



**Asia-Pacific
Economic Cooperation**

2021/SOM2/CTI/002

Agenda Item: IV

Policy Dialogue to Contribute to Ministers Responsible for Trade Outcomes: Trade and Sustainability

Purpose: Information

Submitted by: ABAC



**Second Committee on Trade and
Investment Meeting
25-27 May 2021**



APEC Business Advisory Council

**ABAC Sustainability
Working Group**

CTI Dialogue on Trade and Sustainability

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Introduction

- ABAC 2021 Theme: People, Place and Prosperity
- Inter-related challenges from the pandemic and climate change
- No APEC economy is on target to meet its Paris commitments, according to the [Asia Pacific Energy Research Centre](#)
- There is scope to encourage trade and investment in renewable energy and low emissions technology by removing barriers
- ABAC has developed **Climate Leadership Principles** and a **Framework on Trade and Investment in Renewables** to support these goals.

The Framework on Trade and Investment in Renewables:

- An environment that includes investment policy and facilitation and measures to deepen FDI flows, competition and trade policy, financial access.
- Responses to the pandemic that are also compatible with climate change objectives.
- Our governments to work with the private sector to ensure that policies align with private sector goals and encourage investor confidence.
- Working with international organisations such as the OECD on appropriate regulatory reform.
- Removal of tariffs and non tariff barriers affecting trade and investment in renewable energy and associated goods
- Measures to encourage possibilities for technological cooperation, regulatory harmonisation and skills transfer on energy projects.
- Measures to encourage trade in environmental services.
- A commitment to transparent and expeditious dispute settlement processes - so necessary for investor security and confidence.
- Investment in research and development and encouragement of innovation.
- Adoption of structural reforms necessary to assist in the transition of sectors and enterprises impacted by climate related changes to trade and investment

Climate Leadership Principles

Aim: To guide ABAC's overall response to the climate challenge and to encourage businesses in the Asia Pacific region to adopt practices to address climate change at the enterprise level.

Principles based on three key concepts:

Reduction – which includes reducing emissions by decoupling from fossil fuels and supporting trade and investment in renewable energy

Adaptation – which includes championing technological advancements that support a low carbon economy

Just transition – which needs to take place within an overall framework for open and rules-based trade.

Conclusion

- Climate change will be significantly more disruptive than the pandemic
- Renewable energy can help reduce the severity of that impact
- Trade policy and environmental responsibility need to be mutually supportive
- We cannot afford to delay