

# 5 key points about IIT

... places academic excellence at the core of its activities, participating fully in the **international research community.**

**...was founded more Than 32 years ago** and is a university-based research center which belongs to the School of Engineering (ICAI) of Comillas Pontifical University.

...is **self-financing** and most of its work is carried out in collaboration with industry.



...has **more than 100 researchers and academic staff.**



**IIT**  
**INSTITUTO DE**  
**INVESTIGACIÓN**  
**TECNOLÓGICA**

...is dedicated to **applied research, doctoral and postgraduate education** and the **transfer of technology** and knowledge to society.



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## Part II: The role of low-emission standards

Climate Friendly Materials Roundtable on  
"Inclusive transformation of the European Materials Sector"  
4th March 2019, 9.00-16.30

**Presenter:**

**Timo Gerres**

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**comillas.edu**

## Paraphrased observations from the Spanish round-table:



“(Fear of) overregulation  
is driving R&D away”

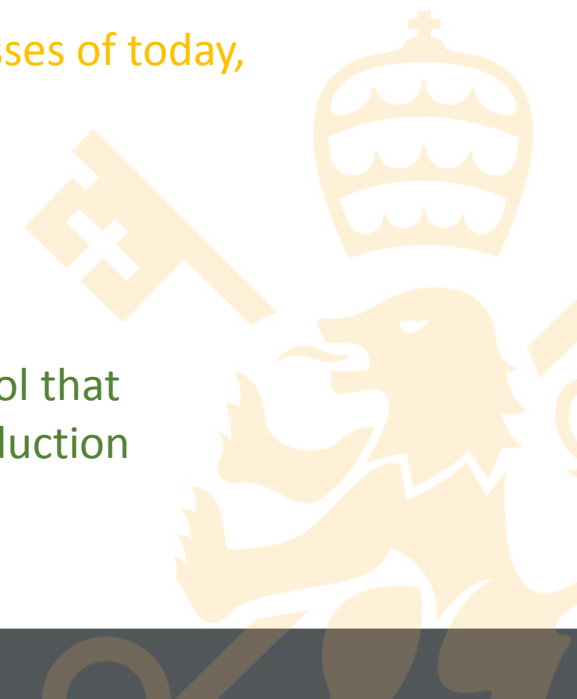
“Some European standards prevent  
innovative sustainable solutions by  
restricting possible applications too  
much (biomass use as feedstock)”

“We face competition by imports  
from countries, which enforce lower  
environmental production standards”

“Norms and standards regulating production processes of today,  
define the recyclability of tomorrow’s waste”

“We need a strong  
body of norms and  
standards to reach long  
term emission targets”

“European norms are a powerful tool that  
enables us to ensure minimum production  
standards for all imported goods”



# EU legislation partially implemented in neighbouring countries:



**European standards are widely referenced in Morocco's regulatory system.** In some cases, U.S. standards are also accepted, such as in the automobile industry. **Morocco** has been a WTO member since January 1995 and reports technical **regulations** that could affect trade with other member countries to the WTO. Nov 2, 2017

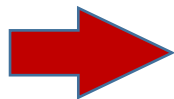
[Morocco - 3-Legal Regime | export.gov](https://www.export.gov/article?id=Morocco-Legal-Regime)

<https://www.export.gov/article?id=Morocco-Legal-Regime>

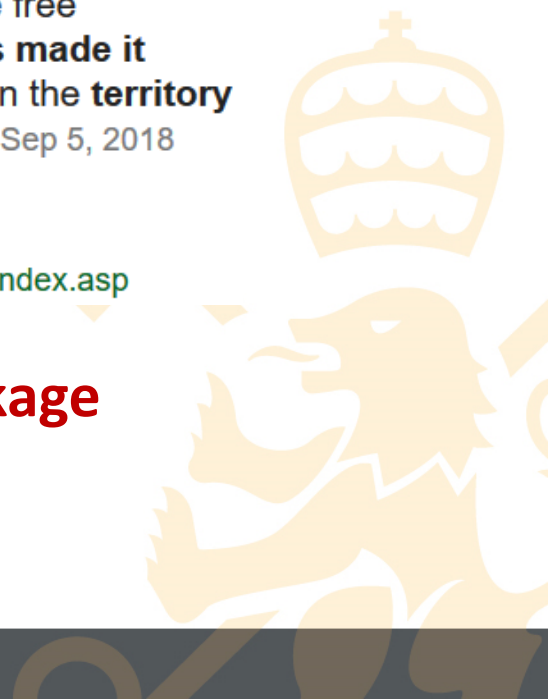
The CE Mark was established by **the European Union** to ensure the free circulation of products in **Europe**. ... **The EU's laws and regulations made it compulsory to comply with the directives when goods are sold in the territory of the European Union and the European Economic Area (EEA).** Sep 5, 2018

[Export.gov - Turkish Standards and CE Marking](https://2016.export.gov/turkey/doingbusinessinturkey/turkishstandardscemark/index.asp)

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**Can standards targeting carbon leakage work in the same way?**



# Standards – a way forward to ensure competitiveness?

- EU regulations, which ensure low emission production processes in the basic material sector mean that **producers have to price in the cost of emission reductions**. Production cost in Europe increases compared non-European producers.
- Norms and standards on the **emission intensity of the entire supply chain up to the end consumer** level the playing field with regard to foreign competition.
- Standards as **entry barrier** or **benchmark** for emission taxation

“Suppliers already need to be certified according to multiple European and company specific standards. Certifying suppliers according to low-emission standards only represents a small additional effort.”

“European norms and standards for low production emissions can push for the global industrial transformation”

“Norms and standard can make way for consumer tax on the emission intensity of all products sold in the EU”



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# EU legislation & WTO compatibility

Slides curtesy of Jan Stede  
DIW, Berlin

[comillas.edu](http://comillas.edu)

- Basic idea: Only ‘clean’ basic materials may be sold on the European market
  - E.g. maximum amount of CO<sub>2</sub> per tonne of steel produced
- Producers need to **register** with a European Authority when they want to sell their products (above *de minimis* threshold)
  - Involvement of (large) Downstream Users in order to transmit information down the value chain
- Alternative: **Certification of economic operators** throughout the value chain
- Phase-in of regulation
  - E.g. based on quantities marketed (large quantities first), for individual sectors, or by labelling in an early phase

# Case studies: Existing product standards in the EU



## 1) REACH Directive (chemicals)

- Safety of using a substance has to be proved by a manufacturer or importer (production process not covered)
- Chemicals need to be tested and **registered** at the European Chemicals Agency (ECHA) → license to operate
- ***De minimis*** rules: Only chemicals manufactured or imported at least 1 tonne per year are covered

## 2) Biofuels sustainability criteria

- Sustainability criteria for the **production process** of biofuels to be counted towards EU's renewables targets in transport (RED/RED II)
- **Hybrid governance approach** to ensure sustainability of biofuels
  - Companies can demonstrate compliance by using **voluntary schemes**
  - Every economic operator throughout the value chain needs to be certified



# EU biofuels sustainability criteria: WTO compatibility

- Legal debate as to whether biofuels sustainability criteria are compatible with WTO (e.g. Ackrill & Kay 2011, Daugbjerg & Swinbank 2014, Lydgate 2012)
- Biofuels are „non-product-related process and production method” (npr-PPMs)
  - **Art. III of GATT** does not allow do differentiate based on production process. However, **Art. XXg** allows the introduction of policy measures, if they are linked to *environmental* targets
- Case Law (Tuna II and EC-Seal Products) has addressed and defended npr-PPM standards in relation to environmental concerns with respect to the **Technical Barriers to Trade (TBT)** Agreement (Daugbjerg & Swinbank 2014)

Thank you for your attention.

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