**The Twenty-Second Meeting of the Chemical Dialogue (“CD22”)**

**Final Report**

*February 24, 2019*

*Great Room 2, W Hotel*

*Santiago, Chile*

 The Twenty-Second Meeting of the Chemical Dialogue (“CD” or “Dialogue”) (“CD22”) was convened in the Great Room of the W Hotel in Santiago, Chile and attended by representatives from 15 APEC economies: Australia (Government and Industry); Canada (Industry) (virtual); Chile (Government and Industry); China (Government); Indonesia (Government); Japan (Government and Industry); Malaysia (Government & Industry (virtual); Mexico (Industry); Peru (Government); Philippines (Government and Industry); Russian Federation (Government and Industry); Singapore (Government (Virtual) and Industry); Chinese Taipei (Government); Thailand (Government); and the United States (Government and Industry). CD22 was co-chaired by Mr. Kent Shigetomi as the Government Co-Chair and Dr. Shinoi Sakata as the Industry Co-Chair. CD22 was preceded by an Industry Pre-Meeting (“IPM”) held on February 23, 2019 in the same location.

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| **09:00 – 09:40** | **AGENDA ITEM 1** | **SETTING THE SCENE** |

1. **Welcome from Government Co-Chair** **Government Co-Chair**

Mr. Kent Shigetomi, from the Office of the U.S. Trade Representative, convened the first meeting of the CD in 2019 as the Government Co-Chair. The Government Co-Chair thanked participants for their attendance and commitment to the CD as a unique public-private mechanism to proactively advance initiatives that benefit all stakeholders in and around the chemical industry throughout the region. He challenged delegates to foster an open, active discussion that identified concrete steps that the CD can undertake to deliver progress on key issues of concern to both regulators and industry and that will align the CD’s work with the priorities of the Committee on Trade and Investment (“CTI”) and Chile as the 2019 APEC host. Given the ongoing discussions at the Senior Officials Meetings (“SOM”) regarding the CD’s continuation as a result of its inability to make quorum during 2018, he asked all delegates for their robust engagement to demonstrate the CD’s value as a model public-private forum within APEC.

1. **Welcome from Industry Co-Chair** **Industry Co-Chair**

Dr. Shinoi Sakata, Executive Director of the Japanese Chemical Industry Association (“JCIA”), further welcomed delegates as the Industry Co-Chair and on-behalf of the Asia-Pacific Chemical Industry Coalition (“APCIC”). The Industry Co-Chair provided a summary of the Industry Pre-Meeting (“IPM”) discussions that had been held the previous day, where she had been joined by Mr. Sergio Barrientos, the General Manager of ASIQUIM, Chile’s Chemical Industry Association, as Honorary Co-Chair of the IPM. Industry noted that its priorities aligned quite closely with the CD’s agenda, including a focus on regulatory cooperation, addressing divergences in implementation of the globally harmonized system for the classification and labeling of chemicals (“GHS”), addressing the challenges of marine litter, capacity building for micro, small, and medium-sized enterprises (“MSMEs”), promoting best practices on the import of industrial chemicals, and the exchange of data.

The IPM’s primary focus was on the five new proposals on the CD’s agenda. Industry was supportive of the new work contemplated in these proposals, noting how it both aligned with the CD’s historic work program and provided an opportunity to deliver concrete results moving forward. Industry noted its excitement about the potential for a series of events to be hosted at SOM3, including on regulatory cooperation capacity building that highlighted regional best practices, capacity building case studies on risk assessment, intersessional webinars on GHS, and potential work on sustainability and the circular economy. The IPM also identified several potential new workstreams, including capacity building efforts to understand and comply with international best practices and addressing the challenges and promoting the benefits resulting from Manufacturing 4.0.

1. **Presentation by the SOM Chair's office on the Priorities for 2019 & Welcome from Chile** **SOM Chair &Chile Representative**

Meeting Documents

* 2019/SOM1/CD/024 – Chile’s Priorities for 2019

Mr. Vittorio Frazzoni, representing the Chilean SOM Chair’s office, provided a presentation to the CD on the host’s 2019 priorities, which included:

* Digital Society: Increasing the participation of people in the global economy taking advantage of the characteristics of the digital society. The work will focus on implementation of the Internet and Digital Economy Roadmap, promoting closure of the digital divide, and promoting regulatory compatibility across the digital economy in the region.
* Integration 4.0: Connectivity, in its physical, institutional, and person-to-person dimensions is fundamental for international trade. The work will focus on promoting global value chains, talent mobility, and trade facilitation measures.
* Women, SMEs, and Inclusive Growth: Visualizing and enhancing the role of women and SMEs as a source of development and economic growth. The work will focus on promoting greater participation of women in international trade as well as promoting the development, growth, and competitiveness of SMEs.
* Sustainable Growth: Thinking about the needs of the present without compromising the ability of future generations to meet their own needs. This includes a focus on developing modern regulatory frameworks to allow the development of the energy sector and smart cities, promoting innovation as a pillar of energy development, and, importantly for the CD’s work on marine debris, advancing the protection of our oceans.

The Government Co-Chair thanked the SOM Chair’s representative and challenged CD delegates to keep these priorities in mind as economies develop projects and concept notes throughout the year.

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| **09:40 – 10:00** | **AGENDA ITEM 2** | **STRATEGY AND ADMINISTRATION OF THE DIALOGUE** |

1. **APEC Secretariat Update** **APEC Secretariat**

Meeting Documents

* 2019/SOM1/CD/021 – Management Update

Action Items: The CD:

* Requested that delegates review the updated Chemical Dialogue webpage and provide any comments, additions, or suggestions;
* Requested that all economies review and update their CD distribution list and agreed that the Secretariat will regularly review and update the distribution list; and
* Agreed that the CD would draft a letter to submit to Senior Officials to underscore the importance of the CD.

Mr. Johnny Lin, the APEC Secretariat Program Director for the CD (as well as the Life Sciences Innovation Forum (“LSIF”)), provided a presentation on various APEC and CD management matters. First, the Secretariat noted that the CD failed to make quorum at two of its meetings in 2018 and, per the CD’s Terms of Reference, it was referred to SOM for discussion about continuation. No agreement was reached at the Informal Senior Officials Meeting (“ISOM”) in 2018, but a proposal has been put forward to SOM1 2019 that: (1) the CD should only convene one meeting in 2019; (2) the CD can automatically hold a second meeting if it achieves quorum at SOM1; (3) make recommendations to SOMs regarding the value added by the CD to APEC and what other groups could carry forward CD work if the CD fails to meet quorum; and (4) agree that a group is automatically sunset if it fails to achieve quorum three times consecutively.

More broadly, the Secretariat noted that Tan Sri Dr. Rebecca Fatima Sta Maria had assumed the role of APEC Executive Director in January 2019 and will serve until the end of 2021. The Secretariat also discussed the ongoing implementation of the “paper light” approach where only documents for “consideration” are printed. Finally, the Secretariat summarized the project approval process, which will be discussed in more detail by a Project Management Unit (“PMU”) representative in the agenda item summarized immediately below.

The Government Co-Chair encouraged delegates to review the CD’s distribution list and be sure it remains up-to-date as a tool to ensure as many economies as possible are at the meeting. The Co-Chair also encouraged all project proposals to have as many cosponsors as possible and to be drafted in the simplest terms possible, to convey their importance to a non-chemical expert audience (*i.e.*, the Budget and Management Committee (“BMC”)).

Several CD delegates intervened to note their support for the CD continuing to host two meetings a year. The host proposed that the CD consider drafting a letter to SOM to highlight the CD’s important APEC contributions and potential future work and the CD endorsed this idea.

1. **Project Proposal Process Review** **APEC Secretariat Project Management Unit**

Meeting Documents

* 2019/SOM1/CD/022 – APEC Projects: Applying for Funding

Action Items: The CD:

* Encouraged delegates to identify concrete proposals for potential CD projects and submit them to the CD for comment intersessionally or at SOM3. Note that Concept Notes are due to the CD Program Manager by March 12 to be eligible for funding in Project Session 1 for 2019.

Given that the CD has not had a successfully funded project since 2014, the Co-Chairs invited a representative from the PMU to present on suggestions for applying for APEC funding. However, it was noted that the CD had had a number of successful self-funded projects. The PMU provided a detailed presentation (Document No. 2019/SOM1/CD/022). The PMU identified the five criteria considered in scoring any project: (1) does the project support the priorities of the APEC fund to which it is applying for funding (33%); (2) does the project quality appear strong (25%); (3) does the project support an economy’s priorities (17%); (4) does the project support capacity building (17%); and (5) does the project promote cross-fora collaboration (8%). The PMU then provided a detailed review of the steps necessary to draft and submit a concept note, which all potential project sponsors are encouraged to read.

In 2018, Project Session 2 received 114 concept note submissions and 46 were approved, a 40 percent success rate which aligns with historical norms. For 2019, Project Session 1 has an internal submission deadline of March 12, 2019 for submission to the Secretariat. On March 22, 2019 the project must be formally submitted and on April 22, 2019 the BMC will publish its initial decisions. Full project proposals are due on May 20, 2019 and final BMC approvals are due in June or early July.

The Government Co-Chair thanked the PMU for the presentation. He noted that the CD has a lot of good ideas on its agenda that could form the basis for successful project proposals if the advice is taken into consideration. He encouraged all potential project sponsors to attend the more detailed project proposal training that the PMU offers throughout SOM and reiterated his suggestion that all proposals be drafted for a trade official audience, given that they will be the primary reviewers.

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| **10:00-10:15** | **AGENDA ITEM 3** | **SHARED GOAL 1: TO FACILITATE TRADE BY EXPANDING AND SUPPORTING REGULATORY COOPERATION AND MUTUAL RECOGNITION IN THE REGION** |

1. **Regulators’ Forum Temporary RF Chair**

Action Items: The CD:

* Noted ongoing discussions of the Regulators’ Forum to finalize endorsement of its new chair; and
* Instructed the Regulators’ Forum to finalize a 2019-2020 workplan under the leadership of its chair as soon as the chair is confirmed.

A representative of the Chair of the Regulators’ Forum (“RF” or “Forum”) provided a brief update. The RF has been without a Chair since prior to SOM3 2018. As a result, at SOM3, it had hosted a brainstorming session on potential 2019-2020 action plans. That session identified a series of potential items to be included in the RF’s work, including:

* Information sharing on relevant regulatory updates;
* Promoting further CD integration, particularly related to integrating the RF's work with that of the CD by integrating the RF into future workshops that build on the Good Regulatory Practice workshops, and by broadening the number of regulators participating in the virtual working groups;
* Promoting capacity building, particularly with respect to (a) implementing commitments that economies have made related to international chemical conventions (*e.g.*, Stockholm), (b) importing chemical products, (c) implementing GHS, and (d) addressing the challenges posed in implementing risk assessment & management frameworks; and finally
* Consideration of a series of projects, including potentially related to the following areas: (i) a repository of translations of APEC chemical regulations; (ii) a presentation at the next RF on what APEC has done with respect to good regulatory practices (“GRP”) more broadly; (iii) developing or promoting alignment across APEC in the list of dual-purpose chemicals; and (iv) developing an interactive guide with economy-specific regulations and a checklist of what is needed to export chemicals to a particular economy.

The CD called on member economies to identify and nominate potential representatives to serve as Chair of the RF for 2019-2020. It further called on the RF to finalize an action plan for review and endorsement by the CD after a Chair was confirmed.

1. **Virtual Working Group on Regulatory Cooperation and Convergence**
2. **VWGRCC Work Plan VWGRCC Co-Chairs (U.S. Industry; Government Co-Chair [TBD])**

Meeting Documents

* 2019/SOM1/CD/014 – Next Steps for the APEC CD Virtual Working Group on Regulatory Cooperation and Convergence (Feb. 20, 2019)

Action Items: The CD:

* Sought nominations for economies willing to serve as the Government Co-Chair of the Virtual Working Group on Regulatory Convergence and Cooperation (“VWGRCC”) by March 31, 2019.

 U.S. Industry, as Co-Chair of the Virtual Working Group on Regulatory Cooperation and Convergence (“VWGRCC”), provided an update on the intersessional activity. That activity is captured in Document Number 2019/SOM1/CD/014 and summarized in the individual agenda items below. On an administrative level, the VWGRCC noted that it still does not have a new Government Co-Chair and it therefore put out a call to economies to nominate anyone willing to serve in that role.

1. **Sharing Best Practices in Chemical Regulation Self-Funded Project: Update The Philippines & VWG Co-Chairs**

Action Items: The CD:

* Noted that the VWGRCC had completed its first webinar on regulatory impact assessments intersessionally;
* Encouraged economies to nominate speakers for the next three webinars on (1) evaluating comments received during public consultations, (2) principles-based regulation, and (3) tools for collecting exposure information, as soon as possible; and
* Encouraged economies to volunteer to organize the remaining three webinars.

To carry forward the outcomes from the 2017 workshop on “Sharing Best Practices in Chemical Regulation,” the VWGRCC held the first of its agreed webinars, this one on Regulatory Impact Assessments (“RIA”), intersessionally. That webinar was well attended by regional regulators and will be made available online. The VWGRCC noted that it intends to host three additional webinars, on (1) evaluating comments received during public consultations; (2) principles-based regulation; and (2) tools for collecting exposure information, and it called for volunteers willing to organize and speak on those webinars.

1. **Customs Practices for Industrial Chemicals** **U.S. Industry**

Meeting Documents

* 2019/SOM1/CD/025 – Customs Practices for Industrial Chemicals (Chile)

Action Items: The CD:

* Welcomed Chile’s presentation on import requirements for chemicals (2019/SOM1/CD/025) and encouraged additional economies to provide such presentations at future CD meetings;
* Noted the intention of the VWGRCC to utilize those presentations to consider drafting principles related to best practices for the import of industrial chemicals for ultimate consideration by the CD at SOM3 2019; and
* Recommended that all such information sharing presentations related to import requirements for chemicals be posted to the CD website for public access.

The VWGRCC introduced its ongoing workstream on the importation of industrial chemicals. As background, this work was initiated at CD17 (SOM3 2016), where several economies noted that there was an increasing divergence in the import requirements for industrial chemicals across the region. The CD therefore first agreed to collect information, through a survey, on the current regional import requirements. The CD received survey responses from 15 economies and tabled the results at CD19 (Doc No. 2017/SOM3/CD/025). At CD20, the VWGRCC submitted a summary of the results and an initial set of potential follow-up actions (Doc No. 2018/SOM1/CD/010), including: (a) further information gathering related to the specific types of training provided to customs and regulatory officials on chemical imports; (b) hosting of case studies on particular import best practices at future CD meetings; (c) development of best practice principles; and (d) capacity building.

 To carry forward this work, at CD21 the VWGRCC proposed that individual economies provide best practice case studies on industrial chemical imports at future CDs with an eventual goal of generating a set of CD endorsed best practices for use throughout the region.

Chile was the first economy to respond to the invitation and provided a detailed presentation on its current import practices (Doc No. 2019/SOM1/CD/025). The Chilean National Customs Service’s mission is “to contribute to the competitiveness and growth of the domestic economy through the enforcement, promotion of voluntary compliance of customs regulations, lawful foreign trade, and facilitation for the protection of the economy.” They maintain 16 offices throughout Chile, with a headquarters in Valparaiso. The customs representative summarized the international chemical treaties to which Chile is a member and then summarized the import/export statistics for chemical products. He listed the particular chemical substances subject to control and then discussed the import/export procedure for those products. To import or export chemical precursors, a user must be registered and periodically renewed, while the service uses inspections to identify chemical substances under regulatory control.

CD delegates thanked the Chilean delegate for the high-quality and thorough presentation. Delegates welcomed Chile’s transparent approach to regulation and encouraged other economies to consider providing similarly clear and thorough presentations at future meetings.

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| **10:15-10:45** | **FAMILY PHOTO AND COFFEE BREAK** |

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| **10:45-12:30** | **AGENDA ITEM 3, CONTINUED** | **SHARED GOAL 1: TO FACILITATE TRADE BY EXPANDING AND SUPPORTING REGULATORY COOPERATION AND MUTUAL RECOGNITION IN THE REGION** |

1. **Virtual Working Group on Regulatory Cooperation and Convergence (Continued)**
2. **Proposed Self-Funded & APEC Funded Proposals U.S. Industry**

Meeting Documents

* 2019/SOM1/CD/012 – Proposal: APEC Chemical Dialogue Forum on Chemical Regulatory Cooperation in Latin America
* 2019/SOM1/CD/013 – Concept Note: Risk Assessment Capacity Building Workshops for the Chemical Sector

Action Items: The CD:

* Noted the intention of the United States to revise its proposal for a self-funded CD "Forum on Chemical Regulatory Cooperation in Latin America” (2019/SOM1/CD/012) into the self-funded proposal template and re-circulate it for CD endorsement;
* Requested comments or expressions of support be provided on the Concept Note: Risk Assessment Capacity Building Workshops for the Chemical Sector (2019/SOM1/CD/013) by March 4, 2019; and
* Noted the intention of the United States to submit the Concept Note on Risk Assessment for endorsement after any comments are incorporated by March 12, 2019 for potential endorsement by the March 22, 2019 deadline.

The VWGRCC introduced two new proposals for the CD’s consideration. First, U.S. Industry introduced a self-funded project proposal for an “APEC Chemical Dialogue Forum on Regulatory Cooperation in Latin America.” The proposal is for a one day meeting to be held on the margins of SOM3, focusing on information and experience sharing amongst APEC delegates to promote regulatory cooperation in the chemical sector. At its heart, the proposal would be driving toward capacity building, seeking to leverage concrete examples of existing regulatory cooperation efforts—from both within APEC and regionally in Latin America—in ways that can be utilized by both developed and developing APEC members. CD delegates expressed interest in the proposal and industry representatives from Chile and Mexico expressed their support.

Second, the United States introduced a proposal for APEC funding for “Risk Assessment Capacity Building Workshops for the Chemical Sector” (Doc. No. 2019/SOM1/CD/013). The proposal is designed to carry forward the CD’s historic promotion of a risk-based approach to chemical regulation and seeks to build capacity on one of the primary challenges that has been identified to implementing such an approach. The proposal contemplates two workshops, one in Chile and one in Malaysia, to promote attendance from regional regulators in Latin America and South-East Asia respectively. The workshop would involve hosting of “tabletop” exercises for regulators to gain practice in conducting risk assessments under realistic resource-constrained scenarios. The VWGRCC would then carry forward the outcome to design a toolbox for chemical regulators as well as potentially APEC Guidelines for Risk Assessment in the Chemical Industry. Several economies noted their support for this proposal and their potential co-sponsorship.

The Secretariat noted that any non-member economy participants would have to go through the standard non-member participant (“NMP”) approval process as described on the APEC website. The CD ultimately agreed to provide comments on both proposals intersessionally with the goal of submitting the Risk Assessment proposal for Funding Cycle 1 and to seek off-cycle endorsement of the self-funded proposal.

1. **Safety of Chemical Products – National and International Issues Russian Federation**

Action Items: The CD:

* Requested comments on the “Executive Summary” of the Survey results by COB on February 24, 2019 and noted that one economy had requested additional time to provide comments; and
* Requested that Russia submit the final version of the Executive Summary to the Secretariat for inclusion as an official meeting document for CD22.

The Russian Federation presented on its ongoing work related to the “Survey of Review of Chemical Management Regulatory Systems Worldwide” (“Survey”), which contains details on chemical regulatory systems in 17 APEC economies. In 2017, the CD endorsed work to translate the Survey, which was completed in 2018. At CD20 (SOM1 2018), the CD recommended that the Russian Federation prepare an “Executive Summary” of that Survey that could be more easily reviewed by APEC economies. The Russian Federation had circulated copies of that Executive Summary intersessionally in 2018 and sought comments throughout the year. A final copy for review and endorsement was circulated immediately prior to CD22.

The CD welcomed the work from the Russian Federation and sought any final comments on the Executive Summary immediately after CD22. Once endorsed, the CD requested that the final version be submitted to the Secretariat to be included in the CD22 meeting documents for easy future cross-referencing.

1. **Economic Importance of the Chemical Industry in APEC Economies U.S. Industry**

Action Items: The CD:

* Agreed to develop a letter to CTI and SOM to reinforce the value and importance of the Chemical Dialogue and the importance of its work to meeting APEC objectives.

 U.S. industry provided a brief update on this topic. By way of background, the CD previously endorsed two studies demonstrating (a) the economic importance of the chemical industry (Doc. No. 2018/SOM1/CD/012) and (b) the importance of APEC to chemical trade flows (Doc. No. 2018/SOM1/CD/011) at CD20 (SOM1 2018). Since then, the CD had been considering how to best utilize the contents of those reports and had agreed to submit a short letter to the CTI and the APEC Business Advisory Council (“ABAC”) “to underscore the value of the CD within APEC” and to seek “support from both groups for further work within the CD.”

 U.S. industry noted the renewed need for such a letter given the ongoing SOM discussions regarding the CD’s 2018 quorum issue. The CD therefore needs to be in “Sales” mode and should take every opportunity to underscore its value to the CTI, SOM, and Ministers if needed, as recommended by the host economy earlier in the agenda. U.S. industry therefore recommended that a letter be drafted to CTI, using the data in these reports, to bolster the support for the CD. The CD agreed to the recommendation.

1. **Virtual Working Group on GHS**
2. **Implementation of VWG Workplan**

 **VWG Co-Chairs (U.S. Industry & Singapore Government)**

Meeting Documents

* 2019/SOM1/CD/002a – APEC VWG on GHS: Terms of Reference: Revised (Feb. 2019)
* 2019/SOM1/CD/002 – Comparison of Implementing GHS Regulations Amongst the APEC Economies (Revised Feb. 15, 2019)

Action Items: The CD:

* Sought comment on the VWG on GHS’s updated Terms of Reference (2019/SOM1/CD/002a) and, if no adverse comments are received by March 15, 2019, endorsed the updated terms of reference; and
* Sought comment on the updated Comparison of Implementing GHS Regulations Amongst the APEC Economies (Revised Feb. 15, 2019) (2019/SOM1/CD/002), particularly from economies to verify the accuracy of the material relating to their GHS implementation.

U.S. Industry provided an update as co-chair of the VWG on the Globally Harmonized System for the Classification and Labeling of Chemicals (“GHS”) (“VWGGHS”). This update focused on two key actions. First, the VWGGHS had prepared an updated version of its terms of reference (“TOR”) (Doc. No. 2019/SOM1/CD/002a). The updated TOR had been streamlined to remove elements that are more appropriately included in an annual workplan and had been updated to reflect changes to its mandate. The VWG sought endorsement of the updated TOR.

In addition, the VWGGHS submitted an updated version of its “Comparison of Implementing GHS Regulations Amongst the APEC Economies” (Doc. No. 2019/SOM1/CD/002). As background, the VWG has previously commissioned a report to depict variances in GHS implementation across the region on a number of key implementation areas. The VWG has now updated that report to make it current through February 15, 2019. These updates included: (1) comparing implementation against UN GHS Revision 7; (2) updating the “purple book” revision schedules; (3) comparing implementation schedules; (4) comparing classification of particular chemicals; and (5) comparing mixture cut-off values. The VWGGHS asked economies to review the updated Comparison and to provide comments and updates as needed.

1. **Annual GHS Implementation Report Australian Industry**

Meeting Documents

* 2019/SOM1/CD/003 - Annual GHS Implementation Report

Action Items: The CD:

* Noted the Annual GHS Implementation Report (2019/SOM1/CD/003) and the new GHS Implementation Convergence Questionnaire; and
* Agreed to the recommended timeline of actions and encouraged delegates to respond to the GHS Implementation Questionnaire by March 15, 2019 to facilitate development of the annual report by April 11, 2019.

 Australian Industry provided an update on the CD’s annual GHS implementation report (Doc. No. 2019/SOM1/CD/003). By way of background, the CD has provided a report to Ministers Responsible for Trade (MRT) for years. Those reports have increasingly identified divergences in how CD economies are implementing GHS. Therefore, at CD21, the CD endorsed a recommendation to create a new reporting mechanism in 2019 that focused on identifying strategies to improve GHS convergence by member economies. The CD also agreed to conduct a trial of the new questionnaire with a goal of using it for MRT reporting in 2019.

 Australian Industry noted that they had therefore developed a new “Smart Form” for use in completing this new report, which was made available electronically: <https://www.surveymonkey.com/r/APEC_CD_GHS_Convergence>. To provide time to complete the template, prepare the report, and submit it prior to the MRT, Australian Industry proposed the following timeline: CD economies would agree to provide comments by March 15, 2019 if possible and, no later than March 22, 2019, Australian Industry would prepare a first draft of the report for review by the CD by April 11, 2019, and the CD would seek to endorse the report by April 23, 2019. The CD agreed to the proposed timeline.

1. **Extensions and Status of the G.R.E.A.T. Project Chinese Taipei**

Meeting Documents

* 2019/SOM1/CD/004 – Update on the G.R.E.A.T. Project

Action Items: The CD:

* Thanked Chinese Taipei for its continued support of the GHS Reference Exchange and Tool (“G.R.E.A.T.”) website;
* Encouraged economies to provide intersessional comments on Chinese Taipei's plan to draft a proposal for a new website feature that would provide lists of priority management chemicals of APEC member economies (contained in 2019/SOM1/CD/004); and
* Encouraged economies to provide relevant updates to Chinese Taipei to maximize the utility of the G.R.E.A.T. site.

Chinese Taipei provided an update on developments related to the GHS Reference Exchange and Tool (“G.R.E.A.T.”) project that it hosts (Doc. No. 2019/SOM1/CD/004). By way of background, the G.R.E.A.T. project was established in May 2010 to facilitate GHS implementation and international trade and is intended as a tool to compile and publish GHS implementation information from APEC and non-APEC member economies. As of January 2019, there have been more than 168,000 visits to the website. This year, to extend the application of GHS and facilitate trade, Chinese Taipei proposed "to draft a proposal for a new feature that provides lists of priority management chemicals of member economies. This joint effort will enhance transparency and encourage regulatory convergence to assist MSMEs utilizing GHS classification and further assessment of their trade products."

The CD welcomed the update and new proposal and thanked Chinese Taipei for its continued willingness to host the site. The CD agreed to provide intersessional comments on Chinese Taipei’s proposal to include a new feature on priority management chemicals and welcomed further updates on the status of the new proposal at SOM3.

1. **Virtual Working Group on Data Exchange Russian Federation & Singapore**
2. **Implementation of the VWG Workplan Co-Chairs**

Meeting Documents

* 2019/SOM1/CD/005 – Progress Report on the Activities of the Virtual Working Group on Data Exchange (Presentation)
* 2019/SOM1/CD/005a – Proposal on Contribution to SAICM Beyond 2020 Process

Action Items: The CD:

* Noted the intention of the VWG on Data Exchange (“VWGDE”) to develop a 2019 work plan intersessionally and to seek endorsement thereof from the CD;
* Agreed that the CD would provide only one consensus input to the Strategic Approach to International Chemicals Management (“SAICM”) process; and
* Agreed that the VWGDE would work with Singapore and U.S. Industry to develop an integrated proposal for next steps on providing input to the SAICM intersessional process.

The Russian Federation, as co-chair of the VWG on Data Exchange (“VWGDE”), presented an update on the VWGDE’s activities and proposed 2019 workplan (Doc. No. 2019/SOM1/CD/005a). The VWGDE’s workplan is divided into three core work areas: (1) Information Sharing, (2) Voluntary Initiatives, and (3) Cooperation with International Fora. With respect to (1), the update will be shared in the agenda item immediately below. With respect to (2), the VWGDE noted that it was still in discussions on potential workplans.

With respect to international cooperation, the VWGDE submitted a proposal (Doc. No. 2019/SOM1/CD/005a) to contribute to the Strategic Approach to International Chemicals Management (“SAICM”) beyond 2020 process. The proposal seeks the CD to (1) agree to contribute to the SAICM intersessional process and (2) provide feedback on the SAICM co-chairs paper. It proposes that the CD would draft a document between March and SOM3 and seek endorsement at SOM3.

The VWGDE proposed the following next-steps: (1) developing its work plan by the end of March 2019, (2) seeking endorsement of its SAICM proposal during SOM1, (3) providing feedback into the SAICM process intersessionally, and (4) developing a proposal for a voluntary initiatives workstream intersessionally.

CD delegates welcomed the update and the SAICM proposal. Several economies noted that the CD has a current standing agenda item related to SAICM (Agenda Item 5(B)) that had recently been focused on gathering information for a potential intersessional submission. The Co-Chairs recommended that the CD agree to only prepare one consensus submission to SAICM and that the VWGDE and the current SAICM leads coordinate the work. The CD agreed to the proposal.

1. **Interactive Guide Co-Chairs**

Meeting Documents

* 2019/SOM1/CD/006 – VWG DE Interactive Guide’s Progress Report (Presentation)
* 2019/SOM1/CD/006a – VWG DE Interactive Guide (Document)

Action Items: The CD:

* Noted intention of the Russian Federation to circulate the user interface (demonstrated in 2019/SOM1/CD/006 and 2019/SOM1/CD/006a) to the VWGDE and ultimately the CD for endorsement by the end of March 2019.

The VWGDE provided a presentation regarding the status of its ongoing work on an “Interactive Guide” (Doc. No. 2019/SOM1/CD/006). By way of background, the CD had endorsed initial discussions on an Interactive Guide at CD21. Intersessionally, the VWGDE held discussions on a potential scope. Since all VWGDE members wanted a broad scope, the VWGDE agreed to start work with the information already included in the “Executive Summary” discussed above (Agenda Item 3(b)(v)).

The VWGDE then provided an example of a potential interface, demonstrating the various elements, including several tabs such as “Chemicals” or “Data bases” and then the information to be included in each tab (*e.g.*, whether the chemical is on an existing chemical inventory, whether it requires a new chemical notification, and whether it is included in a list of hazardous chemicals). The VWGDE proposed that it would seek endorsement of the scope and format of the Interactive Guide by the end of March 2019, to develop the first Interactive Guide prior to SOM3, and to complete the Interactive Guide with information in the Executive Summary by the end of 2019.

The CD welcomed the initiative and noted the potential value it could have for entities trading throughout the region. In response to questions, the VWGDE noted that it was self-funding this proposal and would begin with the information in the Executive Summary, before asking economies to review and update their sections. The VWGDE noted that it would take responsibility for collecting and posting updated information and it asked only that economies review posted information for any corrections/revisions.

1. **Proposal on Self-Funded Project Co-Chairs**

Meeting Documents

* 2019/SOM1/CD/007 – Concept Note for the Self-Funded Project “GHS Seminars for Regulators and Industry”

Action Items: The CD:

* Welcomed the VWGDE’s proposal for a self-funded series of capacity building webinars on aspects of GHS implementation (2019/SOM1/CD/007); and
* Recommended that the VWGDE work with the VWG on GHS to develop a coordinated proposal for intersessional GHS capacity building.

Finally, the VWGDE discussed a new project proposal for a self-funded project on GHS Seminars for Regulators and Industry (Doc. No. 2019/SOM1/CD/007). The VWGDE noted that the project was intended to fill the need identified by the CD in numerous historic discussions about the need for increased GHS capacity building. Therefore, the proposal was to host four webinars on the following topics:

* (1) On the Benefits of GHS Implementation from both a government and industry perspective;
* (2) On the Drawbacks of GHS Implementation from primarily an industry perspective;
* (3) On the GHS Implementation Process itself from a government perspective; and
* (4) On potential areas for additional capacity building and next steps from both a government and an industry perspective.

CD delegates welcomed the proposal and noted the importance of GHS capacity building to CD economies. Several economies noted that there already was a VWG on GHS that had presented earlier in the day, which had historically taken the lead on issues related to GHS capacity building, including through the 2016 capacity building workshop in Lima and the follow-up information gathering work related to GHS building blocks. The CD therefore suggested that this proposal should be closely coordinated with that VWG on GHS.

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| **12:30-14:00** | **LUNCH** |

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| **14:20-15:00** | **AGENDA ITEM 4** | **SHARED GOAL 2: TO PROMOTE UNDERSTANDING OF THE CHEMICAL INDUSTRY’S ROLE AS A PROVIDER OF INNOVATIVE SOLUTIONS FOR SUSTAINABLE ECONOMIC, ENVIRONMENTAL, AND SOCIAL DEVELOPMENT** |

* 1. **VWG on Marine Debris** **Representative of the Marine Debris VWG**

Meeting Documents

* 2019/SOM1/CD/018 – VWG on Marine Debris Update
* 2019/SOM1/CD/017 – US self-funded proposal “APEC Clean City and Ocean Initiative”
* 2019/SOM1/CD/016 – APEC Marine Debris Stakeholder Meeting Report

Action Items: The CD:

* Welcomed the presentation on 2019 plans from the VWG on Marine Debris (2019/SOM1/CD/018); and
* Sought comments and, if no adverse comments, endorsement by March 15, 2019 of the self-funded project proposal (2019/SOM1/CD/017) for a workshop to promote municipal leaders access to capacity building on available financing for waste management.

A representative from the Marine Debris VWG (“MDVWG”), a joint working group between the CD and the Ocean’s and Fisheries Working Group (“OFWG”), presented on updates to its work since CD21. By way of background, the MDVWG was founded in 2014 with a focus on promoting innovative solutions to marine debris, including through promoting land-based waste management solutions. The group has had a series of successes, including engagement with municipal leaders in 2015, a high-level meeting to address barriers to financing of waste management in 2016 that led to the creation of the “Policy and Practice Recommendations” (Doc. No. 2016/CSOM/010) that were endorsed by Ministers that year, implementation of a CTI project to address definitional barriers in sustainable materials management in 2017, hosting of a series of Asia-Pacific Infrastructure Partnership meetings, and finally collaboration with the APEC Finance Ministers process in late 2018.

Currently, the MDVWG is engaged in a range of work. First, it is implementing an APEC project (OFWG 01 2018A) to update a 2009 APEC Report on the Economic Costs of Marine Debris to APEC Economies to include updated statistics, identification of urban marine debris hot spots that may benefit from targeted control interventions, and evaluation of the costs and benefits of potential interventions. Drafting and release of the updated report is scheduled for June-December 2019. Additionally, the MDVWG is submitting a new concept note for a project to connect municipal leaders to the information, technical, and financial resources available to address some of these waste management challenges. The project aims to identify municipal leaders in Q2 2019, develop a Phase 1 report in Q3, and then develop and publish a Phase II Action Plan in 2020. The project is being submitted to the OFWG and already has 10 co-sponsors, but the MDVWG was submitting it to the CD as well for its support. The CD therefore sought comment on the proposal and agreed to add its support if no adverse comments were received by March 15, 2019.

* 1. **Approach for Marine Plastic Litter** **Japan**

Meeting Documents

* 2019/SOM1/CD/008 - Presentation on Approach for Marine Plastic Litter

Action Items: The CD:

* Noted the presentation on the substantial efforts being undertaken in Japan to address the problem of marine litter (2019/SOM1/CD/008) and encourages the Virtual Working Group on Marine Debris to develop proposals for future CD work on the topic, including potential workshops or development of best practices.

Japan provided a related presentation (Doc. No. 2019/SOM1/CD/008) on the efforts that it has been undertaking to address marine plastic litter. Japan is the host of the G20 in 2019 and has made this issue one of its priorities. Japan therefore summarized the range of actions it has undertaken to address this challenge, including: (1) revising its Basic Policy to implement the Act on Promoting the Treatment of Marine Debris; (2) formulating a resource circulation strategy for plastics; and (3) establishing the Clean Ocean Material Alliance (“CLOMA”), which is focused on developing and using alternative materials and sustainably using plastics and currently has more than 171 business members from all parts of the supply chain.

Japan provided data on the efforts its industry has undertaken to reduce and recycle plastics, providing a number of metrics showing the progress that has been made against specific target goals. For example, the Council for PET Bottle Recycling has a goal of reducing PET bottle weight by 25% (compared to FY2004) by FY2020 and has achieved a 23% reduction by FY2016. Japan also provided an annex listing several of the specific company initiatives that have been undertaken to promote reduction, reuse, or recycling. Finally, Japan noted that its next steps were to (a) share these results with the G20 and (b) to encourage the CD to conduct additional work in the area, including, for example, by hosting a workshop to share best practices across the industry.

The CD thanked Japan for its detailed presentation and commended it on the substantial efforts it has undertaken to date. In response to a question, Japan noted that it had not yet formally developed a workshop proposal, but that it would be happy to work with other economies to do so. Additionally, in response to a further question regarding product bans, Japan noted that such bans were often an extreme reply and can be counterproductive, given the costs associated with the potential alternatives. Therefore, Japan underscored the importance of sound waste management of plastic waste as well as promoting 3Rs (reduce, reuse, and recycle).

* 1. **Best Practices on Circular Economy** **Mexico**

Meeting Documents

* 2019/SOM1/CD/020 - CTI Meeting Report: APEC Workshop on Best Practices on Circular Economy: Redefining Growth from Waste to Worth
* 2019/SOM1/CD/020a: Best Practices on Circular Economy: Redefining Growth from Waste to Worth

Mexico hosted a CTI sponsored workshop on October 16-17, 2018 in Mexico City, Mexico on best practices in the circular economy. While the workshop was focused on a general level and not on chemical-specific issues, a summary of the workshop outcomes was tabled at the CD meeting, given the potential overlap to the CD’s sectoral work. CD delegates were encouraged to refer to the outcome document as a resource.

* 1. **Options for Potential CD Work on Chemistry and Sustainability** **U.S. Industry**

Meeting Documents

* 2019/SOM1/CD/011 – Proposal from the United States on a Circular Economy Event

Action Items: The CD:

* Noted the proposal for a CD event on circular economy (2019/SOM1/CD/011) and called for economies to provide comments or expressions of support to U.S. industry by March 15, 2019.

U.S. industry introduced a new proposal for a circular economy event (Doc. No. 2019/SOM1/CD/011). By way of background, at CD16 (SOM1 2016), the CD had considered a thought starter on sustainable chemistry and several delegates had expressed an interest in examining a potential CD contribution to the growing international discussion on sustainable chemistry. In September 2018, the International Council of Chemical Associations (“ICCA”) and the UN Environment Assembly (“UNEA”), with support from the China Petrochemical and Chemical Industry Federation (“CPCIF”), held a circular economy event aimed at promoting innovative solutions to achieving a circular economy. Participants identified five conditions that are necessary to enable a circular economy:

* The importance of education and awareness raising;
* A circular economy can only be realized if a sound management of chemicals and waste is in place;
* A circular economy needs collaboration at different levels;
* Enabling policies that take a holistic view and consider all stages of a product life are needed, while being transparent, risk-based, and flexible in nature; and
* Leadership from all stakeholder groups at different levels (*e.g.*, governments and CEOs) is necessary.

U.S. Industry is submitting a proposal to host an event that builds on the October ICCA-UNEA workshop and the October APEC Circular Economy proposal (discussed above). The workshop would be designed to develop best practices that can be implemented in APEC economies to promote a circular economy in chemicals and downstream products.

CD delegates noted their support for the proposal, but noted that the event should be coordinated with the other proposals on the CD agenda to ensure adequate time is available for each. CD delegates also noted that the proposal may want to coordinate with the proposed MDVWG workshop to be held in late 2019 and early 2020 as both events may benefit from attendance by experts from the other event.

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| **15:00-15:30** | **AGENDA ITEM 5** | **SHARED GOAL 3: TO ENABLE EFFECTIVE COOPERATION BETWEEN INDUSTRY AND GOVERNMENTS TO IMPROVE CHEMICAL PRODUCT STEWARDSHIP AND SAFE USE** |

* 1. **Challenges to Risk-Based Chemical Management Systems U.S. Industry**

Action Items: The CD:

* Noted the intention of the United States to submit an update on new TSCA implementation as demonstration of how to implement a risk-based chemical management system.

 At CD21, the CD requested (1) that the Regulators’ Forum undertake capacity building work related to addressing the challenges in implementing risk-based approaches to chemicals management and (2) that economies prepare case studies for presentation at CD21 regarding their experiences in implementing risk-based systems and addressing the challenges that those systems pose. U.S. Industry provided a brief intervention to note its intention to submit an update intersessionally on how the revised chemical safety framework in the United States seeks to undertake risk assessment and encouraged other economies to highlight their best practices. U.S. industry also noted the link between this item and the proposed risk assessment workshop discussed above.

* 1. **SAICM Singapore & U.S. Industry**

Meeting Documents

* 2019/SOM1/CD/019 – SAICM Beyond 2020

Action Items: The CD:

* Encouraged economies to complete the SAICM reporting template (2017/SOM3/CD/026) intersessionally to enable the CD to begin drafting a regional submission intersessionally.

At CD21, the CD agreed to encourage economies to complete the SAICM Reporting Template (Doc. No. 2017/SOM3/CD/026) by December 31, 2018 to facilitate the initial preparation of a CD “regional” submission to the preparation process for the Fifth International Conference on Chemicals Management (“ICCM5”) to be held in 2020.

U.S. Industry provided a brief overview of the post-2020 SAICM process. The co-chairs of the intersessional process have introduced a paper that lays out two potential pathways: (1) the continuation of a voluntary multi-stakeholder approach; and (2) a discussion of a broader, potentially legally binding global framework. The ICCA supports the continuation of a voluntary multi-stakeholder approach with a primary approach on building basic chemical management capacity and implementation of the GHS, with identified metrics to measure progress. U.S. Industry noted that the next meeting of the Open-Ended Working Group would be held April 2-4 in Montevideo, Uruguay, with the third intersessional scheduled for Fall 2019 and a potential fourth intersessional for early 2020 all leading up to ICCM5 to be hosted in October 2020 in Bonn, Germany.

Singapore noted that in preparation for ICCM-5, the CD needs to receive updated SAICM implementation reports from economies to be able to measure implementation progress and to prepare a submission to the intersessional process. The CD therefore requested updated reports from economies using the previously agreed template (Doc. No. 2017/SOM3/CD/026).

* 1. **Capacity Building for International Commitments U.S. Industry**

Action Items: The CD:

* Encouraged economies to propose specific capacity building projects the CD could undertake to facilitate implementation of CD members’ international commitments.

U.S. industry noted that at the last CD and at the Regulators’ Forum brainstorming session, several CD delegates from developing economies had noted the potential role that the CD could play in building capacity to promote implementation of international commitments to which CD economies have agreed, such as those made at the United Nations Environment Assembly ("UNEA"), in the Basel Convention, and in the Stockholm Convention. After several economies noted that this would be a very useful contribution to their economy, the CD agreed that interested economies should identify potential projects that could be implemented to meet this requirement, noting that this would be a good workstream for a revitalized Regulators’ Forum to consider in its 2019-2020 action plan.

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| **15:30-16:00** | **COFFEE BREAK** |

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| **16:00-16:30** | **AGENDA ITEM 6** | **PRESENTATION FROM CTI** |

1. **Presentation on CTI 2019 Priorities** **CTI Chair (via Skype)**

Meeting Documents

* 2019/SOM1/CD/015 – Committee on Trade and Investment 2019 Work Program Briefing for CTI Sub-Fora
* 2019/SOM1/CD/009 - Mid-term Review of Progress Assessment of the Boracay Action Agenda to Globalize MSMEs
* 2019/SOM1/CD/009a – Annex A: APEC Implementation Plan for the BAA
* 2019/SOM1/CD/009b – Annex B: Consolidated 2016-2018 Stocktake

Action Items: The CD:

* Noted that the CD’s agenda remained aligned to CTI priorities and encouraged economies to consider specific projects the CD could undertake to further contribute to those priorities; and
* Called on economies to ensure consideration of micro-, small-, and medium-sized enterprises (“MSMEs”) and implementation of the Boracay Action Agenda in any ongoing work streams.

 Mr. Justin Allen, the CTI Chair from New Zealand, provided a presentation on CTI priorities via Skype. The CTI Chair summarized the on-going work for the CTI’s four main priority areas:

* Support for the Multilateral Trading System: This is a difficult period for the multilateral trading system and therefore APEC needs to be thoughtful in how it can add value.
* Deepening Regional Economic Integration: This remains the primary focus of the CTI, including work related to (a) the Bogor Goals, (b) implementing the Lima Declaration related to a potential Free Trade Area of the Asia-Pacific (“FTAAP”), (c) promoting the internet and digital economy, (d) implementation of the Boracay Action Agenda on MSMEs, (e) integration into global value chain, and (f) the promotion of services.
* Strengthening Trade Facilitation and Connectivity: Promoting implementation of the Trade Facilitation Agreement, including implementation of the Supply Chain Connectivity Framework Action Plan (SCFAP) Phase II, single window, the Asia Pacific Model E-Port Network.
* Promoting Innovative and Inclusive Responses to APEC-Wide Issues: Promoting broader inclusion for women as well as an increased role for business in APEC discussions, including the joint industry dialogues, the policy partnership dialogues (“PPDs”), and the involvement of ABAC in all fora.

The CTI Chair noted that the reporting template for the CD convenor has changed for SOM1 and that the SOMs are currently discussing how to address the sub-fora mandate renewal to be done in 2020; the current thinking is to potentially require that each sub-fora undertake of an “assessment of its work against the CTI and host priorities” and submit that to the CTI for review.

The Philippines presented its update on the implementation of the Boracay Action Agenda (Doc. No. 2019/SOM1/CD/009) and called on increased efforts to contribute to its implementation. The Government Co-Chair thanked the CTI Chair, noting that there are a number of areas of potential synergy and challenged delegates to tie all of the CD’s work to contributing to the CTI’s objectives.

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| **16:30-17:30** | **AGENDA ITEM 7** | **INFORMATION EXCHANGE ON REGIONAL AND INDIVIDUAL ECONOMY REGULATORY DEVELOPMENTS** |

Meeting Documents

* 2019/SOM1/CD/010 - The Chemical Management Scheme and the Update in Chinese Taipei
* 2019/SOM1/CD/023 – Trade and Regulatory Cooperation

Action Items: The CD:

* Agreed that the United States would work with interested economies to develop a new work stream related to information sharing and potential development of best practices related to chemical rules of origin in APEC free trade agreements; and
* Agreed to review the CD’s Strategic Framework to determine whether it requires updating, particularly with a view towards the anticipated Senior Officials 2021 review of the CD’s work plan.

Economies were invited to provide updates regarding regulatory developments in their economies, including how those updates promoted implementation of the CD’s Best Practice Principles (Doc. No. 2017/SOM3/CD/006) and related Regulatory Checklist (Doc. No. 2017/SOM3/CD/007).

* **Russian Federation**:In 2021, the technical regulation of EurAsian Economic Union “On the safety of chemical products” will come into force. From this point all the chemicals should be registered. There are two types for state registration: notifying and permitting. Notifying state registration is a simple procedure and applies to chemicals, information on which: (1) has already been included in the Register and (2) in its composition there are no substances prohibited for use and concentration of substances restricted for use is zero or does not exceed the established limit values, stated in TR. The Permitting state registration is held for chemical products contains new chemicals and substances prohibited for use in concentrations higher than limit values established by the provision of the technical regulation. The question for now is which chemicals are supposed to be new. This year there will be a process of inventory development. All chemicals in the future inventory will be considered as the existing ones. Chemicals not in the inventory will be considered as new, and will require the notification process, including laboratory testing of chemicals. All the industry representatives in Russia will be invited to the process of inventory development. Foreign companies are recommended to connect with their Russian partners to be sure that their chemicals will be in the future inventory.
* **Chinese Taipei**: Chinese Taipei provided a summary of its regulatory updates (Doc. No. 2019/SOM1/CD/010). These included a November 2018 announcement by the Ministry of Labor (“MOL”) that it would be revising of its Regulation for the Labeling and Hazard Communication of Hazardous Chemicals to (1) clarify that the text of safety data sheets (“SDS”) should be in Chinese characters, (2) require the chemical abstract survey (“CAS”) on for fixtures be noted on the SDS as of January 1, 2020, and (3) limit corrections for SDS confidential business information withheld applications to twice per case. Additionally, the Chinese Taipei Environmental Protection Agency announced that it would be publishing an update to the Regulation of New Chemical Substances Registration and Management at some point in 2019. Finally, Chinese Taipei provided an update on several additional laws, including updates regarding chemical control banding, the review and use of priority management chemicals, and developments on controlled chemicals.
* **Thailand**: Thailand provided the following updates on chemical safety management and regulatory laws in Thailand. A New Chemical Act had been drafted by integrating all Acts from various Ministries which related to Chemicals. The New Acts will cover all chemicals & activities in all supply chains of the product life cycle such as import, manufacturing, production, transportation, Labeling, Storage, Chemical application, and Export Waste Management. Chemical Classification has also been revised and the Application of Import License has been available by on line service to save time. The draft of New Chemical Act been scheduled to be adopted by the National Committee on the Development of Chemical Management Strategy on 31 March 2019. A public hearing will be conducted sometime soon after the Draft Chemical Act has been approved. The private sector has identified many concerning points which were discussed in the public hearing process. With respect to GHS implementation, single substance has been implemented since 2015. Downstream chemical mixture products have been voluntary implemented by many companies in the private sector.
* **United States**: U.S. industry provided an update on three specific examples of regulatory cooperation efforts related to chemicals of relevance to the CD (Doc. No. 2019/SOM1/CD/023). First, the U.S.-Canada Regulatory Cooperation Council (“RCC”) is a bilateral forum focused on regulatory cooperation efforts that includes relevant discussions on chemical matters, including nanotechnology. Second, Argentina and Brazil signed a Memorandum of Understanding on October 12 to promote cooperation on chemical matters, including consideration of possible alignment of their draft laws for chemical regulation. Finally, the U.S.-Canada-Mexico Agreement (“USMCA”) contains a chemical annex focused on regulatory cooperation matters, including a commitment to align risk assessment methodologies where possible and to consider the other economy’s regulatory frameworks when developing or modifying a measure concerning a particular chemical substance or mixture. U.S. industry noted the potential for the CD to leverage some of this work into concrete CD actions on a regional basis.

At the conclusion of the informational presentations, the United States introduced an additional idea for potential CD work at SOM3 and beyond. Specifically, in several recent free trade agreements (“FTAs”) between APEC members, including but not limited to the USMCA, economies have agreed to updated standards for the rules of origin (“ROO”) for chemical products, moving from a focus on tariff shift to a focus on chemical reaction rules. The United States therefore proposed that the CD initiate work on these issues, starting by collecting data on what ROOs are currently being used in current and planned APEC FTAs and then considering whether the CD could develop principles, best practices, or recommendations related to 21st-century ROOs. The Secretariat noted that this workstream would potentially one in which the CD could coordinate with the Market Access Group (“MAG”). A number of APEC economies expressed their support for this proposal, including noting how it could contribute to the broader APEC effort to address and simplify the “spaghetti bowl” of ROOs across regional FTAs, and the CD therefore agreed to undertake future work on the issue.

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| **17:30-18:00** | **AGENDA ITEM 8** | **RECOMMENDATIONS AND CONCLUSIONS** |

* 1. **Summary of the Day and Action Items** **APCIC**

A representative from the Asia Pacific Chemical Industry Coalition (“APCIC”) provided a summary of the day’s discussions and noted the list of agreed upon action items. The CD agreed to circulate the agreed upon action items as soon as possible after the meeting, with a more detailed final report to be circulated further after the meeting.

* 1. **APEC Ministers Responsible for Trade ("MRT") Statement** **Government Co-Chair**

The Government Co-Chair noted that the CD’s work had been recognized by the APEC Ministers Responsible for Trade in 2018, who welcomed "the ongoing efforts to address and highlight the importance of issues surrounding industrial chemicals, such as regulatory cooperation and reducing divergence in the import requirements including classification and labelling," and noted they "support the continued cross-fora work on marine debris."[[1]](#footnote-1) The Government Co-Chair noted that it was critical for the CD to continue to identify areas of progress to its parent fora, including the CTI, SOM, and MRT, to ensure continued support for the CD’s work. He noted that he would report out on the CD’s progress and would look for opportunities to promote the CD in the 2019 MRT statement to be reported in May.

* 1. **Document Classification List** **APEC Secretariat**

Meeting Documents

* 2019/SOM1/CD/000 – Document Classification List (APEC Secretariat)

Action Items: The CD:

* Endorsed the Document Classification List (2019/SOM1/CD/000) as revised to reflect Document Number 2019/SOM/CD/008 can be made public.

The Secretariat reviewed the Document Classification List (2019/SOM1/CD/000). Delegates agreed that Document Number 008 could be made public and then endorsed the list.

* 1. **SOM3 Preparations** **Chile**

Action Items: The CD:

* Thanked Chile for its efforts in hosting CD22 and encouraged delegates to attend the CD’s next meeting at SOM3, tentatively scheduled for August 18-20 (dates subject to change), in Puerto Varas, Chile.

A representative from Chile concluded CD22 by inviting all delegates to SOM3 to be hosted in Puerto Varas, Chile, from August 17-30. The final schedule will not be completed until after the conclusion of SOM2 in May, but tentatively the IPM is scheduled for August 18, the Regulators Forum on August 19, and the CD plenary on August 20, 2019.

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1. <https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Trade/2018_trade>. [↑](#footnote-ref-1)