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Answer given by Mr Hoekstra
on behalf of the European Commission
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The Carbon Border Adjustment Mechanism (CBAM[1]) addresses carbon leakage risks on the EU internal market. When agreed by the co-legislators, the Temporary Decarbonisation Fund[2] will provide temporary decarbonisation support to EU producers of certain CBAM goods to reduce their exposure to the remaining carbon leakage risk. The Fund will support the production of CBAM goods in the year 2026 and 2027, with support contingent upon demonstrated decarbonisation efforts. Several fertiliser products are explicitly eligible to receive such support.
In the recent review of the European Emission Trading System (EU ETS)[3], the Commission has proposed to address this issue from 2028 onwards by reintroducing 15% of the free allocation that would have been phased out due to CBAM, thereby reducing the CBAM phase-in speed[4].

In addition to its built-in carbon leakage protection, the ETS also supports EU fertiliser production by funding decarbonisation investments in the sector through the ETS Innovation Fund. This support is strengthened in the ETS review with the proposal to introduce the ETS Investment Booster and Industrial Decarbonisation Bank which aim to provide a combined EUR 100 billion in funding.

Finally, the Fertiliser Action Plan[5], presented in May 2026, sets out a comprehensive package of measures to strengthen the resilience and competitiveness of the EU fertiliser sector.

[1] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism. http://data.europa.eu/eli/reg/2023/956/oj.
[2] COM(2025) 990 final. Proposal for a Regulation of the European Parliament and of the Council establishing the Temporary Decarbonisation Fund.
[3] COM(2026) 616 final. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52026PC0616.
[4] COM(2026) 616 final. Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/87/EC and Decision (EU) 2015/1814 as regards driving competitiveness and cost-effective decarbonisation.
[5] https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/ensuring-availability-and-affordability-fertilisers_en#fertiliser-action-plan.