
Submitted by: APEC Secretariat
Across borders we have managed to build a common vision on sustainable development. The time for action is now. We want to help you build our future.

APEC Environmental Youth Caucus, June 1997

... Sustainable cities of the 21st century will be built on partnerships between governments, the voluntary sector and private enterprise.

APEC Business Leaders/Local Authorities Forum, June 1997

We, the Ministers responsible for Environment and Sustainable Development from the Asia-Pacific Economic Cooperation (APEC) region commit to sustainable development as a fundamental objective to achieve human prosperity and a healthy environment. Specifically, we:

- take up ... the APEC Leaders’ call for a work program for sustainable development in APEC that includes the themes of the sustainability of the marine environment, cleaner production, and sustainable cities;

- highlight ... our determination to make cities in the region more sustainable, and commend our Program of Action to Leaders;

- challenge ... all orders of government, the private sector, local communities, and individuals to join with us in transforming sustainable development principles into meaningful practices and visible results;

- commit ... to improving integration of sustainable development considerations into all activities and decision-making within APEC; and

- agree ... that APEC economies must do their part to implement regional and global commitments with full consideration of domestic priorities and conditions.

Governments do not have all the answers. To ensure balanced policy development and results, governments must engage broader society as partners.

From young people, we have heard a call for empowerment, inclusion and a recognized role in APEC. We have also heard their willingness and enthusiasm to help us develop and implement solutions for sustainable development. We are committed to drawing on the creativity and energy of the future leaders of our region.

From the private sector and local authorities, we have heard about opportunities for collaboration and areas where we must do more to spur economic and technical cooperation. We recognize that delivery on our agenda for sustainable development requires the ingenuity and capability of the private sector and local authorities.

From other APEC fora, we have heard testimony of their strong resolve to address environment considerations as an integral and mutually reinforcing component of their activities. Sustainable development in APEC requires a multi-disciplinary approach that emphasizes the need to care for people and the environment. To this end, we commend the results of our discussions to our colleagues participating in other APEC Ministerial meetings, in preparation for the Leaders’ meeting in November.
**Sustainable Cities**

Sustainable development in the APEC region is fundamentally linked to the sustainability of cities. Given that the proportion of people in the region living in cities is expected to increase by 20 percent between now and 2015, addressing the environmental impact of urban activities is a major objective for overall quality of life and well-being. All aspects of urban planning and development must therefore be people-centered and take into account environmental protection and economic and social considerations. Special emphasis should be placed on pollution prevention and control, and environmentally sustainable infrastructure development, addressing the needs of urban-poor settlements, and promoting their economic well-being.

To improve the quality of urban environments while promoting sustainable growth, we are implementing a Program of Action on Sustainable Cities which identifies specific measures to:

- bridge the knowledge gap;
- encourage investment;
- integrate the agendas of the public and private sectors;
- engage stakeholders and draw on their creativity and knowledge especially at the community level; and
- enhance human well-being and quality of life.

In this respect, we commit to working with others to double by the year 2003 the current number of 170 APEC communities with Local Agenda 21 plans.

We will also continue to share APEC best practices for sustainable urbanization through a compendium of member economies’ examples of success.

**Sustainability of the Marine Environment**

The health of the marine environment is crucial to the economic and social well-being of people in the region. Our oceans and seas link APEC economies to one another and to the world. We commit to take action to protect this collective resource as we pursue our commitment to make dramatic progress toward clean oceans and seas in the APEC region. APEC action can contribute to the 1998 Global Year of the Oceans Agenda.

APEC has established goals and performance measures, in collaboration with the private sector and other fora within and outside APEC, to achieve three objectives. These are:

- integrated approaches to coastal management
- prevention, reduction and control of marine pollution
- sustainable management of marine resources

We congratulate the Marine Resource Conservation Working Group for completing in May the Action Plan for Sustainability of the Marine Environment in the APEC region. We endorse this action plan, and commend it to Leaders.

**Cleaner Production**

New investment in industrial capacity in the Asia-Pacific region offers an opportunity to incorporate flexible and cost-effective environmental management techniques to achieve more sustainable industrial development. APEC will promote cleaner production in industrial sectors, by identifying and expanding best practices and establishing a cooperative agenda for technology diffusion with particular attention to the needs of small and medium-sized enterprises. We have identified the agricultural sector as an area of importance for implementation and invite relevant fora to adapt the Cleaner Production Strategy for this sector. APEC will promote the broader adoption of cross-cutting policies and methods for cleaner production through institutional, professional, and public and private
sector partnerships.

To encourage the application of technologies, policies and practices that are environmentally sustainable and economically efficient, APEC has agreed to encourage:

- development and use of tools to facilitate cleaner production;
- involvement and enhancement of science, technology and research networks;
- development of capacity and mechanisms for sharing technical and policy information, in areas such as application of environmentally sound management systems including ISO 14000;
- development of industrial environmental performance indicators;
- wider dissemination of information electronically including through the APEC Virtual Centre for Environmental Technology Exchange, and through the APEC Center for Technology Exchange and Training for Small and Medium-sized Enterprises;
- accelerated flow of technology within the APEC region; and
- promotion of demonstration projects in specific sectors.

We congratulate the Industrial Science and Technology Working Group for completing the Cleaner Production Strategy in April. We will report to Leaders in Vancouver that the challenge now is to implement the strategy successfully over the next two years so that significant environmental progress can be achieved across all APEC member economies.

Towards Environmentally Sustainable Growth

We call for improved coordination to link and integrate the many sustainable development initiatives within APEC. This should be done by building on the existing structure, linking APEC fora, minimizing incremental administrative burdens, and maximizing the effectiveness and efficiency with which APEC initiatives are implemented. We direct our officials to work with other APEC fora to develop appropriate means of furthering such cooperation.

In recognition of the priority attached by Leaders to examining the interrelated issues of food, energy, environment, economic growth and population (FEEEP), we urge that environmental considerations continue to be addressed as an important cross-cutting element of this initiative. We direct our officials to continue to be actively involved in the FEEEP process.

We recognize that 1997 is an eventful year for the advancement of the global sustainable development. Recognizing the responsibility of APEC members to do their part in the implementation of global environmental commitments, we emphasize our strong support for the success of the United Nations General Assembly Special Session (UNGASS) on Environment and Development, which will be held in New York later this month. We call on UNGASS to reaffirm the commitments made at the Rio Earth Summit in 1992 and to endorse a meaningful program of work to bring us closer to our common objectives for sustainable development.

Ministers recognize the adverse impact of climate change on APEC economies. We therefore stress the importance of the Third Conference of the Parties for the Framework Convention on Climate Change which will be held in Kyoto, Japan in December. All APEC economies agree to take steps to meaningfully address the adverse impact of climate change. We recommend that our Leaders send a strong message of support to ensure the success of the Conference of the Parties and achieve the objective of the Framework Convention on Climate Change.

We agree to meet again to review and ensure meaningful progress and further the cooperation within APEC.
1. We, the APEC Ministers responsible for transportation, met today to discuss transportation issues within the APEC region and to establish the priorities that will form the basis of future work in the transportation sector. In determining these priorities, we stressed the importance of the objectives and general principles contained in the Bogor Declaration, the Osaka Action Agenda, and the initial implementation steps contained in the Manila Action Plan for APEC. It is our intention that APEC transportation work reinforce the shared vision, articulated by Economic Leaders at Subic, that the efforts of APEC will tangibly improve the lives of all our citizens, as we move toward our common goals built through trade and investment liberalization and facilitation, as well as economic and technical cooperation.

Accomplishments to Date

2. At the first meeting of APEC Ministers responsible for transportation in Washington in 1995, Ministers established guiding principles for transportation policies and directed that specific projects be undertaken in the areas of safety and security, infrastructure, urban transport, air services, research and education, and the exchange of technical expertise. Today, in Victoria, we reaffirm those guiding principles and note with satisfaction the impressive accomplishments of the Transportation (TPT) Working Group with respect to those projects, including:

- The work of the Group of Experts on Aviation Safety and Assistance in addressing aviation safety issues
- The efforts of the Project Team in identifying cooperative actions to facilitate the implementation of satellite navigation and communications systems for the aviation and maritime sectors
- The first APEC Urban Transport Forum in Seoul, Korea which looked at the development of energy efficient and environment-friendly transportation systems that reduce congestion, and focused attention on the value of mass transit in achieving these objectives
- An Options Paper on more competitive air services with fair and equitable opportunity for all members

3. We also commend the Transportation Working Group for its completed and ongoing work to support regional economic growth by promoting an effective and integrated region-wide transportation system. Of particular note are the "Best Practices" manuals to assist economies in improving or eliminating transportation congestion points; the Inventory of Oil Spills Preparedness and Response Arrangements in the APEC Region; the Road Transport Harmonization Project and the development of a Model Mutual Recognition Arrangement (MRA) for Automotive Products; and, the survey of aviation personnel and air traffic controller licensing requirements to facilitate the supply of skilled personnel.

4. Taken together, we believe that these tangible achievements are of practical use to member economies in the transportation sector, represent solid progress in support of APEC overall goals and, constitute a sound basis for future work.

The Way Ahead - Priorities For Future Action

5. Looking ahead to the turn of the century, and committed to attaining a safe, efficient, integrated and environmentally sustainable transportation system for the region, we agreed to a number of initiatives to build on the valuable accomplishments to date and set new directions for future cooperation and action. These new directions will require the Transportation Working Group to work cooperatively with other APEC fora to coordinate and integrate their work on cross-cutting issues as emphasized by the Framework for Economic and Technical Cooperation endorsed by Leaders. We agreed that priority areas for future action should include safe and environment-friendly transportation systems, trade facilitation, promotion of a more competitive transportation operating environment, infrastructure development, human resources development and new transportation technologies.
6. In developing the necessary action plans to move forward on these priorities, we attach great importance to the organizing themes and priorities enunciated at Subic:

- developing human capital
- fostering safe and efficient capital markets
- strengthening economic infrastructure
- promoting environmentally sustainable development
- encouraging greater involvement of small and medium-sized enterprises
- harnessing new technologies

7. We recognize the important role of the private sector, as a full partner, in ensuring prosperity for APEC citizens. Accordingly, we direct the Transportation Working Group to increase private sector participation as well as to fully involve the APEC Business Advisory Council and the Pacific Economic Cooperation Council in its work and to give careful consideration to their recommendations put forward on transportation issues.

**Future Action**

**Safe and Environment-Friendly Transportation Systems**

8. We reaffirm that transportation safety and security in the region must remain one of the highest priorities of the Transportation Working Group and also recognize the importance of environmentally sustainable transportation to improving the quality of life for APEC citizens.

9. We recognize the urgency of addressing urban congestion-related issues and the need to develop more efficient urban transportation systems in the APEC region, including the development of a "Best Practices" manual based on findings arising from Urban Transport Forum meetings (Second Forum in Chinese Taipei, September 1997).

10. We direct the Transportation Working Group to establish an Experts Group on Maritime Safety to address maritime safety concerns in the region. We urge member economies to work closely with international organizations having competence in this field, such as the International Maritime Organization (IMO), to develop programs and mechanisms to promote the implementation of, and compliance with, existing international rules and standards adopted by these organizations. Recognizing the key role of ship surveyors and inspectors in the elimination of sub-standard shipping and the protection of the marine environment, we support the consideration by the Transportation Working Group of the establishment of an informal consultative forum with classification societies to improve their effectiveness in promoting compliance with international maritime standards in the Region.

11. Following the completion of the *Inventory of Existing Regional Cooperation Arrangements with Respect to Oil Spill Preparedness and Response*, we encourage member economies to undertake the development and maintenance of sub-regional cooperative quick response contingency plans.

12. Recognizing the significance of road transportation safety to an integrated transportation system, we endorse the establishment of a group of experts as a first step in enhancing road safety programs in the region.

13. Conscious of the unprecedented growth, in and globalization of, air transportation in the Asia-Pacific region and the associated civil aviation safety issues to which it will undoubtedly give rise, we endorse the objective of developing strong Civil Aviation Authorities within each economy. We accept the Report of the Group of Experts on Aviation Safety and Assistance and its important civil aviation safety recommendations relating to: safety oversight; harmonization of safety rules; prevention of air traffic conflict; the lease, charter and interchange of aircraft; and, accident and incident reporting. We therefore direct the Transportation Working Group to review and bring forward for Ministers consideration, as a matter of priority by year end, appropriate mechanisms to implement these recommendations including a mechanism for advising Civil Aviation Authorities and for administering relevant resources. In our Declaration of Principles made today, we affirmed our commitment to the principle of harmonizing Civil Aviation Safety Rules on ICAO standards across the region. We also support additional training of nationals of APEC developing economies and encourage greater international and regional cooperation, including programs such as the APEC Technical Transportation Exchange Program.
Trade facilitation

14. We recognize the benefits of reducing impediments to trade and investment in the Region and direct the Transportation Working Group to further its efforts to improve transportation systems to liberalize trade and investment in the region, and to liberalize trade in services in the transportation sector itself. We direct the Transportation Working Group to work with other international fora to this end. In addition, we support the goal of further facilitation and liberalization of the multi-lateral trading system.

15. We urge APEC economies to fully participate in the ongoing work of the Road Transport Harmonization Project to implement a harmonized system of technical regulations for road vehicle safety and emissions. In that task, we encourage dialogue with the UN/ECE in connection with its proposal to establish a global agreement on road vehicle regulations.

16. We endorse the Model Mutual Recognition Arrangement for Automotive Products developed by the Transportation Working Group for use as a reference to facilitate trade in the region and encourage members to pursue opportunities, where appropriate, to enter into arrangements using this model. We note that the model could have other potential applications in the transportation sector.

17. We direct the Transportation Working Group to give consideration, across its activities, to measures that would promote transparency in regulations, resolve differences in conformity assessment and facilitate the mobility of transportation personnel by encouraging mutual recognition of professional qualifications.

More Competitive Transportation Operating Environment

18. Recognizing the mutually complementary and supportive relationships between liberalization, facilitation, and economic and technical cooperation, and noting the importance of promoting a more competitive transportation operating environment on the basis of fair, reciprocal and equitable access to markets and opportunity for all member economies:

- We endorse the Options Paper prepared by the Group on More Competitive Air Services with Fair and Equitable Opportunity (the Air Services Group). Further, we instruct the Transportation Working Group to reconvene the Air Services Group to analyze and prioritize the eight options and prepare, on a consensus basis, a recommendation on the options to be developed and how they will be implemented. We direct the Transportation Working Group to submit for our consideration by mid-1998 a comprehensive final report including recommendations on options to be implemented by each member economy as developed on a consensus basis by the Transportation Working Group.

- We direct the Transportation Working Group to develop a maritime initiative aimed at promoting an efficient, safe and competitive operating environment for maritime transport with as a first step the elaboration of a Mission Statement which is to be finalized by the 13th meeting of the Transportation Working Group.

Infrastructure Development

19. We encourage economies to utilize and build on the results of the Transportation Congestion Points Study, particularly the "Best Practices Manuals" and direct the Transportation Working Group to monitor its implementation. We reaffirm our commitment to an efficient, integrated regional transportation system and direct that an Intermodal Task Force be established to provide guidelines, standards, and provisional options associated with an integrated transport system.

20. In addition, we support the creation of an experts group to identify "best practices" and methodologies for privatization or corporatization of transportation infrastructure projects. Special attention is to be given to project transparency and the development of opportunities for the participation of small and medium-sized enterprises.

21. We direct the Transportation Working Group to work in cooperation with other APEC fora, such as the Infrastructure Workshop under the APEC Economic Committee and the Senior Environment Officials, in undertaking priority joint infrastructure-related initiatives.
22. We support the Port Experts Group in its efforts to identify common issues and formulate actions for the improvement of port capacity and efficiency in the APEC region.

Human Resources Development

23. We believe that improving and strengthening transportation education and training through a comprehensive approach is key to the successful development of human resources in the transportation sector. We agree that a study be conducted to ascertain the existing standards of training facilities, instructors, examiners and curriculum for seafarers throughout the APEC region. We also recognize the important role for a network of institutions which together would constitute a virtual center of transportation research, development and education to access, harness and adopt new technologies for transportation. We ask that the working group monitor closely emerging skill needs in the transportation sector, particularly in the developing APEC economies, and consider appropriate responses.

24. We underline our commitment to women and youth by directing the Transportation Working Group to identify training and development initiatives to ensure that these groups are well-prepared for career opportunities in the transportation sector and are available for APEC members to draw upon to meet the challenge of maintaining safe, environmentally sustainable, and competitive transportation systems within the APEC region.

New Transportation Technologies

25. We recognize that the ability to access and harness new technologies such as Electronic Data Interchange, Intelligent Transportation Systems and Global Positioning Systems, and others as they emerge, will be essential to the improvement of the transportation system of the region and we urge member economies to cooperate in research and development of new technologies and their application. We also note that congestion can be exacerbated both by delays in applying new technologies as well as the inappropriate use of these technologies. We request that the Transportation Working Group expand its current work to include new developments in infrastructure technology and to develop a framework of standards for the initial application of Intelligent Transportation Systems to vehicle identification, safety, location, and tolling. The Group is to report to us by the end of 1998.

26. We note the emerging technologies in cargo, container and small package tracking systems that would enhance the speed and lower the costs of intermodal cargo processing and port clearance, and direct the Transportation Working Group to coordinate closely with the Telecommunications Working Group and the CTI Sub-Committee on Customs Procedures to determine best practices for APEC members as these technologies reach the stage of practical and economical application.

27. We endorse the Joint Policy Statement on Satellite Navigation and Communications Systems as recommended by the Transportation Working Group which calls for a series of cooperative actions to facilitate implementation of satellite-based navigation and communications systems in the APEC region consistent with ICAO and IMO guidelines, and the establishment of an advisory committee to monitor these cooperative actions.
SECOND MEETING OF APEC ENERGY MINISTERS
“ENERGY: INFRASTRUCTURE FOR SUSTAINABLE DEVELOPMENT”

Edmonton, Canada
26-27 August 1997

DECLARATION

The second meeting of APEC Energy Ministers was held on 26-27 August 1997 in Edmonton, Alberta, Canada. Ministers and their representatives from Australia; Brunei Darussalam; Canada; Chile; the People’s Republic of China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; the Republic of the Philippines; Singapore; Chinese Taipei; Thailand; and the United States of America attended. Also present were representatives from the APEC Secretariat, the Energy Working Group Secretariat, and observers from the Pacific Economic Cooperation Council.

Ministers welcomed the progress of the APEC Energy Working Group (EWG) in advancing the issues discussed at the inaugural meeting of APEC Energy Ministers in Sydney, Australia on 28-29 August 1996. Ministers reiterated their general commitment to work together to ensure that the Asia-Pacific region’s future energy needs are met in a manner consistent with their respective environmental and social objectives.

Ministers noted that the Asia-Pacific region will continue to be a driver of world economic growth and that the region’s population is expected to continue to expand into the next century. Ministers further noted that economic growth in APEC is forecast to average 3.3% per annum over the period to 2010, compared to 2.5% per annum for the Organization for Economic and Cooperation and Development (OECD). As a result of this growth, energy consumption in APEC is expected to grow by an average 2.2% per annum over the period to 2010, compared to 1.0% per annum for the OECD as a whole.

Ministers agreed that the development of energy resources in an environmentally and socially responsible manner is integral to the sustainable development of the Asia-Pacific region. Sustainable development is necessary to meeting the region’s economic growth potential and achieving the quality of life benefits flowing from the availability of clean, affordable energy. Ministers further agreed that the concerted efforts of the region’s governments, in partnership with business and civil communities, are needed to facilitate the development of efficient and environmentally sound energy infrastructure.

Ministers’ discussions focused on the pursuit of the simultaneous objectives of meeting the region’s aspirations for economic growth and social development; enhancing energy security; and mitigating the impact of energy on the environment. Ministers agreed that:

a) the economic and social benefits of the region’s energy supply and use will be maximised through efforts to enhance the efficiency and openness of regional energy markets;

b) the sustainable development of the region would best be achieved through improved energy efficiency and conservation, and the development of the region’s indigenous energy sources, including renewable sources of energy;

c) the facilitation of business investment in the power sector is an important element in meeting the energy requirements of the region; and

d) the economic, social and environmental aspirations of the region will be enhanced over time through the development and application by each member economy of consistent, transparent, and predictable environmental practices as energy infrastructure is developed.

Ministers noted the importance the private sector places on the openness, transparency, and predictability of investment rules and trading regimes as key requisites for increased flows of private
capital into the energy sector. They instructed the Energy Working Group to actively pursue work on those aspects of the Osaka Action Agenda that would address these concerns.

**Major Challenges for Sustainable Infrastructure Development**

**International Energy Business Symposium**

Ministers expressed their appreciation to the participants of the Energy Business Symposium for their report commenting on the initiatives being taken by member economies to facilitate investment in energy infrastructure and trade in energy goods and services. Ministers also welcomed the recommendations of youth representatives on potential opportunities for youth within the region’s energy sector. Ministers commended both reports to the Energy Working Group for further consideration. Ministers thanked the business and youth representatives for their efforts and expressed their support for future similar exchanges.

Ministers also recognised the valuable contribution that the business sector was making to the activities of the Energy Working Group. Accordingly, Ministers instructed the Energy Working Group to look at appropriate mechanisms to improve and sustain the interface between the Group and the business sector, and to report to Ministers at their next meeting.

**Energy Policy Principles**

Ministers agreed that substantial progress has been made in implementing the Energy Policy Principles adopted at the first meeting of Energy Ministers in Sydney, and pledged to continue their efforts to incorporate them into their domestic policy deliberations. Ministers asked the Energy Working Group to exchange information on a regular basis on members’ progress in incorporating the 14 non-binding policy principles into their domestic deliberations.

Ministers discussed an initiative presented by the United States, as well as proposals from Indonesia and Papua New Guinea, on natural gas and requested that the APEC Energy Working Group, in close co-operation with business, prepare recommendations for the next APEC Energy Ministers’ Meeting in Okinawa concerning the acceleration of investment in natural gas supplies, infrastructure and trading networks as appropriate in the APEC region. Ministers asked the APEC Energy Working Group to report to them next year on opportunities, issues and options for APEC actions in this area.

Ministers also recognised the importance of accelerating action to deal with global emissions of greenhouse gases. Ministers noted that this important issue was being addressed in the Third Conference of the Parties (COP-3) under the United Nations Framework Convention on Climate Change (UN-FCCC) in Kyoto. Ministers agreed on the importance of the efficient use of energy and confirmed that enhancing energy efficiency is a key element in addressing climate change. Ministers also noted the importance of the development of market opportunities related to the reduction of greenhouse gas emissions.

**Power Infrastructure**

As a result of expected continued economic growth, electricity demand in the APEC region is expected to increase by between 50 percent and 80 percent over the period to 2010, and will require some US$1.6 trillion in investment capital. In Sydney, Ministers had agreed that such capital could not be furnished by APEC governments and multilateral financing institutions alone, and that business sector participation was essential.

Ministers re-emphasised that power sector reform was an important element in meeting the region’s growing power needs, and noted the important benefits of business sector participation in power infrastructure development.

In order to attract private capital, Ministers agreed that a predictable, transparent institutional and regulatory framework was required. Ministers endorsed the non-binding principles contained in the Manual of Best Practice Principles for Independent Power Producers. The principles cover institutional and regulatory structures; tender/bid processes and evaluation criteria; power purchase agreements and associated tariff structures; and financing and its implications.
Ministers expressed their appreciation for the efforts and advice of the Energy Working Group, the business sector and regulatory officials in developing the manual, and encouraged members to consider the non-binding principles, in line with their own domestic policies. Ministers noted that these principles, when applicable, would contribute to the reduction of business costs, facilitate private sector investment and create conditions for the efficient allocation of capital to the power infrastructure sector.

**Environmentally Sound Infrastructure**

Ministers discussed both the environmental challenges and the environmental opportunities provided by economic growth and development in their economies.

Ministers noted that the rapid increase in power infrastructure, which will be necessary to meet the economic and social aspirations of the region, will have impacts on the environment, and that these impacts can be of a local, regional, or global nature. Ministers further noted that the challenge facing the region was to attract investment in power infrastructure, while at the same time ensuring that such infrastructure was established and operated in an environmentally sensitive way.

Ministers exchanged views on what characterises good policy practice to promote investment in environmentally sound infrastructure, including the principles identified in the report *Environmentally Sound Infrastructure in APEC Electricity Sectors* commissioned by Canada on behalf of the Energy Working Group. Ministers welcomed the report and its recommendations and referred it to the Energy Working Group for further consultation (including with the business community) and the development of a work program to advance the recommendations. Ministers also agreed that the regular exchange of information on current, efficient and clean technologies would assist member economies to meet their environmental goals.

Ministers considered and endorsed a set of non-binding principles promoting the incorporation of good environmental practices into the development of power projects, and agreed to consider incorporating them flexibly within their domestic policy deliberations. Ministers agreed that the application by each member economy of these practices would provide the business sector with transparency, predictability and consistency in the application of environmental policies, which would also facilitate investment in the power sector. Ministers noted that the principles could be applied according to the varying institutional arrangements in their respective economies, and would also have relevance to other areas of the energy sector.

**Reducing Environmental and Business Costs through Cooperation on Energy Standards**

Ministers recognised that the use of energy efficiency standards and energy efficiency product labelling will encourage greater energy efficiency and improved environmental performance. Ministers agreed care should be taken to ensure that these instruments are not used in such a way as to impair trade. Ministers further recognised that the development of common or comparable energy performance test standards and the development of a common framework for the recognition of laboratory test results can enhance trade in energy-using products and reduce business costs.

Ministers agreed to pursue a multilateral approach for the acceptance of results from accredited energy efficiency testing facilities for all APEC economies. They also agreed to consider, in the first instance, when new programs requiring the use of energy efficiency test procedures are introduced, employing test standards already in use. In the event of the adoption of a new standard within their economy that varies from those already in use, they agreed to notify other economies and make the standard available to them. Ministers asked the Energy Working Group to develop proposals for their consideration at their next meeting in Okinawa.

Ministers noted that the Energy Working Group had developed a work program to establish the basis for greater co-operation in energy standards, as requested at the first meeting of Energy Ministers. This included:
a) investigating the utilisation of the Asia-Pacific Laboratory Accreditation Cooperation, and similar international entities, as a possible delivery mechanism for a regional mutual recognition framework;

b) determining the degree of alignment of energy efficiency test procedures currently in use in the APEC region and developing a process by which a consensus is promoted among APEC economies to reduce divergence where practicable; and

c) outlining a mechanism for the development, communication and advocacy of APEC regional requirements for energy efficiency test methods to international standards-making bodies so that international standards reflect the specific needs of APEC economies.

Food, Energy, Environment, Economic Growth and Population (FEEEP)

Ministers discussed the implications of economic growth and expanding population for meeting the energy demands of the region, bearing in mind the concerns expressed by APEC Economic Leaders at Osaka in November 1995 that the Asia-Pacific region’s fast expanding population and rapid economic growth are forecast to sharply increase the demand for food and energy and the pressures on the environment.

Ministers highlighted the work of the Group in facilitating power infrastructure development; mitigating the environmental impacts of energy production and use; and improving energy security, particularly through the comprehensive energy outlook being produced by the Asia Pacific Energy Research Center (APERC), as being integral to the addressing by APEC of the integrated issues embodied in the FEEEP initiative.

Ministers also emphasised the importance of sustainable energy development to the region’s longer term welfare and prosperity and agreed that the Energy Working Group was well advanced in responding to Economic Leaders’ concerns. Ministers thanked Canada for its efforts in organising a symposium to examine the interlinkages among these important issues and their implications, and noted the Energy Working Group’s presentation to the symposium.

Energy Working Group Activities

Ministers agreed that the continued information sharing and technology cooperation is essential to maximising the energy sector’s contribution to the economic and social well being of the region. Over the longer term, the objective is to ensure that energy does not become an impediment to the region’s sustainable growth and prosperity. In this context, Ministers noted the progress made by the Energy Working Group in fostering dialogue and cooperation within the region on energy matters, and agreed regional cooperation was the key to understanding and meeting the challenges facing the region.

Ministers welcomed two proposals from Japan and the Republic of Korea on establishing guidelines for energy efficiency and asked that the Energy Working Group consider these ideas in developing an expanded work program. Based on the work by the Energy Working Group, Ministers expect to consider the possibilities of a voluntary ‘pledge and review’ system for improving energy efficiency in the next Ministerial Meeting. Ministers also endorsed the Energy Working Group’s efforts in encouraging the economic use of new and renewable energy sources, promoting the clean use of fossil fuels and related technologies, and actively pursuing the development of open, efficient markets for energy in the APEC region.

Ministers also noted that meeting the mineral needs of the region will be an important aspect of ensuring its continued economic and social prosperity. Ministers welcomed the progress the Energy Working Group was making in developing and fostering cooperative activities aimed at increasing transparency and energy efficiency within the region’s mining industry.

Ministers instructed the Energy Working Group to continue to pursue economic and technical co-operation in the region, and actively promote multilateral co-operation in the region aimed at enhancing energy efficiency.

Asia Pacific Energy Research Center
Ministers welcomed the significant progress of the Asia Pacific Energy Research Center (APERC), which was launched at their first meeting in Sydney, in the development of its regional energy outlook planned for publication at the end of 1997.

Ministers emphasised the importance of APERC’s ongoing work and agreed that their next meeting will allow them the opportunity to assess the results of APERC’s regional energy supply and demand outlook, as well as its other research projects.

**Next Meeting**

Ministers agreed on the importance of their discussions in helping achieve their common regional energy, economic and environmental goals, and welcomed Japan’s offer to host the next meeting of Ministers in Okinawa, Japan in October 1998. Ministers expect to discuss wide-ranging energy challenges and policies.