



ITEM 9. THE STEEL COMMITTEE AND DECARBONISATION

STATE OF PLAY

Steel Committee, 95th Session – 25th March 2024

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Steel decarbonisation: central pillar of PWB 2023-34 and of March 2024 Steel Committee agenda

- Four projects:
 - IOR 4.2: The steel industry and the low-carbon transition: Addressing challenges for industry and policy.
 - IOR 4.3: The circular economy and scrap as a strategic input.
 - IOR 4.4: Hydrogen as a new strategic input.
 - IOR 4.5: Workshop on technological solutions to address climate change (with industry associations).
- Climate Club interim Secretariat.
- Steel decarbonisation policy mapping as cross-cutting activity.



Steel decarbonisation policy mapping: methodology

- **Aim: Build database and analysis of demand/supply side policies in force as of January 2024 that aim to trigger or support the decarbonisation of steel production (current sample size: 208 policies)**

Country selection

- Australia
- Brazil
- Canada
- China
- EU
- France
- Germany
- India
- Indonesia
- Italy
- Japan
- Korea
- Türkiye
- United Kingdom
- United States

Policy objectives

- Deployment of low-carbon technology
- Support innovation in emerging technologies
- Access to finance
- Limit excess capacity
- Improve energy efficiency
- Support green demand
- Create carbon market
- Increase circularity
- Secure access to key resources
- Support just transition
- Report emissions

Instruments

- Target setting
- Tax deduction
- State subsidies (grants)
- State-provided loan
- Research programmes
- Standards/guidelines
- Emissions reporting
- Standards/guidelines
- Carbon contracts for difference
- Export restriction
- Tax/charge
- Training programme

Stringency

Type	Description
Mandatory	a legislative instrument passed through policymaking process (usually in a form of a regulation or a directive)
Voluntary	a voluntary instrument with no legally binding nature
Strategic/overarching	an initiative that outlines the direction of future policy developments in a given area/topic

Level of action

Type	Description
Horizontal	Intervention to all firms irrespective of technology, activity or location.
Industrial	Exclusively focused on sectors all within the “manufacturing” sector as defined by ISIC
Specific to steel	Exclusively focused on steel sector



The role of the Steel Committee in the decarbonisation environment

- Scoping paper [DSTI/SC(2023)6] identified various roles:
 - Participating & informing.
 - Connecting & involvement.
 - Acting & delivering.
- Decarbonisation has helped raise the profile and foster cooperation of the Steel Secretariat within and outside the OECD.
 - Strengthened cooperation with ENV, TAD, ECO, CTP and STI – and OSG.
 - Report Japan G7 Heterogeneity Steel Decarbonisation Pathways.
 - From Climate Club interim Secretariat to permanent Secretariat.
 - A stronger role in the Breakthrough steel agenda.
 - Strengthened cooperation with WTO, IEA, and other organisations.
 - Critical element of outreach to non-Members.
- Continued priority for PWB 2025-26.