

Carbon Border Adjustment Mechanism (CBAM)

Banking Operations and Forgery



8639-2



In-Class



16 hours



EGP 16,800

Course Description:

In line with the EU commitment to fight climate change, the European Green Deal set out a clear path towards achieving the EU's ambitious target of a 55% net reduction in greenhouse gas emissions compared to 1990 levels by 2030, and to become climate-neutral by 2050. The EU's Carbon Border Adjustment Mechanism (CBAM) is the EU's tool to put a fair price on the carbon emitted during the production of carbon-intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries.

The CBAM will ensure the carbon price of imports is equivalent to the carbon price of domestic production, and that the EU's climate objectives are not undermined. The CBAM is designed to be compatible with World Trade Organization (WTO)-rules. CBAM will apply in its definitive regime from 2026, while the current transitional phase lasts between 2023 and 2025. This gradual introduction of the CBAM is aligned with the phase-out of the allocation of free allowances under the EU Emissions Trading System (ETS) to support the decarbonization of EU industry.

Egypt is one of the countries that will be impacted by CBAM due to its exports of goods in sectors at high risk of carbon leakage, including iron/steel, cement, fertilisers, aluminium, hydrogen, and electricity generation. CO2 emissions tariffs on imports implemented under the CBAM could threaten the export competitiveness of developing countries, including Egypt, in the EU market. Egyptian industries need to invest in advanced technologies that reduce carbon emissions.

This includes upgrading machinery, adopting energy-efficient processes, and transitioning to renewable energy sources. The banking sector in Egypt should seek the opportunity to support Egyptian industries in "greening" their products or decarbonizing their production.

Target Audience:

This training would support functions of Corporate, Risk, Credit Risk, E&S Risk, Sustainability & Sustainable Finance to understand the requirements of CBAM and methods of calculations of the carbon emissions associated with CBAM goods in light of the EU requirements.

Course Objectives:

- Explain the causes, impacts, and global framework of climate change.
- Describe key concepts and standards for corporate carbon footprint reporting.
- Clarify GHG emission calculation methods using activity data and emission factors.
- Summarize main EU climate regulations and CBAM compliance requirements.
- Demonstrate CBAM calculation process for sector-specific carbon emissions.
- Calculate GHG emissions for the cement sector using real case data.
- Analyze CBAM reporting requirements for cement and iron & steel sectors.
- Evaluate embedded carbon emissions for fertilizers and aluminum industries.
- Assess direct and indirect emissions under CBAM for electricity and hydrogen

Course outline

Module 1: Climate Change Fundamentals

- What is Climate Change?
- Greenhouse gas emissions (types and sources) and global warming potential
- Causes and Impacts of Climate Change
- International Framework, Conventions and Agreements
- Egypt's GHG contribution and commitments

Module 2: Climate Risks and Financial Sector Implications

- Climate-related financial risks for banks and financial institutions
- Physical & Transition Risks
- Double Materiality
- Climate-Related Disclosure Frameworks: TCFD, IFRS, and SASB
- Case Study

Module 3: Carbon Footprint Reporting

- What is Carbon Footprint?
- International Standards and Guidelines
- GHG Protocol Corporate Accounting and Reporting Standard: Scope 1, Scope 2, and Scope 3
- Organization vs. Product Carbon Footprint
- Setting Boundaries
- Sources of GHG emissions
- GHG emission calculation methodology: Activity Data and Emission Factors

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Module 4: Financed Emissions

- Financed Emissions and Climate Risk Assessment
- Partnership for Carbon Accounting Financials (PCAF)
- Financed Emissions Calculation
- PCAF Asset Classes
- Case Study

Module 5: Overview of EU Climate Regulations

- EU Climate Change Commitments
- EU Emission Trading Scheme (ETS)
- Overview of CBAM
- CBAM process for importers and non-EU establishments

Module 6: CBAM Calculation Methodology

- CBAM Sectors
- Embedded Carbon
- Direct and Indirect Emissions
- Timeframe: transitional and effective periods
- Reporting templates and other requirements
- What does CBAM mean for Business?
- Current and Upcoming Scope
- Egypt's CBAM Exposure
- Expected Carbon Payments on Egyptian Sectors
- Egypt's Plan for CBAM

Module 7: CBAM Requirements – Cement Sector

- Sector-specific considerations
- Case Study
- Green Practice Opportunities
- Group Exercise

Module 8: CBAM Requirements – Aluminum Sector

- Sector-specific considerations
- Case Study
- Green Practice Opportunities
- Group Exercise

Module 9: CBAM Requirements – Iron & Steel Sector

- Sector-specific considerations
- Case Study
- Green Practice Opportunities
- Group Exercise

Module 10: CBAM Requirements – Electricity & Hydrogen Sectors

- Sector-specific considerations
- Green Practice Opportunities

Module 11: CBAM Requirements – Fertilizers Sector

- Sector-specific considerations
- Case Study
- Green Practice Opportunities
- Group Exercise

Assessment Strategy:

The participants will be evaluated based on an “online” assessment at the end of the 2nd training day

Course Language:

English

Prerequisites:

None