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E-000397/2026

Answer given by Mr Hoekstra  
on behalf of the European Commission  
(10.4.2026)

The Commission proposed on 17 December 2025 to extend the scope of the Carbon Border Adjustment Mechanism (CBAM) to selected steel and aluminium-intensive downstream goods. This scope extension covers intermediate goods and final goods and aims to address the risk of downstream carbon leakage. The Commission has proposed an entry into force date of 1 January 2028 for the downstream extension. This allows time for the legislative process and subsequently for developing and amending the relevant implementing acts. Furthermore, it allows all stakeholders involved, including importers, national authorities and third country producers, sufficient time to prepare for the downstream extension.

The Temporary Decarbonisation Fund is an environmental measure. It will provide support to EU producers of certain CBAM goods to reduce their exposure to a remaining carbon leakage risk. Support will be granted for the production years 2026 and 2027. EU producers will have to demonstrate decarbonisation efforts to receive support. The forthcoming EU Emission Trading System (ETS) review will provide the opportunity for a comprehensive review of how best to address the issue of the remaining risk of carbon leakage from 2028 onwards. It should be recalled that the CBAM is phased-in gradually, meaning that there is only a small reduction in installations' free allocation in 2026 and 2027 for the production of goods in scope of CBAM (2.5% and 5% respectively).

The transitory character of the Fund precludes any interpretation that it may constitute a precedent, a model or a reference point for the EU ETS review. Accordingly, the existence, operation or cessation of the Fund shall not create any expectation, legal or otherwise, regarding the EU ETS review.