participating in the ETS.

Previously, the allocation of free allowances to its own producers served as the means in the EU to avoid carbon leakage. Now, a new measure, which has never been used in international trade, has replaced it as a priority for European institutions. This measure requires importers to buy digital certificates representing the carbon dioxide emissions embedded in the goods they import to the Single Internal Market (SIM). Free allocation was levelling carbon pricing in the SIM downward for European producers, while the CBAM charge ensures their levelling upward to the European price for the imports. Free allowances for European installations, muting the carbon price signal, will thus be ended. Therefore, CBAM can bring about higher carbon prices, important for urgent stimulation of deeper greenhouse emissions reduction in line with the EU's long-term climate strategy; at the same time, it can offer protection from unfair import competition by non-European climate polluters to European producers of dirty goods.

## Adoption of the CBAM Regulation

The proposal for a regulation establishing a carbon border adjustment mechanism [EC, 2021] was a key component in the European Green Deal package of policy initiatives, consisting of 13 related proposals that were presented by the European Commission in July 2021.<sup>7</sup> Article 192(1) of the Treaty on the Functioning of the European Union (TFEU) was opted for as the legal basis for the CBAM proposal. This implied the application of the ordinary legislative procedure and qualified majority voting in the Council (on the grounds that the case at hand was the volume of greenhouse emissions from the production of imported goods).<sup>8</sup>

Co-legislators (the Council of Ministers of the EU and the European Parliament) both enthusiastically supported the initiative of the Commission, but specific disagreements persisted among European institutions after it was proposed (their respective positions differed on the products and sectors that would fall within the scope of the new rules, as well as on issues related to extending the operation of CBAM to indirect emissions, the duration of the transition period with reporting obligations only, and export rebates). Trilogue negotiations<sup>9</sup> helped to resolve points of contention and to reach a provisional agreement in December 2022 (Table 1 indicates the preferences of the parties on specified outstanding questions and the essence of the compromise reached). On 10 May 2023, the co-legislators signed the CBAM regulation into law.

The European mechanism of carbon cross-border regulation is structured in a centralized manner. The European Commission is responsible to define the calculation methods for embedded emissions, to run the new mechanism, and to manage the common central platform that importers will use to declare emissions. Inter alia, this should lead to a relative strengthening in the EU of the EC, in respect to the member states' governments, as an autonomous centre of administrative power. Along the way, lobbying efforts of European producers of steel, chemicals, fertilizers, and cement, directly affected by the CBAM regulation, were aimed at maintaining free permits regardless of the forms that the CBAM could eventually take. The key issue for them was not a new mechanism by itself, but the undesirable after-effects for them

<sup>7</sup> For more about the European Green Deal see the European Council [n.d.]; the ordinary legislative procedure in application to the CBAM proposal is outlined in A. Darvell [2022].

<sup>8</sup> If CBAM were qualified as a fiscal measure, taking the decision would demand the application of the unanimity rule in accordance with Article 192(2)a TFEU, which would make it more difficult to pass the legislative proposal.

<sup>9</sup> In EU parlance, trilogues are informal meetings on legislative proposals between representatives of the EP and the Council, with the Commission acting as a mediator. The aim is to reach a preliminary agreement that would suit both co-legislators. This provisional agreement has to be formally approved later by each of them. A trilogue is possible at any stage of the legislative process.

from its introduction. According to their own calculations, levelling the playing field with the help of CBAM would not outweigh the disadvantages of the EU ETS if it entailed the abolition of free allocation.

Already, in July 2021, the Commission had excluded the feasibility of export rebates due to their non-compliance with WTO requirements, and it continued to adhere to this position further on. The Commission clarified that export risks of carbon leakage were low, thus leaving out the opportunity of such an amendment to the CBAM regulation being passed. The Commission cares more about gaining support for energy-saving technologies and clean sectors, not dirty industries. However, the lobbying efforts mentioned above have not been completely unsuccessful. Not least, they found reflection in the amendments of the European parliament to the CBAM regulation. In 2021, the Committee on the Environment, Public Health and Food Safety of the EP had proposed to accelerate the reduction of the free allocation of emission allowances so as to eliminate free allocation by 31 December 2028 completely [European Parliament ENVI Committee, 2021<sup>10</sup>]; however, at the EP plenary meeting on 22 June 2022 this posture was noticeably softened: it was now about finishing the process later, in 2032. The EP also advocated that European manufacturers exporting products with a large carbon footprint to third countries, having no carbon pricing mechanisms of their own, similar to the EU ETS, should continue to receive free allocation later on. Members of the European Parliament (MEPs) proposed that, by 31 December 2025, the Commission should present a report to the EP and the Council providing a detailed assessment of the effects of the EU ETS and CBAM on the production in the European Union of products falling under the CBAM regulation that are allotted for export to third countries, as well as an assessment of the WTO compatibility of the continued reception by them of free allocation. Further, the Commission was expected by MEPs, where appropriate, to accompany that report with a legislative proposal amounting to the annexation to the CBAM construction of export adjustment mechanisms by 31 December 2026 [European Parliament, 2022<sup>11</sup>].

CBAM will begin to operate in October 2023. Until the end of 2025, its simplified version will apply, with reporting obligations only for importers to the EU as concerns the carbon footprint of products they bring in (the first reporting period will end on 31 January 2024). After this transition period, certificates for importers to surrender on a paid basis will be introduced gradually until 2035, and the free allocation under the EU ETS will be phased-out in parallel for the same branches of European production.

Trilogue negotiations were not able to resolve the issue of measures to prevent carbon leakage in exports, and this has been postponed until 2026.

## World Trade Organization

If CBAM could be convincingly classified as an indirect tax with no selective treatment of imports envisioned, its compatibility with WTO law would be fully ensured. Basically, WTO rules do not constitute an obstacle to the adoption of ambitious environmental policies, provided these do not result in discrimination between WTO members. Above all else, universally recognized compatibility of the European carbon tax with WTO law would have enhanced the legitimacy of this regulatory mechanism, facilitated the achievement of political consent to it by foreign partners of the EU, and ensured they do not view it as a form of green protectionism. This is all the more important given that transatlantic relations, as well as trade relations of the

<sup>10</sup> See Amendment 105, Proposal for a Regulation Recital 11a (New).

<sup>11</sup> See Amendment 262.

EU with China, Turkey, and Russia, remain bogged down by mutual mistrust and long-term conflicts.

As the matter stands, though, it is impossible to comply with the provisions on non-discrimination of the General Agreement on Tariffs and Trade (GATT) if, as provided for by the CBAM regulation, the carbon footprint of imported goods is taxed, but at the same time the decarbonization efforts in the country of origin are taken into consideration (GATT requirements do not allow such differentiation). Disputes within the WTO framework about the acceptability of CBAM touch upon articles I (general most-favoured nation treatment), II (schedules of concessions), and III (national treatment on internal taxation and regulation) of GATT 1994. A unilateral measure applying to imports, the European carbon levy brings to light some problematic issues of unwarranted limitations and discrimination both between third countries and between those imported goods, which are subject to CBAM, and similar products originating from within the European Union itself.<sup>12</sup>

Taking this into consideration, it seems more promising for the EU, when trying to assert CBAM, to invoke general exceptions necessary for protecting human, animal, or plant life or health and those relating to the conservation of exhaustible natural resources (Article XX(b) or Article XX(g) GATT 1994) [Shpilkovskaya, 2022]. However, the European measure evokes suspicions in terms of the Art. XX chapeau as well. The chapeau says that to be justified, exceptions must not be applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between countries.

The above does not answer the question of why the European Commission strongly opposed the introduction to the CBAM regulation of export indulgence for European dirty industries. Ultimately, disputes about (non)compliance of CBAM with WTO rules could go on for a long time without final resolution. Meanwhile, the EU will have ample time to put the new mechanism into action, thus creating an important international precedent. Plus, prospects for successfully challenging the CBAM mechanism through the dispute settlement system of the WTO are generally rather vague, owing to ingeniousness of European negotiators in matters of regulation of international trade and the major crisis the Organization is experiencing.

Should payments under the ETS be classified as indirect taxes, export rebates would be acceptable under WTO norms so far as they did not lead to overcompensation for European exporters. However, by itself, the obligation on installations covered by the ETS to buy emissions allowances cannot be readily attributable to taxes (due to the fluctuating pricing for greenhouse gas emissions in the ETS) or deemed to comprise indirect taxation (in the European Union the burden of carbon payments is placed on process emission and not on goods proper). Further, overcompensation is quite likely in light of the challenge of accurately calculating carbon payments for each individual European exporter [Marcu et al., 2022, p. 13].

In this case, it is fair to inquire whether it is possible to classify export rebates as subsidies. Experts give a positive answer to this question [Leonelli, 2022]. In the WTO, the conditions prohibiting the use of subsidies by members of the Organization are determined by the 1994 Agreement on Subsidies and Countervailing Measures (the ASCM). Under this agreement, subsidies that depend on export performance of a good are under a general ban. If foreign producers are required to pay carbon payments by European standards, just as some European producers are exempt from these payments in the same jurisdiction, the ecological institutional logics on which the EU ETS and CBAM both rely would hardly be able to sustain such a combination.

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<sup>12</sup> Carbon pricing under CBAM is linked to the floating price of EU allowances under the ETS. A tariff on such a basis can make importers pay sometimes more, sometimes less than home producers of equivalent goods do, feeding permanent grounds for accusations of unacceptable discrimination.

The institutional architecture of the EU carbon border levy in the proposed parameters is far from perfect and is not without flaws in terms of international trade law in particular. On the one hand, directly adding export subsidies to this mechanism would amplify, in the extreme, the drawback of its dubious international legitimacy. On the other hand, the European Union is bent on future change in WTO rules on export subsidies. Brussels considers the current rules obsolete, indistinct, and too rigid at one and the same time. At this rate, the Commission notes with concern that the ASCM does not single out subsidies related to green energy as a separate category, and it does not provide (desirable from the EU's point of view) exception for measures stimulating the transition to renewable resources.

## Conclusion

The levy proposed by the European Commission is a crosscutting and tentative regulatory measure that was hardly imaginable a few years back. Weaknesses and strengths of the CBAM mechanism were assessed in this article taking account of the legal implications connected to key elements of its institutional design, of their anticipated economic consequences, and of their alignment with the EC's stated goal of reducing the risk of carbon leakage. The concept of multilevel governance (a proto-theory of European integration in its own right) sheds additional light on those aspects of decision-making regarding the mechanism of transboundary carbon regulation in the EU, which may remain on the periphery of attention for specialists in the field of economic or law.

The European Commission acts as a political entrepreneur, promoting a unique and novel regulative measure of considerable symbolic significance. In doing so, the EC has been prudent in its rejection of the export rebates that had been suggested for implementation within the CBAM framework by European business lobbyists. Export rebates could have seriously compromised the environmental efficiency of CBAM, already flawed.

Brussels has exempted non-EU countries that have their own cap-and-trade system linked to the EU ETS from paying the European carbon fee. Such a choice is contrary to the principle of the most-favoured nation in trade, but it is consonant with the carbon leakage narrative employed by the EC to tie CBAM to the European emissions trading system. Moreover, an objective assessment today of long-term trends in carbon leakage, consequent on aggressive reduction of carbon emissions in a separate jurisdiction, is extremely difficult due to the need to take into account many parameters, the further development of which cannot be predicted with high accuracy.

With its presently limited product scope, CBAM offers the possibility to phase-out free allowances under the EU ETS without causing too much economic damage to the key countries from which imports to the European market originate. Such countries can win back part of the losses at the expense of consumers in the form of a higher selling price for their producers' products.

The promotion of CBAM is another attempt by the European Union to extend its regulatory power beyond EU borders [Strezhneva, 2018]. The Commission is keen to reduce resistance to the introduction of CBAM both in Europe and abroad. Nonetheless, this is a risky endeavour. It could either strengthen or undermine EU leadership in global climate governance. Because of that, acceptance of CBAM at the WTO level, which would contribute to its legitimation, retains high relevance for the European Union.



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## Annex

Table A1. Preferences of separate European institutions for the organisation of CBAM and its final compromise design

Points at issue	The Commission's legislative proposal (July 14, 2021)	Preferences of the Council (March 15, 2022)	Preferences of the European parliament (June 22, 2022)	Compromise result (December 13, 2022)
<b>Product scope</b>	Aluminium, cement, electricity, fertilisers, iron and steel	Aluminium (with the addition of aluminous cement), cement, electricity, fertilisers, iron and steel; it is desirable to extend CBAM to indirect emissions by the end of the transition period	The CBAM should cover organic chemicals, plastics, hydrogen, and ammonia. In addition to direct emissions, indirect emissions (from the production of electricity consumed in their generation) should be included as well	Aluminium, cement, fertilisers, electricity, hydrogen, iron and steel, selected precursors (such as cathode active materials) and some downstream products (such as screws and bolts)—with the ultimate goal of the widest coverage of imported products
<b>Phasing-out the allocation of free allowances</b>	Between 2026 and 2035	Free allowances should be phased-out in parallel with the phasing-in of CBAM	Between 2026 and 2032, when the full implementation of the CBAM should take place	Between 2026 and 2034
<b>Introduction of export rebates</b>	Not envisioned	The Commission should seek solutions consistent with WTO rules to limit “carbon leakage” when exporting European products	By 2025, the Commission should submit a report on the issue of compatibility with the WTO of export rebates for the European products falling within the scope of CBAM	No answer
<b>Transition period</b>	2023-2025	By 2025, the Commission will report of the possibility of expanding the product scope of CBAM	2023-2026	October 2023—December 2025, with the intention to expand the list of regulated imports by 2030
<b>Concern about prospects for international cooperation</b>	Relatively low degree of concern	Heightened concern	The EU should provide financial support for decarbonisation efforts of the least developed countries from CBAM revenues to be sent to the European budget	Concern about prospects for international cooperation is not reflected

Source: compiled by the author based on information available on the EU website (<https://european-union.europa.eu/>)