

APEC Chemical Strategic Framework 2010-2012

Chemistry providing sustainable solutions

The engagement of APEC member economies on chemical regulatory systems is expected to increase in 2010-2012. Some APEC member economies have recently amended or are anticipating revisions in their national chemical regulatory systems, such as Japan, China, Chinese Taipei and the United States. Chemicals management is high on the international agenda over the next three years, particularly as the sector continues to evaluate and reduce its carbon footprint, with the focus on chemicals, waste and sustainable production and consumption in the U.N. Commission on Sustainable Development, preparations for follow up to the 1992 Earth Summit, and the U.N. Environment Programme's Strategic Approach to International Chemicals Management (SAICM). The APEC Chemical Dialogue made an important contribution to the Strategic Approach to International Chemicals Management (SAICM) at the Second International Conference on Chemicals Management (ICCM2) with its Principles for Best Practice Chemical Regulation, and its work on GHS implementation, both approved by Ministers in 2008.

APEC Leaders have identified sustainable growth and innovation as a key aspect of the APEC agenda for the near term, and have committed to accelerating work on regional economic integration on issues such as border controls, regulatory frameworks and rules of origin. APEC Leaders also have encouraged inclusive growth, ensuring that small and medium enterprises also benefit from regulatory reform and innovation. Over the next three years, APEC meetings will be hosted by three governments with important roles not only in the business of chemistry, but in the role of chemistry as a solutions industry that promotes energy efficiency, greenhouse gas reductions, and technology breakthroughs in electronics, aerospace and medicine, among others.

The APEC region – and the legal and regulatory structures evident within it – is diverse and complex. The APEC Chemical Dialogue has already demonstrated significant interest in increasing the pace and intensity of discussions on chemical-related issues. The Dialogue has an established “Regulators’ Forum” and on 1 and 2 March 2010, hosted the first in a series of workshops and seminars to share information, highlight priorities and needs and build upon the agreed principles for best practice chemicals regulation. There are continued exchanges with the EU on REACH in order to enhance compliance with trade across regions, important outreach and growing dialogue with the Organization for Economic Cooperation and Development (OECD), and significant work to implement the Globally Harmonized System for Classification and Labeling underway in the Dialogue.

An APEC Strategic Framework on Chemicals could:

- facilitate alignment of the Leaders’ goals for sustainable economic growth and regulation;
- promote regulatory capacity and convergence to facilitate trade while enhancing environmental and health protection; and
- enhance chemical management and product stewardship over the life cycle and in cooperation with other initiatives and institutions where appropriate, e.g., the OECD, UN, SAICM, WHO, etc.

To be effective, an APEC strategic framework should focus on developments in a few broad areas that would benefit from an integrated, coherent approach. The following elements could be areas addressed in an APEC Strategic Framework for Chemicals as milestones showing demonstrable progress.

- I. Expand and Support Cooperation and Mutual Recognition among Chemical Regulators in the Region by:

- a. Building support for and participation by chemical regulators in the Regulators' Forum and Chemical Dialogue to exchange information on best practices in the sound management of chemicals.
 - b. Expanding the opportunities created by the Regulators' Forum to address key issues of mutual concern to economies in the region. (e.g., cooperation with industry associations such as the OECD Business and Industry Advisory Committee (BIAC) and national trade associations, as well as government delegations).
 - c. Identify specific opportunities to contribute and collaborate with other international chemical fora, e.g. SAICM, Commission on Sustainable Development (CSD), OECD, UN, etc., in the sound management of chemicals.
 - d. Promote greater awareness and involvement of stakeholders along the value chain, across economies and society in the work of the Regulators' forum and the Chemical Dialogue.
 - e. Continue to serve as a focal point for regional contact with the European Union regarding implementation of the REACH and CLP (Classification Labelling and Packaging Regulation of substances and mixtures) regulation, while also conducting outreach to SMEs and along the value chain on relevant requirements, and in order to promote common understanding and facilitate exports from the region.
 - f. Promote harmonized implementation of the GHS across member economies to facilitate trade
- II. Enhance Understanding of the Chemical Industry's Role as a Solutions Industry
- a. Identify opportunities to enhance regional economic integration in chemicals, for example through GHS implementation and APEC efforts to enhance implementation, possible examination of how trade related aspects of chemicals are covered in FTAs and RTAs in the region.
 - b. Identify specific projects to enhance industry capacity, especially among SMEs that produce specialty chemicals and/or inputs to industry.
 - c. Identify areas where the appropriate use of the products of chemistry help address regional issues such as energy efficiency, greenhouse gas reductions, and food security.
- III. Encourage Chemical Product Stewardship , Safe Use and Sustainability
- a. Expand cooperation with the OECD Chemicals Committees.
 - b. Leverage voluntary industry activities (e.g., industry's Responsible Care program, industry commitments to provide appropriate hazard, use and exposure information, risk assessment, ICCA/GPS etc)).
 - c. Undertake work on specific tools that can enhance chemical management capabilities (e.g., life cycle assessment and risk assessment), taking into account the special needs of SMEs.
 - d. Consider how chemical product stewardship and information contributes to growth in environmental goods and services and facilitates sustainable growth.

Key Outcomes delivered under the APEC Chemical Strategic Framework 2010-12 will be:

Action	Outcomes	Timelines
Expand and Support Cooperation and Mutual Recognition among Chemical Regulators in the Region		
Maintenance of APEC Regulators Forum	Annual meeting to discuss regulatory best practice and promote regional harmonisation	Washington February 2011
Chemical Management Best Practice Seminars	Train-the-trainer seminar Regulatory Best Practice Checklist	Washington February 2011
Engagement with the European Chemicals Agency	CD communication on APEC member economies concerns with implementation of REACH and highlighting potential barriers to trade APEC member economies input into REACH survey and ECHA deliberations on implementation issues SME issues addressed	April 2010
Enhance Understanding of the Chemical Industry's Role as a Solutions Industry		
Develop and promote GREAT project	Member economies to provide resources on GHS implementation for member economies	
Ongoing role of GHS Consumer Products Working Group	Develop APEC CD Principles Framework for GHS and consumer goods for member economies	Final Document agreed SOM3 – Sept 2010
Ongoing role of GHS Virtual Working Group	Provide information and practical case studies to guide industry and government in GHS implementation Provide reporting template to assist member economies understand progress with implementation Promote life-cycle analysis of chemicals as an innovative solutions provider	Ongoing Revised template circulated May 2010 Ongoing
Life-cycle analysis		
Encourage Chemical Product Stewardship, Safe Use and Sustainability		
Greater CD engagement with international fora	Maintain dialogue established through Best Practice Workshop with UN and WHO Active APEC CD/APCIC engagement in SAICM and Commission on Sustainable Development <ul style="list-style-type: none"> - Mapping exercise of CD work against SAICM core objectives - Develop and promote plan of action and common positions - Outreach to other APEC stakeholders as appropriate - Informational seminars Active promotion of industry global and regional initiatives, including voluntary industry programs <ul style="list-style-type: none"> - Preparatory work/discussion on an APEC contribution at the CD on risk reduction programs and efforts to strengthen national capabilities for chemicals management. - Preparatory work for an APEC role in the Rio+20 meeting 	CD 2011 SOM 1, 2011 SOM1, 2011 SOM2/MRT 2011 CD 2011

Extracts from 11/09 Leaders and Ministers Statements

Leaders 11/09

Looking beyond supporting the recovery, we recognise the necessity to develop a new growth paradigm for the changed post-crisis landscape, and an expanded trade and investment agenda that will strengthen regional economic integration (REI) in the Asia-Pacific region. We cannot go back to "growth as usual". We will put in place next year a comprehensive long-term growth strategy that supports more balanced growth within and across economies, achieves greater inclusiveness in our societies, sustains our environment, and which seeks to raise our growth potential through innovation and a knowledge-based economy.

Responding to climate change through transition to green economies also offers opportunities. We will ensure that efforts to address climate change are consistent with our international trade obligations. A key thrust in APEC's sustainable growth agenda is the APEC Environmental Goods and Services (EGS) Work Programme, under which we will develop and implement a set of concrete actions to support sustainable growth in the region, advance work to increase utilisation and dissemination of EGS, reduce existing barriers and refrain from introducing new barriers to trade and investment in EGS, and enhance capabilities of economies to develop their EGS sectors

We will advance work on sharing best practices in energy efficiency with a view to deploying cleaner and more efficient technologies, and welcome the implementation of the voluntary APEC Peer Review on Energy Efficiency. We recognise the role of renewable energy in reducing emissions and encourage its development in the APEC region.

We resolve to ensure that future economic growth is more inclusive, to broaden access to opportunities created by growth and to spread the benefits of growth more widely. This will enable our economies to better seize the opportunities created by globalisation and to respond to its challenges. Inclusive growth will strengthen the consensus for free and open trade and investment.

We will accelerate our work to strengthen REI in the Asia-Pacific, taking a comprehensive approach that focuses our work on trade liberalisation "at the border"; improving the business environment "behind the border"; and enhancing supply chain connectivity "across the border".

We instruct officials to intensify our work on initiatives to promote greater convergences among economies in key areas of APEC's REI agenda, including in services, the digital economy, investment, trade facilitation, rules of origin and standards/technical barriers to trade.

We welcome the participation of Australia, Canada, Japan, Korea, New Zealand, Singapore, and the United States in a pathfinder initiative under which economies will agree to practice self-certification of origin with FTA partners. This initiative will facilitate trade by cutting the certification procedure down to a single step and reducing processing time to just one day.

Ministers 11/09

We will explore ways to reduce existing barriers to trade and investment, and refrain from introducing new barriers in EGS. We will also take steps to facilitate the diffusion of climate-friendly and other EGS technologies, including through economic and technical cooperation (ECOTECH) and capacity building activities. We welcome the launch of the APEC EGS Information Exchange to promote greater transparency, information sharing, collaboration, and dissemination of EGS in APEC and globally. We endorse APEC's EGS work programme which has helped to raise awareness of what needs to be done to facilitate trade, investment and development in EGS, and instruct officials to report progress on this work at AMM 2010. We

reaffirm that an open global trade and investment system is central to our clean development objectives and market opening in the WTO would advance our climate and energy security goals. **We recognise that joint research, development, deployment and transfer of low and zero emission technologies will be crucial in our shared efforts to address climate change.**

We reaffirm our commitment to accelerating work on APEC's core agenda of strengthening REI. We have taken a comprehensive approach to REI in 2009, focusing our work on trade liberalisation "at the border"; improving the business environment "behind the border"; and enhancing supply chain connectivity "across the border". We welcome the updated matrix of steps to accelerate REI on a multi-year basis. We also welcome the steps taken by officials to promote greater convergence in the areas of Rules of Origin (ROOs) and services. We instruct officials to widen their work to promote convergence on other core FTA chapters, including investment, trade facilitation, and standards.

We welcome the work to make ROOs more business-friendly, to address the high level of divergences among regional and bilateral free trade agreements and the resulting compliance costs faced by businesses. We applaud the participation of Australia, Canada, Japan, Korea, New Zealand, Singapore and the United States in the Self-Certification of Origin Pathfinder. This adds to APEC's ongoing work to simplify ROOs documentation and procedures, such as the existing Electronic Certificate of Origin Pathfinder. We also note the agreement to collect information on other elements related to this agenda, including reasonably long validity periods and waivers of certificates of origin or declarations for low value shipments. We instruct officials to continue with their work in this area and provide a progress update at MRT 2010.

We will reinforce our engagement in international standardisation activities and promote greater alignment with relevant international standards where appropriate, particularly in areas that would contribute to innovation, safety, security, and solutions to energy and environmental issues. Recognising the importance of the involvement of all stakeholders in standardisation activities, we instruct officials to develop a long-term strategy on business engagement in standards and conformity development in 2010. We encourage continued discussions on improving and better aligning toy safety requirements.

We welcome the study on models and practices deployed by APEC economies in helping their businesses, particularly SMEs, to gain access to information on technical regulatory requirements and overcome technical barriers to trade. We look forward to the outcomes of these efforts at SOM1 in 2010, and the development of a best practices model.

APEC's established dialogues with the automotive, chemical and life sciences industries have also helped APEC move forward our trade and investment liberalisation and facilitation agenda.

We encourage the Chemical Dialogue (CD) to continue promoting best practices and information exchange in chemicals regulation and management in the APEC region, and welcome its contributions to the global Strategic Approach to International Chemicals Management (SAICM). We further encourage the CD to share information to assist members with implementation questions on chemicals management regulations, including the European Union's Registration, Evaluation, and Authorization of Chemicals (REACH), and move forward work that contributes to sustainable growth. We note the work of the CD on a common approach to simplify ROOs in the chemicals sector, including the completion of a comparative study on ROOs in the 32 FTAs in the region, and consideration of exploratory work on the development of business friendly guidance on ROOs.