**Twenty-First Meeting of the APEC Chemical Dialogue (“CD21”)**

**Final Report**

*August 7, 2018*

*Room 103, International Convention Center*

*Port Moresby, Papua New Guinea*

 The Twenty-First Meeting of the Chemical Dialogue (“CD” or “Dialogue”) (“CD21”) was convened in the International Convention Center in Port Moresby, Papua New Guinea and attended by representatives from 12 economies: Chile (Government); People’s Republic of China (Government and Industry); Japan (Government and Industry); Republic of Korea (Industry); Malaysia (Government and Industry); Mexico (Industry); Papua New Guinea (Government and Industry); the Republic of the Philippines (Government and Industry); the Russian Federation (Government and Industry); Chinese Taipei (Government and Industry); Thailand (Industry); and the United States (Government and Industry). CD21 was co-chaired by Mr. Kent Shigetomi, Government Co-Chair, and Dr. Shinoi Sakata, Industry Co-Chair. CD21 was preceded by an Industry Pre-Meeting (“IPM”) held on August 5, 2018 and a Regulators’ Forum (“RF” or “Forum”) held on August 6, 2018, both in the same venue.

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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, was confirmed as the new Government Co-Chair intersessionally and convened CD21. As this was his first meeting, he provided a brief personal introduction, noting that he had been a long-time participant in APEC meetings, starting when he had been posted to the U.S. Embassy in Tokyo during Japan’s 1995 host year, and more recently serving as the U.S. representative to the Subcommittee on Standards and Conformance (“SCSC”), participating in Committee on Trade and Investment (“CTI”) meetings. The Government Co-Chair noted that through this lens he had substantial experience with chemicals and related issues, approaching it primarily from a regulatory perspective.

The Government Co-Chair thanked Papua New Guinea for welcoming delegates to the Port Moresby and for their work in organizing the meeting. He challenged delegates to consider concrete proposals that the CD could consider throughout the day’s discussions. In particular, he encouraged delegates to consider other work being pursued in APEC and to think creatively about topics to which the CD could contribute, including through potential submission of new project proposals.

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

Dr. Shinoi Sakata, newly confirmed as the Industry Co-Chair intersessionally, provided an introduction to CD21 from industry’s perspective on behalf of the Asia-Pacific Chemical Industry Coalition (“APCIC”). Dr. Sakata is the Executive Director of the Japan Chemical Industry Association (“JCIA”) and had spent her career as a research scientist at the Sumitomo Chemical Company, particularly focused on chemical safety issues. Dr. Sakata extended her thanks to the outgoing Industry Co-Chair, Mr. Kazuya Ishii, for his leadership during the CD meetings and assistance in preparing her for these meetings.

Dr. Sakata provided a summary of the IPM discussions held on August 5, 2018. The IPM started by identifying challenges facing industry throughout the region, including:

1. international trade challenges and changing bilateral and regional relationships, including through the increase of tariffs on chemicals imports;
2. domestic regulatory challenges, including understanding and complying with changing domestic chemical regulation;
3. varying requirements between APEC economies that create unintended non-tariff barriers to trade in chemical products, including, for example, a growth in economy-specific chemical inventories of existing chemicals with inconsistent lists;
4. capacity building needs across a range of areas, including for regulators to implement current regulations as well as to understand and implement international best practices (*e.g.*, implementing Stockholm commitments), for industry to understand and comply with domestic regulations, including in particular chemical safety issues; and
5. chemical security issues

Building on those challenges, industry identified its priorities, including regulatory cooperation, GHS implementation, addressing the challenges of marine debris, promoting data exchange with relevant international fora, and capacity building related to best practices on customs. Importantly, industry also identified a series of areas for potential new work, including: (1) capacity building in understanding and complying with international best practices to which economies have signed up; (2) capacity building best practices to promote chemical safety domestically, including for Micro, Small, and Medium-Sized Enterprises (“MSMEs”); (3) chemical security; and (4) information sharing to promote understanding of the increase of tariffs on chemical imports.

1. **Welcome from Papua New Guinea** **Papua New Guinea Representative**

Dr. Sibuak Bieb, Executive Manager from the Papua New Guinea Ministry of Public Health, provided a warm welcome from the perspective of the host economy. He took note of the previous two days of meetings and noted that they provided an impetus for the CD21 plenary meeting. He challenged delegates to address concrete, tangible, regulatory developments. He noted Papua New Guinea’s interest in some of the new areas for discussion that had been identified, including on tariffs, capacity building on import/export activities, information sharing on regulatory developments, and implementation of the CD’s Best Practice Principles. Dr. Bieb commended the Secretariat and the Co-Chairs for their foresight and wisdom in leading the meeting and expressed his hope that through consensus we can find solutions to some of the common challenges affecting chemical trade.

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

1. **Review of Alignment with CTI Priorities** **Moderated by Co-Chairs**

Meeting Documents

* 2018/SOM3/CD/006 – 2018 Boracay Action Agenda Annual Stocktake (As of July 31 2018)

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 identify contributions that the CD could make to implementation of the Boracay Action Agenda.

The Government Co-Chair noted that since 2014, the CTI has requested that its sub-fora include time on their agendas during the second meeting of each year to “look back” at their work during the year to confirm that the work had helped to meet the CTI’s objectives, which include: (1) Support for the multilateral trading system; (2) Deepening Regional Economic Integration, including through implementation of the Lima Declaration on FTAAP; (3) Strengthening Trade Facilitation and Connectivity, including through regulatory cooperation and convergence; and (4) Promoting innovative and inclusive responses to APEC-wide issues, including through engagement with the private sector.

The Philippines introduced Document Number 006, noting that the 2018 Boracay Action Agenda Annual Stocktake will be presented to the Senior Officials Meeting (“SOM”) at SOM3. This represents a mid-term review of the implementation of the Boracay Action Agenda (“BAA”). The initial assessment noted that most of the actions have focused on Priority 6 (“Expand internationalization opportunities for micro and small enterprises providing goods and services through ICT and e-commerce”) and Priority 7 (“Strengthen institutional support for MSMEs”), but work remains to be done on Priorities 3 (“Provide timely and accurate information on export and import procedures and requirements”), 4 (“Widen the base of Authorized Economic Operators (AEO) and trusted trader programs (TTP) to include SMEs in order for them to contribute to security, integrity and resiliency in supply chains”), and 5 (“Support measures to widen options on financing for MSMEs and further develop the infrastructure to facilitate lending to them”).

The Government Co-Chair commended the Philippines for compiling the analysis and called on CD delegates to identify ways to contribute to the report. The Co-Chair also noted that the CD website is out of date and that makes the forum appear less viable and relevant. The CD therefore agreed to update the website intersessionally (see actions in Secretariat update below). It also agreed that its workstream remained aligned to the CTI objectives and agreed to identify future opportunities to further contribute to the CTI’s work program.

1. **2018 APEC Secretariat Update** **APEC Secretariat**

Meeting Documents

* 2018/SOM3/CD/012 – General Information and Update for 2018: Project Update

Action Items: The CD:

* Agreed to update its website to reflect current workstreams as well as to link the CD’s work to the priorities identified by the CTI;
* Noted that the Secretariat intends to update the distribution list and calls on economies to ensure that they provide a full and accurate list of delegates;
* Encouraged the co-chairs of each of the Virtual Working Groups to similarly update their e-mail distribution lists and encouraged economies interested in participating in those VWGs to contact the co-chairs; and
* Encouraged economies to identify ideas for potential project proposals to be submitted for funding during the first funding cycle of 2019.

The Secretariat provided an update on administrative and project related developments (Document Number 012). With respect to Governance, the Secretariat provided several updates: (1) the CD had successfully revised its terms of reference at SOM1 to include SOM requested changes, including that (a) it will have a quorum of 14 economies and (b) a four year sunset clause; (2) Dr. Alan Bollard will leave his role as Executive Director after the conclusion of his six year term and a replacement will be chosen by the end of the year; (3) the CD website is out of date and needs to be updated, though the new terms of reference have been posted; and (4) the CD mailing list has more than 100 people, but still does not contain the right contacts, so delegates need to ensure it remains up to date.

The Secretariat then provided an update on the project process. At Project Session 1 2018, 53 of 95 projects were approved (58%), while 115 had been submitted at Project Session 2 and will be decided upon shortly. The Secretariat summarized the new approval process that was discussed at SOM1, noting that the major focus is on capacity building, an area on which the CD has focused, so he encouraged the CD to convert its thinking into action by identifying, developing, and submitting real projects for funding.

The Government Co-Chair noted that it was hard to under-emphasize the importance of APEC projects and their contribution to the success of sub-fora. He noted his surprise that the CD had not had a successful project funded since 2014. The Government Co-Chair stated that he would be happy to serve as a Project Overseer for the appropriate project and encouraged delegates to update the website to highlight projects as this could encourage people to attend the projects. In response to a question, the Secretariat noted that prioritization criteria depended on the sub-fund to which you submitted a project. If you can identify a sub-fund that applies, then that can be easier to get funded because there is less competition. Further, alignment of a project to Chile’s 2019 objectives or even to those of Malaysia in 2020 can increase the likelihood of approval.

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

1. **Regulators’ Forum RF Chair**

Action Items: The CD:

* Instructed economies to provide ideas regarding potential topics to be included in the Regulators’ Forum 2019 workplan;
* Instructed the Regulators’ Forum to finalize its workplan by December 31, 2018 for endorsement by the CD; and
* Noted the intent of the Regulators Forum to nominate and seek endorsement of a new Chair intersessionally.

A representative of the Chair of the Regulators’ Forum (“RF” or “Forum”) provided a brief update on the discussions held the previous day. Specifically, the RF had held an open-ended discussion to identify priorities for development of a future workplan. First, the RF had summarized its history of accomplishments, including: (a) creation of the CD’s Best Practice Principles on Chemical Regulation in 2008; (b) a series of capacity building workshops in 2010, 2011, 2012, 2014, and 2015; (c) development of the Best Practice Principles Implementation Checklist (2016); (d) collaboration with the OECD Clearinghouse for New Chemicals; and (e) information sharing on a range of regulatory developments, with a particular focus on lead in paint, chemical inventories, perfluorinated carbons (PFCs), and brominated flame retardants (BFRs).

The RF then held a brainstorming session on ideas for potential inclusion in the Regulators’ Forum Action Plan. These included:

* **Information Sharing**: Delegates agreed that information sharing was one of the key values of the RF and encouraged further information sharing on a range of topics, including: (1) regulatory cooperation efforts being undertaken by APEC economies or more broadly; (2) rotating reports (*e.g.*, from the host and two other economies at each meeting) on the status and development of the chemical management frameworks within that economy, including through development of a potential standardized reporting template; (3) related to particular chemical issues of concern as they arise; and (4) related to how different economies regulate the same chemical.
* **CD Integration**: Delegates sought to further integrate the RF’s work with that of the CD, including by (a) integrating the RF into the workshops that will serve as follow-ups from the Good Regulatory Practice workshop and (b) broaden the number of regulator participants in the virtual working groups.
* **Capacity Building**: Noting the RF’s historic value in contributing capacity building, delegates discussed the need for capacity building related to, *inter alia*: (1) how to implement international regulatory best practices, including with respect to implementing commitments economies had made with respect to international chemical conventions (*e.g.*, Stockholm); (2) the importation of chemical products, including how to organize interagency collaboration efforts; (3) GHS implementation; and (4) addressing the challenges posed by risk management frameworks, including, e.g., mechanisms to access exposure information or leverage risk assessments done in other economies.
* **Additional Ideas**: Finally, delegates identified a set of additional ideas, including: (a) developing a repository of translations of chemical regulations from APEC member economies; (b) providing a presentation at the next RF on what APEC has done with respect to GRP generally; (c) developing a list of dual purpose chemicals, based on the list from the Chemical Weapons Convention, but with economy specific additions; and (d) developing an interactive guide that contains economy-specific regulations and a checklist of what it takes to export chemicals to a particular economy.

The RF agreed to consider these, and other, ideas and to develop a 2019-2020 Action Plan intersessionally for consideration and endorsement by the CD. The RF also discussed its need to nominate a new Chair and the CD agreed it would do so intersessionally.

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

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

* 2018/SOM3/CD/010 - APEC Virtual Working Group on Regulatory Cooperation and Convergence: Next Steps

Action Items: The CD:

* Encouraged economies that are interested in participating in the Virtual Working Group on Regulatory Convergence and Cooperation (“VWGRCC”) to identify themselves to the VWG Co-Chairs; and
* Sought nominations for economies willing to serve as the Government Co-Chair of the VWG”) by September 30, 2018.

 The Virtual Working Group on Regulatory Cooperation and Convergence (“VWGRCC”) serves as the coordinating body for the CD’s work stream on regulatory cooperation and is currently Co-Chaired by U.S. industry. As Co-Chair, U.S. Industry thanked VWGRCC participants and noted that specific updates on work will be introduced in the sub-items below. As an introductory matter, the VWGRCC called for nominations for a Government Co-Chair to fill the open 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 identified its four topics for follow-up webinars: (1) regulatory impact assessments; (2) evaluating comments received during public consultations; (3) principles-based regulation; and (4) tools for collecting exposure information;
* Encouraged economies to nominate speakers for each of the webinars as soon as possible; and
* Noted the intention of U.S. industry to organize and run at least the first webinar on regulatory impact assessments during 2018.

The VWGRCC next discussed next steps on the 2017 workshop on sharing best practices in chemical regulation. That workshop had been held at CD19 (SOM3 2017) and was attended by 70 attendees from 16 APEC economies. As follow-up, the CD had agreed to host technical webinars on priority areas identified by participants. To carry that forward, intersessionally, the project proponents had circulated a survey to participants and CD delegates to prioritize the list of topics identified during the workshop, which resulted in identifying the following priority areas: (1) regulatory impact assessments; (2) evaluating comments received during public consultations; (3) principles-based regulation; and (4) tools for collecting exposure information. The VWGRCC is now seeking speakers and agendas for each of these discussions and will seek to schedule them as soon as possible.

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

Action Items: The CD:

* Noted the intention of the VWG on RCC to host an information sharing session at SOM1 2019 on best practices related to the import of industrial chemicals; and
* Noted the intention of the VWG on RCC to begin drafting principles related to best practices for the import of industrial chemicals for ultimate consideration by the CD at SOM3 2019.

U.S. industry provided a summary of this work. By way of background, this work was introduced at CD17 (SOM3 2016), when industry had noted an increase in the behind-the-borders requirements it was facing for chemical imports. As a result, the CD had initiated a joint workstream with the Subcommittee on Customs Procedures (“SCCP”), and had agreed on four actions:

1. collaborating with the Subcommittee on Customs Procedures (“SCCP”), given the obvious overlap with customs issues;
2. drafting a survey / stock-take on current import requirements for chemical products;
3. distilling the results of that survey into a summary that could be used to identify potential areas for divergence; and
4. considering development of best practices and/or capacity building work to implement those requirements, depending on the results of the survey.

The CD completed the survey during 2017 (2017/SOM1/CD/010) and, at CD20, had tabled an initial summary of those results: “Summary Report and Recommended Next Steps Related to the Survey of Import Requirements for Industrial Chemicals: Working Draft” (Doc. No. 2018/SOM1/CD/010). That summary had subsequently been endorsed intersessionally prior to SOM3.

To carry forward the analysis, U.S. industry proposed hosting an information sharing session at SOM1 2019, focused on company submission import requirements for compositional data and regulatory requirements. Based on the results of those discussions, the VWGRCC would then be positioned to potentially draft a set of best practices for joint consideration by the CD and SCCP.

Economies noted their continued support for this work. The Philippines noted it was facing challenges with harmonizing customs requirements and it therefore saw value in development of a best practices document that it could use for internal capacity building with customs officers with oversight of chemical inventories.

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

 **Russian Federation**

Action Items: The CD:

* Encouraged economies to provide comments on their economy’s chapter of the Survey for Review of Chemical Management Regulatory Systems Worldwide to the Russian Federation by September 30, 2018; and
* Noted the intention of the Russian Federation to draft an “Executive Summary” of the Survey results and to circulate that to CD delegates with sufficient time to enable review and comment before any endorsement deadline.

The Russian Federation summarized the status of its ongoing development of a “Survey of Review of Chemical Management Regulatory Systems Worldwide” (Survey). The Russian Federation noted that it had initially circulated the individual economy-specific chapters to the relevant economies intersessionally and had sought comment by the end of April 2018. The Russian Federation thanked economies for the substantial comments received. The Russian Federation noted that the next step was to develop an “Executive Summary” which would distill the results and be no more than 30 pages. To that end, a template for the Executive Summary had been circulated intersessionally and endorsed (August 1, 2018). The Russian Federation therefore sought economy support in completing aspects of that framework by the end of August, which was subsequently extended to the end of September in discussions. The goal would be for a draft of the Executive Summary to be circulated for comment by economies with sufficient time to enable endorsement by the end of December 2018 or, at worst, prior to SOM1 2019.

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

 **U.S. Industry**

Action Items: The CD:

* Noted the intention of U.S. industry to submit a proposal intersessionally related to potential work on tariff transparency initiatives;
* Noted the intention of the VWGRCC to draft and send a letter to the CTI and ABAC, leveraging the two economic reports endorsed between CD20 and CD21 to seek support from both groups for further work within the CD; and
* Agreed that the Secretariat would post both economic reports to the CD’s public website.

 U.S. industry introduced this item, noting that at CD20, the CD had endorsed two documents that both highlighted the value of chemical trade in the region: “The Economic Importance of the Chemical Industry in the APEC Economies” (Doc. No. 2018/SOM1/CD/012) and the “Chemical Trade: Paper A: Chemical Trade Data – Regional Flows: Revised” (Doc. No. 2018/SOM1/CD/011). The CD had agreed to develop a letter to CTI and the APEC Business Advisory Council (“ABAC”) to leverage both reports “to underscore the value of the CD within APEC” and to see “support from both groups for further work within the CD.”

 Since then, the VWGRCC had been discussing how to best leverage these reports. The challenge was to use them as tools to be sure the CTI, Senior Officials, Ministers, and Leaders understand the importance of chemical trade and, by extension, the CD’s role in facilitating that trade. Therefore, the goal was to identify potential ways to use the reports to seek particular items from senior bodies in APEC. One idea would be to begin work on a potential tariff transparency initiative, including to aggregate and publish data on the bound versus applied tariff rates for chemical products across APEC member economies, with a focus on new additional tariffs on chemicals imports that economies are applying. U.S. industry noted that it would circulate further information intersessionally. Several economies noted their potential support for such work, including a discussion from industry’s perspective on the need to reduce tariffs in the chemical industry, through unilateral actions and bilateral and regional bodies. The CD therefore took note of the intention for further work to be done intersessionally.

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

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

Meeting Documents

* 2018/SOM3/CD/009 – APEC Virtual Working Group on the Globally Harmonized System for the Classification and Labeling of Chemicals: Progress Report for the 21st Chemical Dialogue

Action Items: The CD:

* Noted the Virtual Working Group on GHS’s Progress Report;
* Requested economies that have not yet done so to complete the GHS Implementation Rationale Questions (2017/SOM3/CD/024) by September 30, 2018;
* Noted the VWGGHS’s intention to commission an update to its previously drafted “Comparison of Implementing [GHS] Regulations Amongst the APEC Economies” (2017/SOM3/CD/012) for discussion at SOM1 2018 in Chile; and
* Requested economies to inform the VWGGHS of any plans to update their GHS implementation to align to a new version of the UNSCEGHS “purple book”.

A representative of the Co-Chairs of the Virtual Working Group on the Globally Harmonized System for the Classification and Labeling of Chemicals (“GHS”) (“VWGGHS”) provided an intervention on behalf of the VWGGHS. Speaking to the Progress Report that had been submitted (Doc. No. 2018/SOM3/CD/009), the representative noted that intersessionally the VWGGHS had accomplished several items including: (a) confirmation of Mr. Derek Swick, from the American Petroleum Institute, as its Industry Co-Chair; (b) finalizing and submitting its implementation report to the Ministers Responsible for Trade (*see* Agenda Item 3(c)(ii) *infra*); and (c) compiling the responses it had received to the GHS implementation rationale survey (Doc. No. 2017/SOM3/CD/024) that had been circulated intersessionally (*see* Appendix to Doc. No. 009).

The VWGGHS had further agreed that it would be initiating a number of areas of new work, including: (1) updating the GHS comparison study it had most recently modified in 2017 (Doc. No. 2017/SOM3/CD/012); (2) modifying the GHS implementation report (*see* Agenda Item 3(c)(ii) *infra*); and (3) seeking additional input from the CD on the rationale for selecting certain GHS building blocks (Doc. No. 2017/SOM3/CD/024).

Several economies noted their interest in participating in this work and the representative encouraged them to contact the Co-Chairs directly or the Secretariat to be added to the VWGGHS.

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

Meeting Documents

* 2018/SOM3/CD/004 – Annual GHS Implementation Report – Update on the Reporting Template and Proposed Next Steps

Action Items: The CD:

* Noted the annual report on GHS implementation (2018/SOM3/CD/004);
* Agreed to a new reporting mechanism on GHS implementation focused on identifying strategies to improve GHS convergence by Member Economies; and
* Agreed to conduct a trial of the new questionnaire with a goal of using the new questionnaire for MRT reporting in 2019.

 A representative of Australian industry provided a brief summary of this agenda item. Intersessionally, the CD successfully submitted an endorsed annual GHS implementation report to APEC Ministers Responsible for Trade (2018/MRT/005), who acknowledged the report in their statement: “we welcome 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 labeling.”[[1]](#footnote-1)

The VWGGHS has tabled an update on the GHS reporting document. That update notes that over the last decade of submitting reports, a number of broad trends had been identified: (1) GHS is mainly implemented for the industrial workplace; (2) GHS is not the risk management system of choice within APEC for the consumer products or agricultural sectors; (3) GHS is not utilized within APEC for transport; and (4) there have been limited trade benefits from GHS implementation due to divergent implementation of GHS across the APEC region including implementation of different editions of the GHS, adoption of different building blocks, adoption of different classification cut-offs, and imposition of local requirements.

Therefore, the VWGGHS recommended that a new reporting template be developed that focuses on addressing the divergences in GHS implementation. This would shift the focus to the factors that are limiting the benefits of GHS implementation and would seek to promote convergence in GHS implementation. The VWGGHS therefore seeks CD endorsement to agree to develop and implement a new reporting mechanism for 2019 that focuses on identifying strategies to promote GHS implementation convergence. The CD endorsed this recommendation.

The Russian Federation noted that the Virtual Working Group on Data Exchange was also discussing ways to better leverage the VWGGHS Implementation Report, including how to share the information with the UN Subcommittee of Exports on the GHS (“UNSCEGHS”) more efficiently, so it welcomed discussions on improved efficiency in the template. Chile noted that it was in process of implementing the GHS as part of a public-private consultation process.

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

Meeting Documents

* 2018/SOM3/CD/002 - Update on the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Reference Exchange and Tool (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; and
* Encouraged economies to provide relevant updates to Chinese Taipei to maximize the utility of the 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.[[2]](#footnote-2) Chinese Taipei noted that as of June 2018 there had been 155,000 visits to its website. The website had been updated in 2017 to align to APEC’s website guidelines. Additionally, the website now contains: (a) APEC economy’s GHS implementation status reports from 2011 to 2016 that had formed the basis of the GHS Implementation Report to MRT; (b) GHS labeling elements in 37 languages, including from 11 APEC economies (Australia, Chile, People’s Republic of China, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, the Russian Federation, Thailand, and Chinese Taipei); (c) updated the template version of GHS labeling to GHS Revision 4, taking into account the status of member economy’s implementation status; and (d) provided links to GHS information contained in other international fora (*e.g.*, UNSCEGHS, OECD eChemPortal, Japan CHRIP and NITE GHS).

The CD thanked Chinese Taipei for its efforts in continuing to host the site and encouraged economies to provide updates and suggestions for ways to expand the G.R.E.A.T. resource.

1. **Virtual Working Group on Data Exchange Russian Federation & Singapore**

Meeting Documents

* 2018/SOM3/CD/005 – Progress Report of the APEC CD VWG on Data Exchange – Presentation

Action Items: The CD:

* Endorsed the Virtual Working Group on Data Exchange’s (“VWGDE”) consideration of developing an interactive guide on chemical regulations;
* Noted the intention of the VWGDE to circulate a summary to CD delegates of the potential contents and structure for the Interactive Guide intersessionally;
* Noted the intention of the VWGDE to circulate a thought starter on potential new ideas for VWGDE consideration, including related to life cycle analysis and best available technologies; and
* Encouraged interested economies to provide input by September 31, 2018 to the VWGDE for ultimate submission to the Australian representative of the UN Subcommittee of Experts on GHS for use in an ongoing analysis at the UNSCEGHS of risk management efforts within GHS implementation.

The Russian Federation, as Government Co-Chair of the Virtual Working Group on Data Exchange (“VWGDE”), provided an update on its ongoing work. From an administrative perspective, the VWG had successfully endorsed an industry co-chair (Ms. Cissie Young, Singapore), terms of reference (Doc. No. 2018/SOM1/CD/016, Appendix), and a 2018 workplan intersessionally.

With respect to the workplan, the primary focus has been on promoting enhanced cooperation with international fora, particularly with the UNSCEGHS. On this front, the VWGDE provided three updates: (1) within the UNSCEGHS, Australia had proposed gathering information regarding the risk management approaches utilized by economies with respect to the GHS. The VWGDE is supporting this work by encouraging APEC member economies to complete the template and submit it to Australia’s representative to the UNSCEGHS; (2) providing an update on the status of the “Global List” discussions after the UNSCEGHS’s next teleconference on the issue; and (3) noting that the VWGDE had submitted information to the UNSCEGHS related to safety data sheets in response to a request at the UNSCEGHS last year. Separately, the VWGDE is considering development of an “Interactive Guide on Chemicals Regulations Worldwide” that would be an online resource that was free of charge and easy to use, with particular benefit for MSMEs. Finally, the VWGDE noted that it was still considering work related to “voluntary initiatives”, because there had not been consensus on new work related to eco-labeling.

The VWGDE provided a summary of the in-person discussion held the previous day, that was intended for participants to get to know each other better, and to then brainstorm new activities. The discussion had focused on (a) ensuring that expectations for the interactive guide were set out appropriately and agreeing that an expectations document could be developed and circulated intersessionally; and (b) circulating new ideas, including with respect to life cycle assessment or best available techniques. The CD endorsed the VWGDE’s initiation of work related to an “Interactive Guide” and took note of the VWGDE’s intention to carry forward work on the other topics.

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

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| **14:30-15:00** | **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

* 2018/SOM3/CD/011 – APEC Virtual Working Group on Marine Debris Update - Presentation

Action Items: The CD:

* Welcomed the update from the Virtual Working Group on Marine Debris, particularly relating to its upcoming collaboration with the APEC Finance Ministers process and its ongoing APEC-funded project; and
* Encouraged interested economies to identify experts interested in participating in the VWG to join the group and to participate in the upcoming in-person meeting, tentatively scheduled for November 2-3 in Indonesia.

A representative from the Marine Debris Virtual Working Group (“MDVWG”), a joint working group between the CD and the Oceans and Fisheries Working Group (“OFWG”) presented Document Number 011. The MDVWG was established in 2014 and is co-chaired by the U.S. government and the Philippines industry and focuses on innovative solutions to land-based waste management. In 2017, the MDVWG had (1) supported the endorsement of a study on facilitating trade in sustainable materials management solutions, (2) hosted an Asia-Pacific Infrastructure Partnership (“APIP”) meeting in Indonesia focused on financing waste management, and (3) contributed to a high-level meeting in Indonesia and to a meeting of the East Asia Summit.

In 2018, the MDVWG had been focused on anactive cross-fora collaboration with the APEC Finance Ministers process, including an invitation to present to the Deputies meeting in October 2018. Thus far, the focus of this collaboration had been on (a) improving capacity to mitigate non-commercial risks and appropriately assigning risks between the public and private sectors, (b) strengthening the project preparation process, (c) creating effective institutional arrangements for internal coordination amongst government ministries, and (d) reducing legislative and regulatory uncertainty.

Going forward, the MDVWG had identified a series of objectives including: (1) contributing to the OFWG project to update the 2009 APEC Report on the economic costs of marine debris to APEC economies (OFWG 01 2018A); (2) expand the VWG network to include additional officials and private sector representatives; (3) host a follow-up APIP meeting to include municipal officials and develop a toolkit for officials to improve project preparation; and (4) contribute to Mexico’s APEC funded project on the circular economy.

A number of CD delegates expressed their support for this workstream, including Japan, Thailand, China, Chile, Malaysia, and Papua New Guinea, with many noting how large of a priority this issue has become within their economies. Several economies summarized industry and regulatory developments that have occurred related to the issue. The MDVWG representative noted that one of the benefits of the MDVWG has been to share experiences with different voluntary and mandatory policy tools, including areas where regulatory initiatives have led to unintended consequences. The CD agreed that economies interested in joining the MDVWG work should contact the MDVWG or the Secretariat to be connected.

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

Action Items: The CD:

* Noted the intention of U.S. industry to introduce a proposal at SOM1 2019 related to work the CD could undertake related to sustainability, including to meaningful contributions to ongoing international discussions on sustainable chemistry, including related to implementation of the United Nations Sustainable Development Goals (“SDGs”); and
* Welcomed additional participation in the development of that proposal and encouraged economies interested in helping shape that proposal to contact the U.S. industry intersessionally.

U.S. Industry provided a brief intervention noting that this item was first introduced to the CD agenda at SOM3 2016, which included a discussion paper (Doc. No. 2016/SOM3/CD/008) to spark discussion. Since then, the CD has been discussing ways that it could contribute to global conversations about sustainability. U.S. industry noted that it is continuing to think about ways that the CD could contribute, given the substantial amount of global activity on these issues. For example, U.S. industry has just published a new website[[3]](#footnote-3) to compile information regarding what industry is doing on sustainability, including ways to promote the safe, sustainable use of chemicals. In parallel, the International Council of Chemical Associations (“ICCA”) has formed a sustainability task force and is considering hosting an event in February 2019 on industry’s contributions to the circular economy.

China noted its support for participating in this work, noting that the China Petroleum and Chemical Industry Federation (“CPCIF”) had also formed a sustainability working group and had put forward nine specific goals to meet. Russia shared information about the International Sustainable Chemistry Collaborative Center, hosted in Berlin, noting that there were potential opportunities for collaboration. The CD agreed to maintain the agenda item and encouraged economies to identify specific proposals for CD work or information sharing on the topic.

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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:

* Encouraged economies to prepare presentations (case studies) for SOM1 2019 regarding their experiences in implementing risk-based systems and how they have addressed some of the challenges in doing so; and
* Requested that the Regulators’ Forum undertake capacity building work related to addressing the challenges to implementing risk-based approaches.

 U.S. industry provided a brief background on this item, noting that it had originally been introduced to the CD agenda at CD17 (SOM3 2016) with a goal of promoting discussion in the CD regarding challenges to the implementation of risk-based approaches to chemicals management to enable better implementation of the CD Best Practice Principles, which provide, in part, that “chemical regulations should adopt a risk management approach to developing and administering regulation.”

 To date, this agenda item has focused only on brainstorming ideas for potential work and no concrete submissions have been put forward. U.S. industry noted that this was an agenda item that provided an opportunity to learn from one another about successes and challenges in implementing a risk-based approach, including identifying gaps that APEC capacity building could help address. U.S. industry noted that this was an area that the Regulators’ Forum would be well positioned to address and noted that it would be happy to work with interested economies to develop an APEC concept note for future work on the topic.

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

Meeting Documents

* 2018/SOM3/CD/008 – American Chemistry Council Presentation on Strategic Approach to International Chemicals Management (SAICM)

Action Items: The CD:

* Encouraged economies to complete the SAICM reporting template (2017/SOM3/CD/026) by December 31, 2018 to enable the CD to draft a regional submission for review at SOM1 2019.

U.S. Industry presented on this item, noting that it typically captured two related items. First, was an informational update on the current status of the SAICM process and second was a discussion about the CD’s contributions to that process. With respect to the informational update, U.S. industry called attention to Document Number 008. The intersessional process to determine the future of SAICM post-2020 is underway and is being co-chaired by Brazil and Canada. Thus far, there have been two consultation meetings. From an industry perspective, the priorities are that it (a) remain voluntary and multi-stakeholder, (b) focused on basic chemicals management capacity, (c) include means to measure progress, and (d) includes economic analysis of the benefits of the progress. The next Open-Ended Working Group (OEWG) is scheduled for April 2019 in Montevideo, Uruguay, in preparation for the Fifth International Conference on Chemicals Management (“ICCM-5”) scheduled for October 2020 in Bonn, Germany.

From a CD perspective, the CD has developed a reporting template to enable economies to report on efforts made to meeting the SAICM objectives (Doc. No. 2017/SOM3/CD/026) with a goal of preparing a CD “regional” submission to ICCM-5. Intersessionally, economies were encouraged to continue to complete this survey to enable the CD, led by Singapore and the United States, to begin preparing the regional submission for discussion in early 2019.

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

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| **16:00-17:30** | **AGENDA ITEM 6** | **INFORMATION EXCHANGE ON REGIONAL AND INDIVIDUAL ECONOMY REGULATORY DEVELOPMENTS** |

Meeting Documents

* 2018/SOM3/CD/007 – American Chemistry Council Presentation on Toxic Substances Control Act (TSCA) Implementation
* 2018/SOM3/CD/003 – The Chemical Management Scheme and the Update in Chinese Taipei

The floor was opened for economies to provide informational updates regarding regulatory developments in their economies. These updates were provided for informational purposes only and were not for action by the CD:

* **Australia**: A representative provided a short intervention on behalf of the Australian government. Australia National Industrial Chemicals Notification and Assessment Scheme (“NICNAS”) had provided a detailed presentation on proposed changes to its scheme at SOM3 in 2017 (*see* Doc. No. 2017/SOM3/CD/003). Since then, the commencement of the reformed NICNAS scheme, which has been proposed to be called the Australian Industrial Chemicals Introduction Scheme, has been postponed from July 1, 2018 to July 1, 2019. The enabling bills were passed by the Australian House of Representatives in October 2017 and have been introduced into the Senate, but have not yet been scheduled for debate. In the meantime, NICNAS will continue public consultation with increasing levels of detail to inform the debate in the Senate.
* **Chinese Taipei** (Doc. No. 2018/SOM3/CD/003): Chinese Taipei provided an update on the Chemical Management Scheme in its economy. The presentation included details regarding Chinese Taipei’s implementation of GHS, the current status of its chemical inventory, its regulatory scheme for new and existing chemicals, and its import requirements for chemical imports. To meet the request of the CD, Chinese Taipei included a specific linkage of its reform to the principles contained in the CD’s Best Practice Principles (*see* pages 4-6 of the presentation).
* **United States** (Doc. No. 2018/SOM3/CD/007): U.S. industry provided an update regarding implementation of the reforms to the Toxic Substances Control Act (“TSCA”). In particular, the reforms to TSCA required a “reset” of the inventory of existing chemicals by 2019. Manufacturer and importer notification period has closed and a draft inventory is now available. Separately, the TSCA revisions required the U.S. Environmental Protection Agency (“EPA”) to establish a prioritization process to select chemicals for risk evaluations; EPA has now finalized its regulation on how to do this and will be analyzing chemicals identified as “high priority” first. EPA has begun its first 10 risk evaluations and has released its “problem formulations” for public comment; these are scheduled to be completed by the end of 2019.

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| **17:30-18:00** | **AGENDA ITEM 7** | **RECOMMENDATIONS AND CONCLUSIONS** |

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

Action Items: The CD:

* Agreed that the Government and Industry Co-Chairs would circulate (1) a draft of the CD action items as soon as possible after the meeting for comment and (2) a draft report from the meeting for comment and endorsement in the weeks following the meeting.

A representative from the APCIC summarized the day’s discussions, specifically noting the action items that had been agreed throughout the discussions. The Government Co-Chair added several additional cross-cutting thematic takeaways, including (a) administrative development opportunities, including updating the website and maintaining the distribution list, (b) the opportunity to better leverage APEC’s broader work on good regulatory practices in future CD discussions on implementing of its Best Practice Principles, and (c) encouragement to the CD to consider development and submission of project proposals for APEC funding, given how long it had been since a CD project had been funded. The CD agreed that action items would be circulated as soon as possible after the meeting and a more detailed report would be circulated thereafter.

* 1. **APEC Ministerial Meeting (“AMM”) Statement** **Government Co-Chair**

The Government Co-Chair noted that recognition by APEC Ministers (“AMM”) was an important way to not only recognize existing work, but to develop the political capital necessary to do future work, forming a virtuous circle. The CD has historically been recognized at the AMM, including several times in the 2017 AMM and the 2018 MRT. The Government Co-Chair noted that several of the CD’s workstreams, particularly related to good regulatory practices, capacity building on customs/import matters, addressing the challenges of marine debris, and streamlining GHS reporting to facilitate reduction in divergences, could all form the basis for AMM recognition. The CD endorsed the Government Co-Chair’s efforts to have the CD’s 2018 work appropriately recognized by the AMM.

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

Meeting Documents

* 2018/SOM3/CD/000 – Document Classification List (APEC Secretariat)

Action Items: The CD:

* Agreed to add the Marine Debris presentation as Document No 011, the presentation from the Secretariat as Document 012, and the presentation from Chile, as Document 013;
* Agreed that Document 007 should be listed as related to Agenda Item 6;
* Agreed that Documents 004 and 009 can be listed as public; and
* Endorsed the Document Classification List as modified above.

The Secretariat reviewed the document classification list and noted that the marine debris presentation would be Document Number 011, the Secretariat’s project update would be Document Number 012, and Chile’s presentation on 2019 priorities would be Document Number 013. Delegates noted three changes to the classification list: Document Number 007 should be assigned to Agenda Item 06, and Document Numbers 004 and 009 should be marked as “Public”. With those changes, the Document Classification list was endorsed.

* 1. **2019 Preparations** **Chile**

Meeting Documents

* 2018/SOM3/CD/013 – Chile APEC Priorities and Calendar 2019

Action Items: The CD:

* Thanked Papua New Guinea for its efforts in hosting CD21 and encouraged delegates to attend the CD’s next meeting in February 2019 in Chile.

Chile concluded the meeting by providing a presentation to introduce the 2019 Chilean host year. Chile’s theme will be “Inclusive, Comprehensive, and Sustainable Growth with People at the Center.” Within that theme, Chile will have three main priorities: (1) Services and Digital Economy; (2) Connectivity for Inclusive Trade; and (3) Women and Economic Growth. The 2019 calendar is still being finalized, but tentatively SOM1 is scheduled for February 23-March 8 in Santiago, Chile, SOM2 for May 6-16, in Vina del Mar Valparaiso, and SOM3 for August 17-30 in Puerto Varas. As a result, the CD’s meetings are tentatively scheduled for February 24-26 at SOM1 and August 22-24 at SOM3, though the dates may change as the schedule is finalized. Chile noted that while its industry was unable to attend in Papua New Guinea, the Association of Chemical Industries is looking forward to actively participating in the 2019.

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1. *See* <https://www.apec.org/Meeting-Papers/Sectoral-Ministerial-Meetings/Trade/2018_trade> (emphasis added). [↑](#footnote-ref-1)
2. <http://great.osha.gov.tw/ENG/index.aspx>. [↑](#footnote-ref-2)
3. [www.sciencebehindsustainability.org](http://www.sciencebehindsustainability.org). [↑](#footnote-ref-3)