



**UNIVERSITÉ
DE GENÈVE**

FACULTÉ DE DROIT

ESIL INTEREST GROUP ON ENERGY AND INTERNATIONAL LAW

Conference on Trade-Related Climate Measures in Energy-Intensive Sectors: From Divergence to Interoperability through International Law?

University of Geneva, 13-14 June 2024

Uni Mail (*Bd du Pont-d'Arve 40*) Room MR 060

Many nations worldwide are increasingly recognising the importance of internalising environmental costs within their production processes. Simultaneously, numerous countries have either adopted or are contemplating trade-related climate measures to tackle issues related to carbon leakage and competitiveness. A notable instance is the European Union's implementation of a Carbon Border Adjustment Mechanism (CBAM), and other countries, such as the United States, are exploring similar carbon border adjustment programs. The objective of these measures is to prevent industries in countries with robust climate policies from facing a competitive disadvantage compared to those in nations with weaker or no climate policies.

Such trade-related climate measures, of which CBAM is just one example, are particularly pertinent to energy-intensive sectors characterised by embedded carbon—such as steel, cement, chemicals, and specific manufacturing processes—which contribute significantly to carbon emissions and frequently encounter challenges associated with competitiveness. To address these challenges, several trade-related measures involve placing a price on embedded carbon, representing the quantity of carbon dioxide emissions linked to the production of a specific product.

A notable challenge arises when countries employ different methodologies to calculate embedded carbon, posing obstacles to the effective implementation of border carbon adjustment mechanisms or other carbon footprint policies.

The challenges arising from divergent methodologies in calculating embedded carbon are multifaceted. First, the lack of consistency in determining embedded carbon due to varying methodologies poses significant hurdles in accurately comparing emissions associated with domestically produced goods and imports. Second, this lack of consistency can be perceived as a trade barrier, potentially igniting disputes between nations. The perceived unfairness or

discrimination resulting from these inconsistent approaches could strain international trade relations. Moreover, the variations in methodologies may give rise to market distortions, affecting the competitiveness of industries, as sectors in countries with more rigorous methodologies might bear higher carbon costs, introducing potential distortions to the market.

In response to these challenges, potential solutions involve international harmonisation efforts, where common principles and standards are established to calculate embedded carbon consistently, ensuring uniformity and fairness. Collaborative efforts among countries to bridge gaps in methodologies and foster a shared understanding could also contribute to resolving these issues. Furthermore, guided by international bodies or agreements, standardisation initiatives hold the promise of aligning methodologies, creating globally accepted standards for calculating embedded carbon and promoting fair and transparent trade practices. In essence, addressing these challenges requires a concerted global effort to harmonise, collaborate, and standardise methodologies in the pursuit of equitable and effective solutions. While inclusive climate clubs may represent a potential forum for reaching such outcomes, other deliberative spaces for advancing discussions on equivalence and convergence include the Organization for Economic Co-operation and Development (OECD), the World Trade Organization (WTO), the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat and the United Nations Conference on Trade and Development (UNCTAD).

The Conference

This conference, which inaugurates the activities of the Interest Group on Energy and International Law of the European Society of International Law, aims to shed light on the possible strategies to coordinate the implementation of trade-related climate measures in energy-intensive sectors at the international level.

Registration

If you wish to attend the Conference, please register by sending an email to Ms. Nolwen Guilleman (Nolwen.Guilleman@etu.unige.ch) indicating your name and affiliation.

Program

Thursday 13 June 2024

14.30-14.45 **Welcome and introduction**

Prof. Luc Thévenoz, Dean of the Faculty of Law, University of Geneva

Dr. Elena Cima, Lecturer, University of Geneva, Prof. Ilaria Espa, Associate Professor, Università della Svizzera Italiana, and Dr. Alessandro Monti, Assistant Professor, University of Copenhagen

14.45-15.15 **Keynote**

Prof. Ralph Ossa, Chief Economist, WTO

15-15-16.00 **Panel I - *Cooperation on Carbon Border Adjustment***

Prof. Harro Van Asselt, Hatton Professor of Climate Law, University of Cambridge

Bridging the Divide: Assessing the Viability of International Cooperation on Border Carbon Adjustments

Discussant: Dr. Kateryna Holzer, Senior Researcher, University of Eastern Finland

Chair: Dr. Alessandro Monti, Assistant Professor, University of Copenhagen

16.00-16.30 **Coffee break**

16.30-17.15 **Panel II - *The Contribution of Free Trade Agreements***

Dr. Alexandra R. Harrington, Lecturer in Law, Lancaster University

Climate Measures and Energy-Intensive Sectors: A comparison of EU and UK Free Trade Agreements

Dr. Zamira Xhaferri, Jean Monnet Lecturer (ENLARGEU) in European Law, University of Amsterdam

Externalizing the European Green Deal: New approaches to 'green' the EU's Free Trade Agreements

Chair: Prof. Ilaria Espa, Associate Professor, Università della Svizzera Italiana

17.15-18.00

Panel III - *The Development of Low-Carbon Standards*

Dr. Charles Codère, Postdoctoral Researcher, NEME Research Chair on New Challenges of Economic Globalization, Laval University, Québec (Canada)

Harmonized Implementation Of Corporate Climate Disclosure Standards: A Key For Effective Carbon Border Adjustment Mechanisms

Dr. Tetyana Payosova, Senior Associate, Van Bel C Bellis

The role of international standards in the design of trade-related climate measures in energy-intensive sectors

Chair: Prof. Gabrielle Marceau, Associate Professor, University of Geneva / Senior Counsellor, WTO

Friday 14 June 2024

0G.00-0G.45

Panel IV- *From Divergence to Interoperability?*

Mr. Marcin J. Menkes, Associate Professor, Warsaw School of Economics

The Collision of Trade and Climate: Aligning Carbon Border Adjustment with Renewable Energy Policies

Dr. Marat Karatayev, Research Fellow, University of Nottingham **G Prof. Lorenza Mola**, Associate Professor, University of Turin

The Interconnectivity and Interplay of Trade and Investments in Anti-Leakage Policies: The Insight from a Bipartite Network Analysis

Chair: Dr. Daniel Ramos, Legal Officer, WTO

0G.45-10.30

Panel V - *Fairness and CBDR*

Ms. Debolina Bhatt, PhD Candidate, Geneva Graduate Institute **G Dr. Vishal Sharma**, Assistant Professor of Law, Bennett University

CBDR and CBAM: Who Will Pay the Price of Carbon?

Ms. Rachele Magnaghi, PhD Candidate, University of Milan

The EU CBAM Regulation and the U.S. BCA Proposals - A Potential 'BCA Coalition'? Comparing the Main Implementation Challenges under the non-discrimination obligation and CBDR-RC

Chair: Mr. Nicolas Lockhart, Partner, Sidley Austin

10.30-11.00

Coffee break

11.00-12.15

Panel VI - *Commodification of CO₂ and Justice Implications*

Dr. Luciano Donadio, Permanent Mission of the Argentine Republic to the International Organizations in Geneva/Siglo 21 University
Mr. Agustín Giustiniani, Permanent Mission of the Argentine Republic to the International Organizations in Geneva/PhD Candidate, Geneva Graduate Institute

CBAM and the New Turn in the Commodification of CO₂: Legal, Practical and Justice Issues

Dr. Kateryna Holzer, Senior Researcher, University of Eastern Finland

Balancing Trade and Environment: Lessons from the Malaysia-EU Biofuel Dispute

Ms. Yang, Ting Yu Yang, National Taiwan University, Department of Law

Balancing CBAM and WTO: When Environmental Justice Meets Trade Justice, Excluding Developing Countries' Voices

Chair: **Dr. Elena Cima**, Lecturer, University of Geneva

12.30-12.40

Conclusions