

- **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

