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**Asia - Pacific Partnership on Clean Development and Climate**  
**The Fourth Steel Task Force Meeting in Wollongong, Australia**

23-24 October 2007

**Chair's Summary**

**1 Introduction**

Mr. Joji Tateishi, the Chair of the APP Steel Task Force, and Dr. Udai Pratap Singh, the newly appointed Co-chair, convened the Asia-Pacific Partnership's Fourth Steel Task Force Meeting, held on 23 and 24 October, 2007 at Novotel Northbeach Hotel in Wollongong, NSW, Australia. The meeting was attended by about 90 participants comprising 45 representatives from six of the seven member countries, with the exception of China, but including the new APP entrant, Canada, and a number of observers attending from the related industries.

Along with the Task Force meeting, the Third Experts Workshop organized by Australia as the host country took place on 25 October at the same venue above, with over 110 participants including Task Force members. The Task Force meeting and the workshop were followed by a site visit to BlueScope Steel's Port Kembla Steelworks on 26 October.

**2 Adoption of the Agenda**

The Chair announced to the members the change in co-chairmanship, and a new enrollment of Canada into the APP membership. Following addresses by the new Co-Chair and the host country, Australia, a brief self-introduction round was held among the members of the Task Force.

Following the Co-Chair's opening remarks, the Task Force adopted the agenda for this meeting as proposed and circulated beforehand.

**3 Status Report**

All member countries made brief reports on their respective activities and efforts since the last Task Force meeting held in March in Kolkata, India. As the new entrant to the APP, Canada presented an enlightening overview of the Canadian iron and steel sector together with the present status of energy and GHG emission pictures and action agendas.

On Korea's proposal for the APP Energy Technology Cooperation Centre (ETCC), the Chair emphasized that the idea had been endorsed by the PIC and asked for member to fill out the questionnaire form distributed by Korea and reply back to Korea directly.

Australia informed the Task Force of the certain restrictions imposed on government officials in addressing policy matters during the period of the Federal Government election

scheduled to take place on 24 November 2007.

Japan, as the Task Force Chair country, made a summary report on the Tokyo PIC meeting held in July 2007, as well as a report on the results of the Ministerial Meeting held in New Delhi, India, in October 2007.

#### **4 Status Review of Steel Industry Related Indicators for Energy Saving, [STF-06-02]**

Japan as the Managing Party first presented interim findings of the surveys conducted so far for Project 2. In Phase I of Project 2, the diffusion rates of major energy saving or environment protecting technologies were studied and CO2 reduction potentials identified for each technology. Currently in Phase II of the project, common boundary conditions have been set and the effectiveness of the technologies is being appraised for each plant site.

Meanwhile, since issues such as omissions in submitted data or data requiring additional verification/clarification have been found in the process of the study, establishment of data hubs (DH) and an expert group (EG) was proposed by Japan as a means for improving the data quality as well as data collection coverage. Discussions also focused on procedures for ensuring the data confidentiality and considerations required in publicizing the analysis results to outside parties.

As a result of intense discussions on the above, it was agreed by the Task Force to address the above issues with the following steps and timelines:

1. All member countries are to notify the Secretariat of their respective candidates for the EG/DH to be registered with the Task Force within two weeks;
2. The role of the EG is to review the data for accuracy and consistency. If necessary the EG will consult with the DH to achieve this. The EG will analyze the data and present conclusions to the Task Force.
3. All members were requested to newly submit or review existing data with the aim of improving their accuracy and coverage;
4. The EG was also tasked to contemplate confidentiality guidelines for DH and EG and policies for publicizing the country level reduction potential data as well as for sharing data among the members.

It was agreed that the final analysis of the EG would differentiate between “theoretical potential” and “real potential.”

Meanwhile, all members recognized that the above agreement has been endorsed by the 6 member countries present, and asked the Chair to communicate with Chinese delegates for getting their acceptance after the Task Force meeting. In principle Canadian delegation agreed with the terms of the Expert Group and Data Hub, and official decision will be made after Canadian permanent representatives are assigned.

The Chair noted that all members had been requested to support the new Flagship Project under the title of “Establishment of Common Methodology to Identify Reduction Potential and Performance Benchmarking” to be jointly led by Japan and Korea, which had two components, STF-06-02 and STF-06-03. This new Flagship Project has been approved by the Ministerial Meeting.

#### **5 Performance Indicators Setting [STF-06-03]**

Under this topic, initial survey results were reported by Korea as the Managing Party for this project. Since the calculation method for performance indicators or target setting addressed in this project are closely linked to the activities under Project 2, a requirement to develop estimated reduction potentials specific to each Partner country while paying attention to maintaining consistency between the two related projects was identified.

#### **6 Performance Diagnosis [STF-06-04]**

Japan is in the process of formulating plans for dispatching experts in energy conservation and environmental protection technologies to perform the diagnostic analysis as the first activity under this project. An outline for the plans including the specific locations with general timing were explained involving diagnostic visits to three plants in China and one plant site in India for the 2007 program. India invite other countries to provide experts to join this work.

The APP members have been asked to raise specific requests for advice as well as locations and details for the diagnostic programs for the next year onwards.

The Chair noted that all members had been requested to support the new Flagship Project under the title of “Development of Mechanism for Eligible Technology Adaptation based on Expert Diagnoses” to be jointly led by Australia, China, and India, which had two components STF 06-04 and STF 06-06. This new Flagship Project has been supported by the Ministerial meeting.

#### **7 State-of-the-Art Clean Technology (SOACT) Handbook [STF-06-05]**

Thanks to the United States leadership and the cooperation of other member countries, the first edition of the SOACT Handbook comprising 352 comprehensive pages has been completed and forms one of the major deliverables of the Steel Task Force.

Moreover, to continually upgrade the Handbook and to make for more efficient use of it, the U.S. has proposed the following three actions which met the general approval of the Task Force:

1. To update the handbook content to include input from Canada, if any, as soon as possible and updated thereafter every 12 to 18 months;
2. To consider exchange of data/information with Eurofer;

3. To organize a “Technology Showcase” in China and to invite technology suppliers, at an opportune time in 2008.

It was also agreed that the first edition of the SOACT Handbook, which is now shared among the Task Force members via Internet, could be available to the public after finishing the update of content, and within no more than two weeks.

## **8 Technology Deployment [STF-06-06]**

Australia, as the Managing Party for this project, proposed a conceptual methodology for individual project implementation including the method of project start-up following the performance diagnosis. It was agreed that the Co-chair would coordinate the existing Indian project. There was discussion about the purpose of STF 06-06 and the specific role that the Task Force wanted Australia to play. This was not resolved and the issue will be discussed again when the results from STF 06-04 are available. It was stated that the task was intended to promote new technology development, rather than simply fund the installation of fully proven and readily available technologies.

## **9 Project Financing**

Mr. Takashi Hongo, representing the Japan Bank for International Cooperation (JBIC), was invited to make a presentation on the funding assistance available and financing arrangements required for possible APP projects and to exchange views with the Task Force on related matters.

## **10 Other Matters**

The Chair presented to the Task Force the current international situation on energy issues outside of the APP framework and their implications for the sectoral approach. The Chair then proposed that the issue be taken up as an agenda item for the next TF meeting.

## **11 Discussion on Future Work**

The next Task Force meeting will be held in China in May or June 2008, with the precise meeting dates to be coordinated with the host country and announced by the Chair at a later date. The Chair asked each member to provide their availability during this period.

The Chair summarized the meeting and the decisions taken during the last two days of discussions, and delivered the closing remarks. Meeting notes and a summary would be drafted by the Chair

immediately and circulated to the Task Force members. The Chair closed the meeting with thanks to all delegates and to Australia for their kind hospitality.