

# European Scrutiny Committee

House of Commons London SW1A 0AA

Tel (020) 7219 3292 Email [escom@parliament.uk](mailto:escom@parliament.uk) Website [www.parliament.uk/escom](http://www.parliament.uk/escom)

From: Sir William Cash MP

9 February 2022

Rt Hon. Greg Hands MP  
Minister for Energy, Clean Growth and Climate Change  
Department for Business, Energy & Industrial Strategy  
1 Victoria Street  
London SW1H 0ET

## **10871/21: Proposal for a Regulation establishing a carbon border adjustment mechanism (41916)**

We considered your letter of 16 December 2021 on the above proposal at our meeting of 9 February 2022.

We note your agreement that a multilateral approach to tackling climate change is the most desirable but that such an approach could take some time to evolve and so domestic measures may be necessary in the meantime.

It is welcome that you are monitoring the progress of negotiations on EU CBAM and that you are assessing its implications for the UK. We look forward to further information on your assessment when you next write to us.

You did not address our questions about your direct engagement with the EU on the matter. We noted from the Minutes of the 4 October 2021 EU-UK Trade Specialised Committee on Goods that the UK and EU agreed to hold further informal technical discussions on EU CBAM. We therefore asked you to provide us with more detail on the timing and nature of those discussions and how you intend to communicate progress given the informal nature of the dialogue. We also asked if the Government has had any discussions with the Commission yet about any agreement on how CBAM's operation could take into account the UK ETS. Finally, we asked if any further EU-UK discussion on the possible application of the Regulation under the Northern Ireland Protocol was expected within the EU-UK Joint Consultative Working Group. As we have assessed this proposal to be directly relevant to the UK, we reiterate our request for information on those points.

We would welcome a response within four weeks, including the emerging results of your analysis concerning the impact of this proposal on the UK.

I am copying this letter to Darren Jones MP, Chair of the Business, Energy and Industrial Strategy Committee and Rebecca Davies, Clerk of that Committee; to Rt Hon. Philip Dunne MP, Chair of the Environmental Audit Committee and Martyn Atkins, Clerk of that Committee; to Angus Brendan MacNeil MP, Chair of the International Trade Committee and Eligio Cervellón-Pena, Clerk of that Committee; to Simon Hoare MP, Chair of the Northern Ireland Affairs Committee and Stephen Habberley, Clerk of that Committee; to Pete Wishart MP, Chair of the Scottish Affairs Committee and Leoni Kurt, Clerk of that Committee; to Rt Hon. Mel Stride MP, Chair of the Treasury Committee, and Kenneth Fox, Clerk of that Committee; to Rt Hon. Stephen Crabb MP, Chair of the Welsh Affairs Committee and Dr Adam Evans, Clerk of that Committee; to Lord Kinnoull, Chair of the House of Lords European Affairs Committee, and to Nick Boorer, that Committee's Clerk; to the Parliamentary Scrutiny team in your Department; and to Les Saunders in the Cabinet Office.

**CHAIR**