



# **The Asia Pacific Partnership A Global Steel Sectoral Approach To Climate Change**

**Bonn Workshop on Sectoral Approaches  
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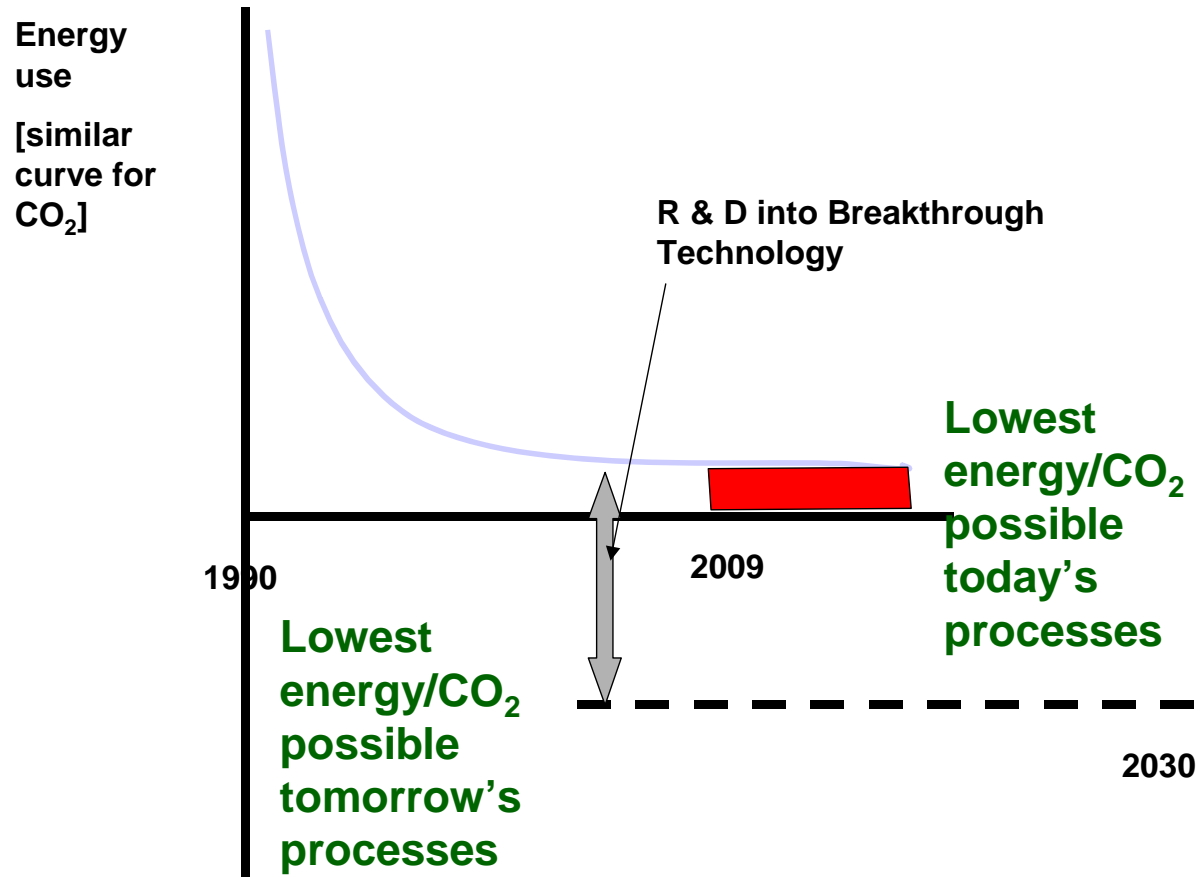


# Steel and Climate Change

- Steel output to more than double by 2050
- Steel products help solve climate change issues
- Growth encouraged; steel is part of the solution
- Steel industry must thrive for world's climate goals to be achieved

# Annex 1

## Steel Industry Energy Intensity





# Asia Pacific Partnership Steel Task Force

- Australia, Canada, China, India, Japan, Korea, USA
- Industry and government participation
- Energy Intensity reductions in steel in all seven countries

# Steps to an APP Sectoral Agreement

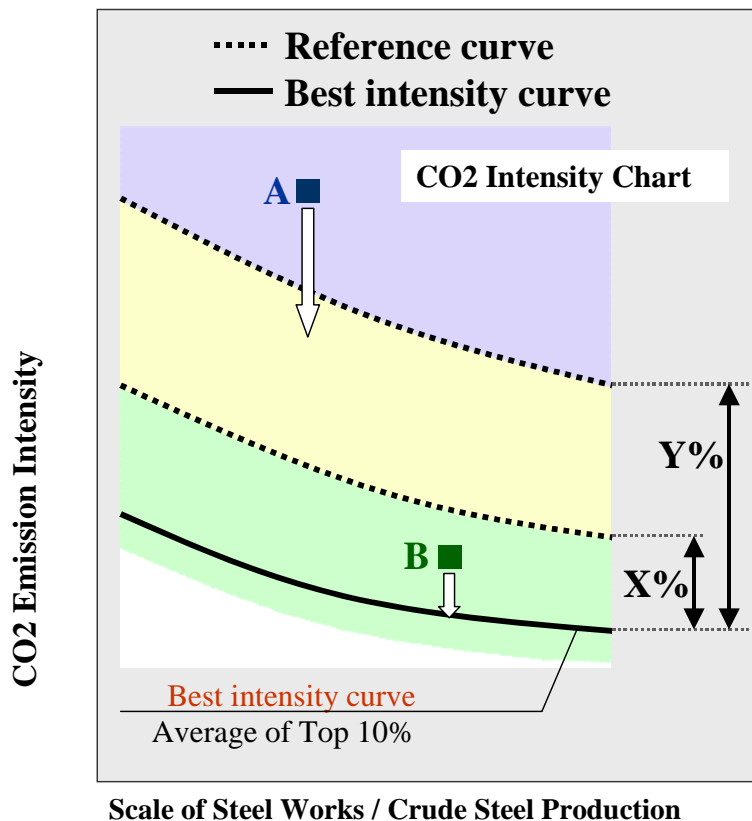
1. Establish Data Collection Protocol [done]
2. Collect and Validate Data [occurring now]
3. Target Setting [2009 activity]
  - Differentiated responsibility by country
  - More important to have an agreement than for it to be perfect

# Target Setting Considerations

- APP is concerned with the near term until approximately 2025
- It is focused on improvements from deploying existing technology

# APP Target Setting Method : Chart 1

## CO2 Intensity Milestone / Under discussion in JISF



To set “Best Intensity Curve” is important

- To show”Limit of Improvement”
  - To obtain “Reference curve”
- Credible data set is vital!!

Reference curve is provided through intense global diffusion and energy intensity survey.

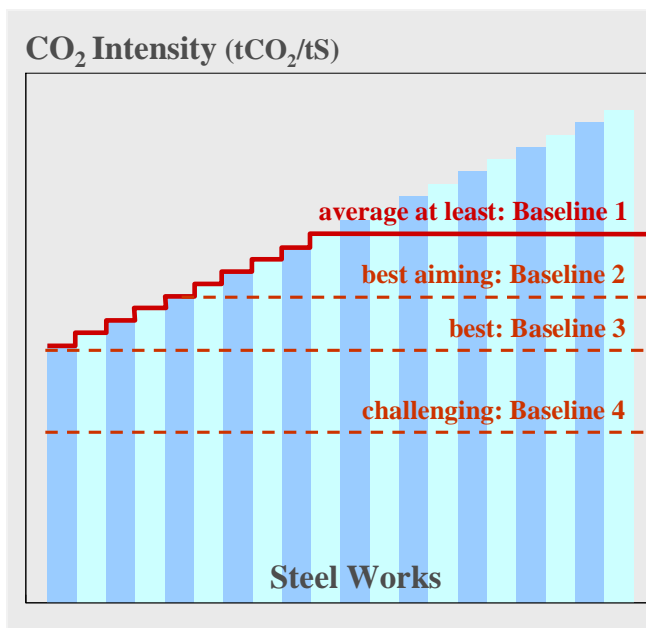
Both “High efficiency” and “Low efficiency” steel producer must improve their energy intensity.

“Low efficiency” producer is to set more challenging milestone

Milestone of steel industry is to be set by dialogue between government and industry at each country.

# APP Target Setting Method : Chart 2

- Regional specific CO<sub>2</sub> reduction commitments
- Should be Carve-In (Under the governmental schemes)



- The most efficient performers aim at the more challenging baseline
- the least efficient aim at the higher baseline
- The baselines get lower over time

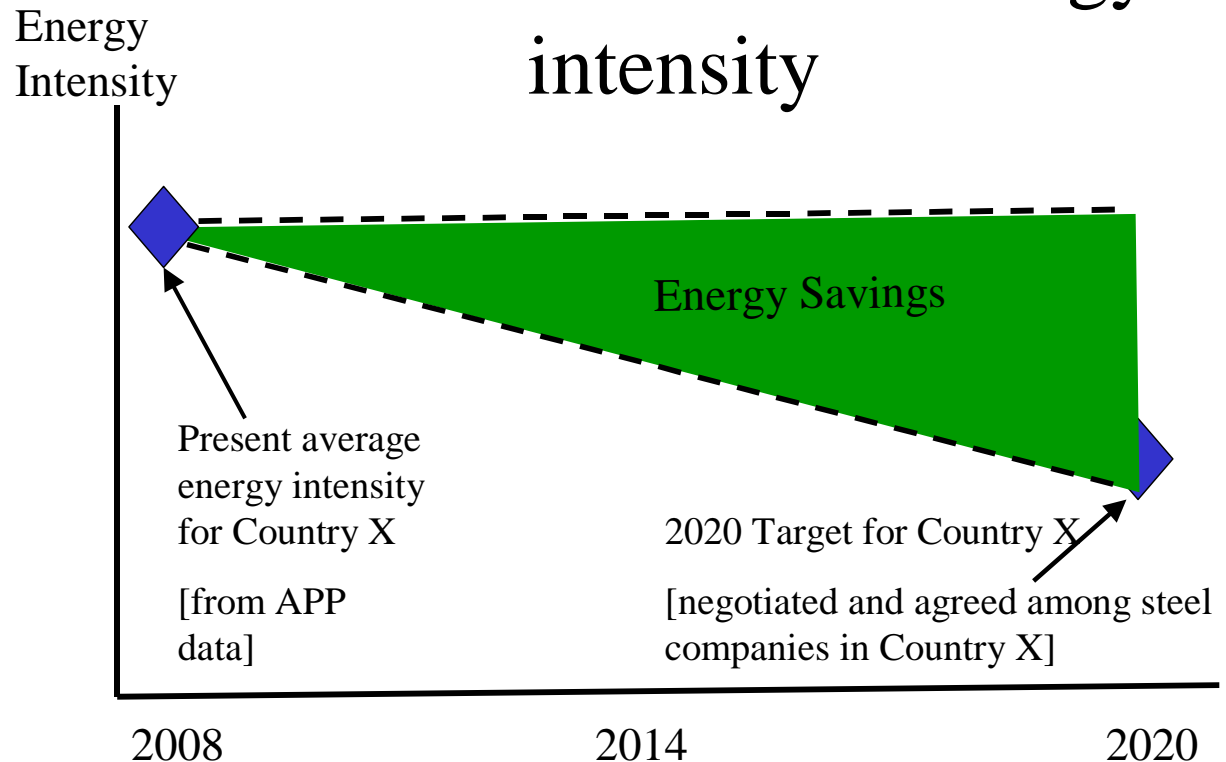
✓ Common but differentiated responsibility (depending on regional status) ✓ Common efforts of Steel industry could be made

Source: Posco



# APP Target Setting Method : Chart 3

Energy savings by percentage  
reduction in national energy  
intensity



# APP Sectoral Agreement

- All target setting proposals are intensity-based
- The progress is real and it is happening



## Conclusions

- Countries that make steel should adopt intensity-based sectoral agreements as part of their domestic climate policy for steel:
  - They permit growth
  - They reduce CO<sub>2</sub> emissions globally
  - They help keep a level playing field in international competition

## Conclusions

- COP 15 should include Sectoral Approaches as acceptable means of dealing with climate change.
- MRV should apply to sectoral approaches