

- **EU: Unilateral CBAM**
 - Level playing field only for imports, not for exports
 - Trade conflicts

- **Germany in G7: Multilateral Climate Club**
 - No border adjustment within club, but towards non-members
 - Minimum carbon price ⇒ problems with high & varying ETS price

- **Elements of a “Carbon Leakage-Proof” Climate Club:**
 - 100% free allocation of ETS-allowances
 - Carbon consumption tax (CCT) [*Neuhoff, K. et. al (2016)*]
 - CBAM for countries without ETS

