

Global Sectoral Approaches as Part of a Post-2012 Framework

**Supported by the European Commission DG Enterprise and Industry
(ACTION ENT/CIP/08/C/N02S00)**

**Technical workshop on sectoral approaches:
Benchmarking, sector boundary and monitoring, reporting &
verification issues**

Brussels, 17 & 18 September 2008

Venue:

Big Conference Room, Ground Floor, CEPS
Place du Congrès 1, 1000 Brussels; Tel. +32 2 229 3960; www.ceps.eu

Discussions on sectoral approaches have identified technical issues related to data definition and collection as well as monitoring, reporting and verification as a principal challenge and precondition for sectoral approaches of all kinds to work. This technical workshop will provide an update on where discussions stand in the four sectors that the study examines: aluminium, cement, power and steel. Progress in each sector will be presented and compared with others sectors in order to draw conclusions for all sectors. In the beginning, the workshop will briefly present the state of work of major ongoing research on sectoral approaches to update participants on the state of research. Main agenda items will therefore be:

- Update on sectoral approach initiatives
- Presentation and discussions on benchmarking and sector boundary issues and the solutions that different sectors (i.e. aluminium, cement, power and steel) propose
- Technical issues around how intensity targets can be used and implemented by different developing countries
- Other issues (multiple products, co-products, wide variations in local geology and manufacturing settings, and MRV issues)

Draft Agenda (fifth version)

Day 1: 17 September 2008

9:00-10:00 **Background on sectoral approaches, the study and workshop topics**
Christian Egenhofer, CEPS; **Ned Helme**, CCAP, **Ilriana Mushkolaj**,
CCAP, **Dan Klein**, Twenty-First Strategies, Consultant to CCAP;

This session will provide participants briefly with the background on sectoral approaches and the study and introduce the workshop topics in more detail. Participants may suggest amendments to the agenda.

10:00-11:00 **Recent policy initiatives and research on sectoral approaches and benchmarking: overview and review**

There is a plethora of sectoral approach studies. This session will give an overview on ongoing sectoral approach studies and provide an update on the state of their work. In addition, benchmarks are used in emissions trading schemes.

10:00-10:30 **Overview and review:**

Emmanuel Guerrin, IDDRI [*General overview on on-going industry and other sectoral initiatives*]

Representative from **Ecofys** [*Presentation of Ecofys work including expected results*]

10:30-11:00 **Benchmarks in emissions trading schemes:**
Representative from **Canada** [*on benchmarks in Canadian ETS*]
Christian Egenhofer, CEPS [*on benchmarks in EU ETS*]

Introduction to the workshop theme:

John Newman, CCAP Consultant [*overview on sectoral initiatives that industry is engaged in with focus on data, benchmarking, best-practice etc.*]

Questions & Answers (Q&A)

11:00-11:30 Break

Each of the four sectors (aluminum, cement, power and steel) will present and discuss benchmarking and sector boundary issues and the potential solutions appropriate for a post-2012 framework. This will also include problems that the sectors encounter and a brief reflection on whether

sector-specific issues can be generalised for all sectors. Objective of this session is to separate sector-specific and universal issues and solutions. The four sector-specific sections will be preceded by an overview on available data for China.

- 11:30- 12:00 **Overview on available data in China**
Dr. Can WANG, Research Fellow and Coordinator Assistant, Joint Program on Economics and Policy Study (PEPS)
- Discussion*
- 12:00-13:30 **Cement**
Howard Klee, Cement Sustainability Initiative (CSI)
Dan Klein, Twenty-First Strategies; Consultant to CCAP
John Newman, Consultant to CCAP
Representative from a **developing country ???**
- Discussion*
- 13:30-14:00 Lunch at CEPS
- 14:00-15:30 **Iron and Steel**
Representative(s) from **International Iron and Steel Institute (IISI)**
Chunxia Zhang, Center of Process Engineering & Environmental Engineering, China Iron & Steel Research Institute, Group, Beijing
- Discussion*
- 15:30-16:00 Break
- 16:00-17:30 **Aluminum**
Marlen Bertram, Deputy Secretary General, International Aluminum Institute (IAI), London, UK
Representative from **Chinese industry:**
Sen ZHANG, Deputy Director, Henan Nonferrous Metals Association
- Discussion*
- 17:30-18:00 **Concluding discussion**

Day 2: 18 September 2008

09:00-10:00 **Summary and conclusions of first day's discussion** [e.g. characteristics favorable and unfavorable to sectoral approaches; lessons learned on benchmarking, availability of data, etc.)
Christian Egenhofer, CEPS
Ned Helme, CCAP

Discussion

10:00-11:30 **Power Sector**
Representative from **Electricité de France**
Representative from **TEPCO**, Japan

Discussion

11:30-12:00 Break

12:00- 13:30 **Other Sectors & Issues**

Discussion led by **Dan Klein**, Twenty-First Strategies & Consultant to CCAP, complemented by **John Newman**, CCAP Consultant and **Ned Helme**, CCAP

This session will wrap up the discussion so far, e.g. will provide space for issues that have not been discussed before, including inter alia notably international fuel market fungibility, life-cycle GHG emission, accounting for indirect (electricity and other) emissions. The session would also allow for deepening of issues that may need greater depth such as co-products, variations in local geology and manufacturing settings, and MRV issues not been covered in great depth. Format will be an open discussion animated by John Newman.

13:30-14:30 Lunch at CEPS

14:30-16:30 **Using and meeting intensity targets in sectoral agreements**

The session will examine in greater depth what benchmarking in different countries could mean. It will particularly examine what an intensity target for developing countries would then look like and how a country might approach meeting it – e.g., via cap and trade, via a

combination of specific policies, and how the industry would function with each one. In this way, it kicks-off the discussion on the conclusion.

- 14:30-15:00 **Opening Comments:**
Mr. ARIMA, Deputy Director-General, Global Environmental Affairs, Ministry for Economy, Trade and Industry (METI), Japan
- Discussion*
- Comments by **Christian Egenhofer**, CEPS and **Ned Helme**, CCAP
- Discussion*
- 16:00-17:00 **Conclusions (characteristics favorable and unfavorable to sectoral approaches; lessons learned on benchmarking, availability of data, etc.)**
Christian Egenhofer, CEP, **Ned Helme**, CCAP, **others?**
- 17:00-17:15 **Next steps** by **Christian Egenhofer**, CEPS and **Ned Helme**, CCAP
- 17:15 End of the meeting