

Experiences and activities to promote trade in environmental services in the APEC region

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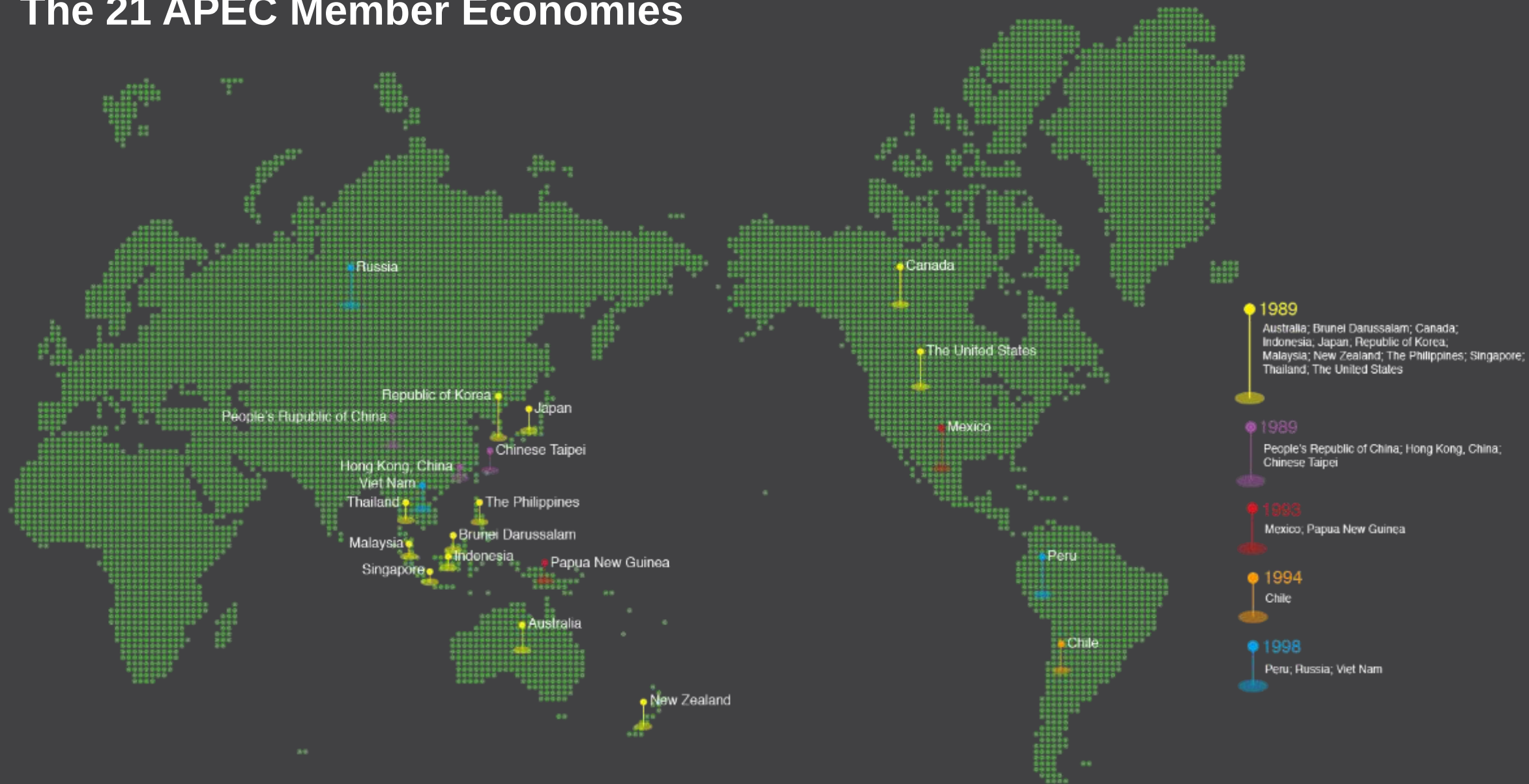
WTO Trade and Environmental Sustainability Structured Discussions –
Working Group on Environmental Goods and Services

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Advancing Free Trade
for Asia-Pacific **Prosperity**

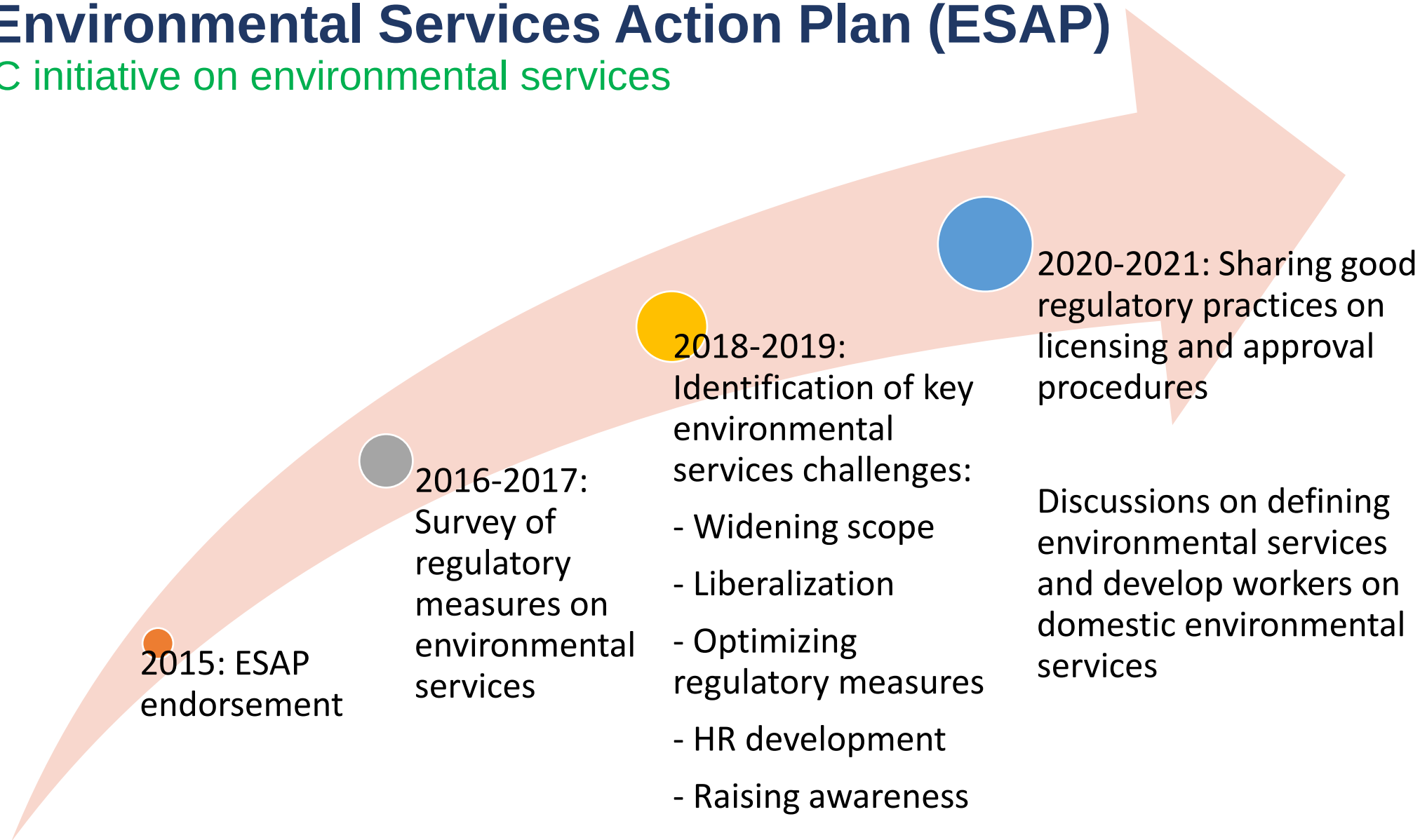


The 21 APEC Member Economies



APEC Environmental Services Action Plan (ESAP)

First APEC initiative on environmental services



Study on “Environmental Services in the APEC Region: Definition, Challenges and Opportunities” (May 2021)

First step to develop an APEC reference list of environmental services



Environmental Services in the APEC Region:
Definition, Challenges and Opportunities

APEC Group on Services
May 2021

- Identifies environmental services based on a “**list**” approach
- UN Central Product Classification (CPC) Version 2.1
- **73 “5-digit subclasses” or ex-out level sectors** identified as environmental services sectors
- CPC ver. 2.1 division 94 (*“sewage and waste collection, treatment and disposal and other environmental protection services”*) was the basis of the proposed list
- List includes other subclasses outside division 94.
- **Barriers to environmental services provision** include market access and national treatment issues on public procurement; local content requirements; restrictions on movement of people and professional licensing, among others

Reference List of Environmental and Environmentally Related Services (November 2021)

First environmental services list endorsed by consensus by a group of economies

- List is **non-binding** and **non-exhaustive**
- Developed on a **voluntary basis** by APEC economies
- Open for future review. First **review within two years** since endorsement
- Living document. Currently, **62 services sectors** are included
- Identification of environmental services based on these **principles**:
 - Services to directly relate to **environmental conditions**
 - Services to directly contribute to the **design, construction and operation of facilities or equipment determined to improve environmental conditions**
 - **Professional services** included in the list are considered environmentally related **when they require special training or knowledge regarding the environmental impact of such facilities**

Reference List of Environmental and Environmentally Related Services (November 2021)

Which beneficial relation to environmental conditions are the selected sectors providing?

Environmental
monitoring, analysis or
assessment

Protection of biodiversity
or landscape (incl. natural
resources protection)

Water supply or
treatment

Natural risk
management

Air pollution control or
avoidance

Noise or vibration
abatement

Environmental
remediation or clean-up

Wastewater
management

Solid or hazardous waste
management

Production of cleaner or
renewable energy

Improvement of energy
efficiency

Reference List of Environmental and Environmentally Related Services (November 2021)

Examples of specific services included in this APEC Reference List

- Services that are **directly related to environmental conditions** (42 services, CPC 2.1 classification).
Examples:
 - 83221 ex - Urban planning services [studies of environmental impact and economic assessments of urban development plants]
 - 83931 – Environmental consulting services
 - 94110 – Sewerage and sewage treatment services
 - 94311 to 94339 – Refuse disposal services (i.e. waste treatment and disposal services)
 - 94411 to 94490 – Remediation services (i.e. environmental remediation or clean-up)
- Services that **may be environmentally related** when used for the **design, construction or operation of certain facilities** or equipment to **improve environmental conditions**, or for **purposes deemed to be environmental**. (20 services, CPC 2.1). Examples:
 - 54234 – General construction services of irrigation and flood control waterworks
 - 54650 - Insulation services
 - 8321 – Architectural services and advisory services
 - 87152 ex – Maintenance and repair services of electrical machinery and apparatus n.e.c.

Current work in APEC on Environmental Services

Developing a Model Schedule for Environmental and Environmentally Related Services

- **Objective**: To **build capacity** to negotiate services commitments for environmental and environmentally related services in preferential trade agreements.
- Seeks to develop a **model positive list** schedule of commitments.
- APEC members could **tailor** them to their **own individual circumstances**.
- Get an **understanding of the technical challenges** (and solutions to these) in scheduling commitments on a positive list basis.
- Drawing on the **APEC Reference List of Environmental and Environmentally Related Services**.

Current work in APEC on Environmental Services

Services that support the clean-up of marine debris

- **Objective**: To **increase knowledge** on the role of trade in services in cleaning up marine debris.
- Seeking to **identify and remove barriers to trade in services** hindering the clean-up of marine debris.
- **Economic cost of marine debris** to tourism, fishing and shipping is **around US\$ 10.8 billion** nowadays. It could increase to US\$ 216 billion by 2050 (APEC Oceans and Fisheries Working Group, 2020)
- Project involves public-private participation in a dialogue and workshop; policy brief; and report with key recommendations.

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