

**CFM-Traction European Dialogue:
The Policy Toolkit for Net-Zero Industrial Innovation
11th January 2021
1:00 - 2:45 PM (CET)**

Working with stakeholders in Poland and Germany, the Climate Friendly Materials – Market Creation through Policy Innovation ([CFM-TRACTION](#)) project has co-created new insights into the policy toolkit to transform the basic materials sector to climate neutrality.

Join us on January 11th 2021 for a dialogue on systemic transformation of the EU basic materials sector to net zero by 2050. At the event we aim to:

- Exchange knowledge on policy instrument design, synergies in the policy mixes, the structure of an effective policy packages and its governance
- Support a shared understanding and vision on industrial decarbonisation
- Accelerate progress towards nationally-led industrial net zero policy frameworks, which are compatible with EU long-term strategies
- Share lessons from the German and Polish experience to provide insights that can help catalyse systemic transformation of EU basic materials sector to net zero by 2050.

Policy innovation to fully internalise carbon costs in market prices, and to create markets for climate-friendly production and use of basic materials, is essential for the sector to reach net zero by 2050. Without it, there is no business case for large-scale use of climate-friendly production processes and thus no incentive to innovate. Industry and investors require and demand a policy framework to support the creation of markets for climate-friendly materials. While policymakers require evidence on policy that aligns carbon pricing with carbon leakage protection and equity concerns. **Join us on January 11th** for a stakeholder dialogue to accelerate progress towards an effective policy framework to support net-zero industrial innovation

The two policies explored during CFM-TRATION were:

1. A [Climate Contribution](#) as part of the EU ETS - a charge on carbon-intensive materials sold for final use in Europe. The Contribution is an alternative to a Border Carbon Tax, potentially delivering the same results with fewer risks.
2. Project-based [Carbon Contracts for Difference](#) (CCfDs) - contracts between national governments and companies developing low-carbon projects, which ensure a guaranteed carbon price for the project. CCfDs create lead markets for innovative low-carbon production processes and materials.

Agenda (Draft):

1:00 – 1:05	Welcome and introduction	Julie-Anne Hogbin, Climate Strategies
1:05 – 1:20	Overview of co-produced assessment of the socio-economic impacts of implementing Climate Contribution and CCfD <ul style="list-style-type: none"> - German Experience - Polish Experience 	Olga Chiappinelli, DIW Berlin Aleksander Śniegocki, WiseEuropa
1:20 – 1:30	Synthesis of findings: Lessons from the German and Polish experience to provide insights to help catalyse systemic transformation of EU basic materials sector to net climate neutrality by 2050.	Karsten Neuhoff, DIW Berlin
1:30 - 1:35	Respondent: Industry perspective	Olga Dzilińska-Pietrzak from Grupa Azoty
1:35 - 1:40	Respondent: Industry perspective	André Horstkötter, ThyssenKrupp
1:40 – 1:45	Respondent: Government perspective	Peter Menck, German Federal Ministry for Economic Affairs and Energy
1:45 – 1:50	Respondent: Civil Society perspective	Oskar Kulik, WWF Poland
1:50 – 1:55	Respondent: Industry perspective	Rob van der Meer, HeidelbergCement
1:55 – 2:00	Respondent: Consumer perspective	Udo Sieverding, Verbraucherzentrale NRW
2:00 – 2:05	Respondent: Finance perspective	Frank Sibert, BNP Paribas
2:05 – 2:20	Discussion in groups of 4: <ul style="list-style-type: none"> - What did you learn from the presentations? - Was there anything that you disagreed with in the presentations? - What one key question do you have for the speakers? 	
2:20 – 2:45	Q&A with speakers	Chair: Julie-Anne Hogbin, Climate Strategies

Target Audience: 50-100 German, Polish and other European stakeholders including government, industry, finance sector actors, consumer and civil society group actors.