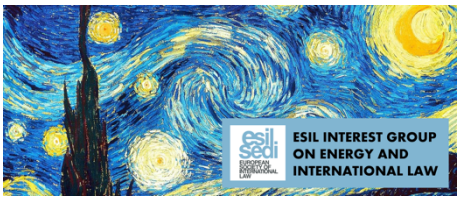

UNIVERSITÉ DE GENÈVE
FACULTÉ DE DROIT

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

Call for Abstracts

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 States Conference on Trade and Development (UNCTAD).

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. We seek contributions in the following four main areas:

- Regulatory challenges posed by the EU CBAM and other carbon footprint policies in international law
- The potential of climate clubs to foster a coherent approach to the international regulation of embedded emissions in energy-intensive industries
- WTO implications of the proliferation of trade-based climate measures in energy-intensive sectors
- Fairness in the international regulation of embedded emissions in energy-intensive industries.

The deadline for the submission of abstracts (max. 300 words) is **Friday, 29 March, at 23:59 CET**. Successful applicants will be notified by Wednesday, 5 April. A first draft of the conference paper must be submitted by May 31, 2024. Please, email your CV and abstract in pdf to: elena.cima@unige.ch

There will be an opportunity to publish selected conference papers in a special issue of the *Journal of World Energy Law and Business* (JWELB).

Practical information

The Interest Group is unable to provide funding for travel and therefore selected speakers will be expected to bear the costs of their own travel. Accommodation may be provided for speakers for the night of June 13, subject to funds availability. The latter will be confirmed upon selection of abstracts.

Your conveners:

Dr. Elena Cima, University of Geneva
Prof. Ilaria Espa, Università della Svizzera Italiana
Dr. Alessandro Monti, University of Copenhagen