

Implementation details matter: Roundtable Discussion on Inclusion of Consumption

22nd January 2016

Friedensburg Room (2nd floor)

DIW Berlin, Mohrenstraße 58, 10117 Berlin

Pre-workshop dinner

21st January 2016, 8 pm

Café NÖ!, Glinkastraße 23, 10117 Berlin

Background

In the context of improving the European Emission Trading Scheme (EU ETS) beyond 2020, a policy proposal to improve innovation incentives in the materials sector was brought forward by Climate Strategies: The implementation of a consumption charge on carbon intensive materials (so-called Inclusion of Consumption (IoC)) should help to re-establish innovation incentives lost through free allocation of allowances in these sectors. The charge is based on the weight of primary materials (i.e. steel, cement), charged when a product moves from the production to the consumption sphere. A background paper with a detailed description of the mechanism and the administrative implications will be circulated one week in advance of this workshop.

Objective

The objective of this roundtable discussion is to analyze and question in detail the technical and administrative implementation of Inclusion of Consumption. In addition to the careful thinking through of the administrative implication and the functioning of the IoC mechanism which is summed up in the background paper, we want to verify the legal and administrative feasibility and explore potential short-comings of the mechanism. A frank discussion with external experts under Chatham House rule will help to point out remaining loopholes and improve the mechanism where necessary.

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Draft Agenda

Time	Program
8:45 – 9:00	Registration and Coffee
9:00 – 9:45	Introduction to workshop Overview of Inclusion of Consumption Concept The session will start with a presentation by Karsten Neuhoff about the motivation and the functioning of Inclusion of Consumption in the materials sector. There will be room for a first discussion on a general level and questions from the audience.
9:45 – 9:50	Coffee break
9:50 – 11:00	Discussion: Details of the charge The following sessions will be structured according to the main topics. A short introduction to each topic, pointing towards potential discussion points, will be given by Manuel Haußner at the beginning of each thematic session. This session will focus on the design of the consumption charge, i.e. the materials covered, benchmarks used, the price and calculation of the liability. We will also discuss the passing on of the charge through duty suspension.
11:00 – 11:30	Coffee break
11:30 – 13:00	Discussion: International Dimension In this session, the discussion about the administrative implementation will discuss in more detail the treatment of imports and exports.
13:00 – 13:45	Lunch
13:45 – 14:45	Discussion: Compliance and verification In this session, the discussion about the administrative implementation will focus on compliance and verification issues.
14:45 – 15:00	Conclusion and outlook <i>Karsten Neuhoff, DIW Berlin</i>
15:00 – 15.15	Coffee

List of participants

Name	Affiliation
Sebastian Eichfelder	OVG University Magdeburg
Manuel Haussner	Nürnberg University
Roland Ismer	Nürnberg University
Rob van der Meer	Heidelberg Cement
Karsten Neuhoff	DIW Berlin
Uwe Neuser	German Federal Ministry of the Environment (BMUB)
Stefan Pauliuk	Freiburg University
Philippa Piepenbrock	PWC
Ingo Schlegel	Ernst & Young
Jan Stede	DIW Berlin
Michael Tervooren	PWC
Vera Zipperer	DIW Berlin