

## APEC Environmental Goods and Services Work Program

In Sydney in 2007 APEC Leaders committed, through wide-ranging and ambitious actions, as set out in the Sydney Action Agenda, “to ensuring the energy needs of the economies whilst addressing the issue of environmental quality and contributing to the reduction of greenhouse gas emissions.” Leaders also affirmed that “An open global trade and investment system is central to our clean development objectives and market opening in the World Trade Organization (WTO) would advance our climate and energy security goals.” and recognized that “Joint research, development, deployment and transfer of low and zero emission technologies will be crucial in our shared efforts to address climate change.”

2. The 2007 Leader’s Action Agenda included co-operative actions and initiatives designed to achieve an objective of supporting economic growth and development of the Asia Pacific region and to further contribute to the reduction of global greenhouse gas emissions.
3. The Committee on Trade and Investment (CTI) has worked since then to address Leaders’ instructions, including by developing an EGS work program as a contribution to APEC’s broader objective of promoting sustainable economic growth in the region. Central to the CTI’s work in this area is the recognition that an open global trade and investment system is necessary for the dissemination and increased utilization of EGS, and that this would be part of APEC’s contribution to global development, economic, and environment objectives.
4. The **APEC EGS Programme Framework** was endorsed by Ministers at the **2008 AMM**. The objectives of the Framework are to support the development of the EGS sector in APEC and to provide a coherent setting for the work under way in various APEC bodies. The Framework has four components: (a) research and development, (b) supply, (c) trade and (d) demand. The full description of the four framework components is as follows:
  - a. **Research and development:** For both goods and services, this refers to developing new and better EGS through innovation and R&D which address not only trade in EGS but also environment and development (i.e. rural development, job creation and applied technology). APEC economies can share ideas and best practices on innovation and R&D programmes that spur the development of EGS.
  - b. **Supply:** For goods, this includes the incorporation of cleaner, more resource and energy efficient technologies. For services, this includes the training of skilled personnel. Both entail a need for more focus and investment in the EGS industry. APEC economies can explore ways to facilitate investment in EGS and share best practices in developing the EGS industry sector.
  - c. **Trade:** This component aims to improve trade in EGS through trade facilitation and trade liberalisation. For the former, APEC MAG (Market Access Group)/GOS (Group on Services) have been developing projects that facilitate trade in EGS. For trade liberalisation, this component adheres to the Doha Para 31(iii) mandate. Recognising that the negotiations will be done in the WTO, APEC MAG/GOS can come up with ways to support the negotiations in the WTO.
  - d. **Demand:** An increase in demand will create incentive for the market to increase R&D and investment in EGS. APEC economies can look into sharing best practices in public education on EGS and pro-EGS consumer policies, such as measuring and showing the impact of EGS on the environment.
5. In July 2009 APEC Ministers Responsible for Trade (MRT) welcomed the progress made so far in the development of an APEC work program for EGS (environmental goods and services) as set out in the EGS Framework. They instructed officials to finalise the work program for consideration by the 2009 APEC Ministerial Meeting (AMM).
6. Consequently, CTI tasked the Market Access Group (MAG) to conduct a **Mapping** Exercise, which identified the work streams relevant to the EGS Framework currently underway across

APEC fora and sub-fora. The **Mapping Matrix** is appended here as **Annex 1**. It includes activities and projects initiated or under way in 2009. To allow for improved oversight by APEC economies of the myriad of initiatives underway in APEC in this area, and to identify areas of potential collaboration, the Mapping Matrix will be updated regularly by the APEC Secretariat. Keeping the Mapping Matrix up-to-date will also help us to prevent duplication of resources across APEC fora and sub-fora.

7. Based on the results of the mapping exercise, APEC members agreed to take the following actions in order to support sustainable economic growth in the region, advance APEC's work to increase utilization of EGS, reduce barriers to trade and investment in EGS and enhance the capabilities of members to develop their EGS sectors:
  - Launch and continue to contribute to the Environmental Goods and Services Information Exchange (EGSIE), a Web site that will serve as a foundation for future work on EGS in APEC, and will promote greater transparency, information-sharing, collaboration, and dissemination of EGS in the APEC region and globally.
  - Identify a “package” of follow-up actions that would enable economies to enhance their sustainable economic development and contribute to the growth of the APEC region. Three key aspects of this would be an identification of: (1) goods and services for which, via increased utilization, an economy would be able to contribute towards climate change mitigation as well as sustainable economic development; (2) concrete steps to facilitate the diffusion of climate friendly and other EGS technologies so as to increase the capabilities of economies to maintain sustainable growth; and (3) capacity-building activities to help ensure that APEC economies, especially developing economies, are able to cultivate and further develop their EGS sectors and meet their sustainable growth goals, including identifying areas of technology transfer of interest to economies and initiating a series of case studies so as to better understand the needs of developing economies in this area.
  - Promote greater dissemination and utilization of EGS by raising awareness of the differing economic conditions and resultant needs of economies; undertaking work to address non-tariff barriers and enhance market drivers to environmental goods through close cooperation among relevant fora, such as local content requirements; explore greater harmonization and convergence of standards, particularly in the area of energy efficiency; facilitate investment in the EGS sector; and
  - Improve understanding and market access for environmental services and services relevant to climate change mitigation.

## APEC EGS Projects Mapping

At MRT this year, Ministers agreed that APEC could make an important contribution to the success of the Copenhagen Conference by exploring ways to reduce barriers to trade and investment in environmental goods and services (EGS), in particular those goods and services that contribute to the success of our climate change efforts. Ministers also instructed officials to finalize the EGS work programme for consideration by AMM 2009.

The matrix below is a list of EGS projects which are being developed by APEC fora and help make EGS more available in the APEC region. The matrix presupposes that there is no definition of EGS. The categories utilised in this matrix are intended as broad examples only. It will be provided by MAG to CTI Chair for consideration in her drafting up an EGS work programme.

APEC Forum	Description of Initiative	Objectives	Proponent s	Categories*	Work Program Component†	Status
CTI (Committee on Trade and Investment)	Study on Good Regulatory Practices for Goods and Services Necessary or Desirable for Climate Change Mitigation and Adaption	To assist Member Economies to adopt trade-facilitating regulatory measures for goods and services necessary or desirable for climate change mitigation and adaption	Singapore	(iii) climate change	Supply; Trade	PSU is expected to complete the study by October 2009. As next steps, Member Economies may consensually decide on the approach in developing a set of GRP for such goods and services.
CTI	Survey on the current status of applying trade related environmental standards (TREMs)	To help members, especially developing members, to build capacity to implement trade-related environmental standards by best practices and experience sharing	Viet Nam	(vi) others	Supply; Trade	Questionnaire has been sent out, Seminar should take place in Viet Nam in December 2009 (CTI/29/2009T)
MAG (Market Access Group)	Environmental Goods and Services Information Exchange	To provide public and private stakeholders in APEC economies with a means to access and share the	Canada, New Zealand,	(i)technology, (ii) energy efficiency	R&D; Supply; Trade; Demand	Trial version online May 2009 Formal launch planned in November 2009

\* Some broad categories of EGS, which the project could help increase the use of, include: (i) environmentally friendly technology goods and services (technology); (ii) energy efficiency goods and services (energy efficiency); (iii) environmental goods and services necessary or desirable for climate change mitigation and adaption (climate change); (iv) clean air; (v) clean water and (vi) others (eg renewable energy, waster water management, environmental monitoring, analysis and assessment equipment).

† The EGS Work Programme endorsed by Ministers in 2008 uses the basic value-chain of EGS as a framework to holistically address all aspects of EGS. Four components set out by the framework are: R&D, Supply, Trade and Demand.

APEC Forum	Description of Initiative	Objectives	Proponent s	Categories *	Work Program Component †	Status
	(EGSIE)	latest information, studies, projects and commitments on EGS	US	(iii) climate change, (iv) clean air, (v) clean water (vi) others		
MAG	Workshop on Trade and Environment	To facilitate the sharing of ideas, information and experiences between participants to provide APEC policy-makers with tools to develop effective environmental regulations and to develop policies and regulations that do not distort trade in environmental technologies, goods and services.	Australia, Indonesia	(i)technology, (iii)climate change	Trade; Demand	Held on 25–26 May 2009, Jakarta
MAG	Workshop on Environmental Goods and Services	To enhance understanding of i) role and relevance of developing economies to disseminating environmental goods; ii) role and relevance of technologies to achieving enhanced energy conservation and efficiency; and iii) ideas of establishment of a common platform to eliminate/moderate existing obstacles.	Australia, Japan, New Zealand, Singapore	(i)Technology (iii)energy efficiency, (iii) climate change	Supply; Trade; Demand	Held on 28 July 2009, Singapore (CTI/32/2009T)
MAG	Survey of Major Impediments and Market Driver to the Development of trade in Environmental Goods	To share information on impediments to expanded trade in environmental goods and to help markets of environmental goods more well-functioning	Australia, Japan	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water (vi) others	Supply; Trade; Demand	Budget proposal to be submitted. To be completed 2009–2010

APEC Forum	Description of Initiative	Objectives	Proponent s	Categories*	Work Program Component†	Status
MAG	Works on Remanufacturing	To raise awareness about business practice of remanufacturing and to enhance understanding of APEC Economies' respective remanufacturing capabilities and regimes impacting trade in remanufactured goods.	US	(vi) others	Trade	Workshop held on 21 February 2009, Singapore Questionnaire submitted by US at MAG 3 2009, and answers to be circulated by economies before MAG1, 2010
GOS (Group on Services)	Survey on APEC Trade Liberalisation in Environmental Services	To share information of trade liberalization trends in environmental services for APEC economies. In the long run, it could also be regarded as a positive response to meeting the challenges of the climate change.	China	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water (vi) others	Trade;	Report currently being finalized (CTI/31/2008T)
SCSC (Sub-Committee on Standards and Conformance)	Trade Facilitation Task Force (TFTF)	To exchange views and information on the nexus between the trade and technical aspects of product-related environmental standards, technical regulations and conformity assessment procedures.	Korea, US	(i)technology, (ii)energy efficiency, (iii)climate change, (iv)clean air, (v)clean water	Supply; Trade; Demand	Established in 2006 The most recent TFTF held on February 23, 2009 to exchange views and information on the connection between trade and product-related environmental standards, technical regulations and conformity assessment procedures.
EWG (Energy Working Group)	APEC Cooperative Energy Efficiency Design for Sustainability (CEEDS)	To promote "high-performance" energy efficiency policy measures in developing economies in the APEC region. The focus will be on how to apply such measures to the unique conditions of each economy.	Japan	(ii)energy efficiency (iii)climate change	Supply; Trade; Demand	The schedule of the Phase 1 CEEDS process will be designed to allow the final report to be submitted to the APEC Leaders meeting in 2010. As CEEDS is a multi-year project, CEEDS will be expanded to cover different sets of measures in different sectors in the coming several years. (EWG14/2009A)

APEC Forum	Description of Initiative	Objectives	Proponent s	Categories*	Work Program Component†	Status
EWG, EGEE&C (EWG/Expert Group on Energy Efficiency and Conservation)	APEC Energy Standards Information System (ESIS)	<ul style="list-style-type: none"> <li>- To provide up-to-date information about appliance and equipment energy standards and regulations;</li> <li>- To provide “Communities of Practice” for experts and officials to discuss efforts to harmonize and rationalize the testing, labelling, and minimum energy standards for specific appliances and equipment; and others.</li> </ul>	New Zealand	(i)technology (ii)energy efficiency (iii)climate change	Supply; Trade; Demand	Ongoing
EWG, EGEE&C	Using Smart Grids to Enhance the Use of Energy Efficiency and Renewable Energy Technologies.	To understand how smart grid technologies and practices have been used to enable new products and services, optimize the use of power grids, allow greater use of renewable energy options, and encourage greater demand-side efficiency response in APEC economies	US	(i)technology (ii)energy efficiency (iii)climate change	Demand	Draft (The project would fund a report on the status and potential, within APEC economies, of smart grid technologies to enhance the use of renewable energy and energy efficient buildings, appliances and equipment.)
EWG, EGEE&C	Energy-Saving Windows: Survey of Policies and Programs to Promote Advanced Window and Glazing Technologies in APEC Economies	To compile information on recent efforts to reduce building energy use through advanced windows and glazing technologies in APEC economies. By assessing the current market status of energy-saving windows and barriers to their increased use, the project will also help guide decisions on new policies or programs to promote them.	US	(i)technology (ii)energy efficiency (iii)climate change	Supply; Demand; Trade	In implementation (EWG10/2009A)

APEC Forum	Description of Initiative	Objectives	Proponent s	Categories*	Work Program Component†	Status
ISTWG (Industrial Science and Technology Working Group)	Promoting Sustainable Development through Environmentally Sound Recycling	To demonstrate a new regional model for environmentally sound recycling.	US	(i)technology	R&D	Seminar to be held in the late fall of 2009 on building a recycling-based economy (RBE) among APEC economies. Website, which would promote environmentally and economically sound recycling between APEC economies, will be operational by the end of the project.
ISTWG	Utilization and protection of water resources	To conduct research and analysis of river basin water resources; to open a website for utilization and protection of water resources; and to build up an expert research group	China	(i)technology (v) water	R&D; Supply	Symposium on Utilization and Protection of Water Resources would be held in Suzhou, China from 22–23 September 2009.
ISTWG	Develop the eco-environmental impact assessment estimating tool	To develop the prototype technology of design for electronic waste recycling to reduce carbon foot print and to reach the optimum use of resources.	Chinese Taipei	(i)technology;	R&D	Proposal has been submitted to the APEC Secretariat for SPAP assessment. Will seek APEC fund.
ISTWG	Research on the Futures of Low Carbon Society: Climate Change and Strategies for Economies in APEC Beyond 2050	To foresight the future society where low carbon economy and lifestyle becomes the principal driver governing trade and development. The expected outcome includes short, middle, and long term strategies for the region in technological development in responding to the need of the future society envisioned.	Thailand	(i)technology (iii)climate change	R&D; Supply; Trade; Demand	An online, real-time survey is being prepared by an international working group whose member consists of representatives from a large number of APEC member economies. The survey, to be targeted mainly at experts in APEC, will be officially launched after enough number of international experts to respond to the survey are solicited.