Compatibility of CPRs with different policy approaches

→ Fig. 5

Carbon product requirements (CPR) with ratcheting mechanism

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Carbon pricing	→ CPRs complement the price signal from carbon pricing schemes to phase out emissions intensive production pathways → CPRs can ensure decarbonization pathway → In the long run, CPRs can act as quasi-substitutes for pricing schemes
Carbon border adjustment mechanisms (CBAM)	→ CPRs can complement CBAMs in the short run, with both the CPR and CBAM running in parallel → Internationally, CPRs offer a platform for convergence in leakage policy → In the long run, CPRs can act as substitutes for border adjustment mechanisms
Green Subsidies	→ CPRs complement subsidy schemes → CPRs can incentivize subsidy take-up and ensure decarbonization pathway → CPRs can limit required volume of public subsidies by phasing out cheaper, emissions-intensive products

Agora Industry (2024)