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Agenda Item: 2.1

Establishment of an APEC Cooperation Network on Green Supply Chain

Purpose: Consideration

Submitted by: CTI Chair

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**Third Senior Officials' Meeting
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**Proposal on the Establishment of
APEC Cooperation Network on Green Supply Chain**

Proposed by China

Co-sponsored by Canada, Malaysia, Chinese Taipei

Background

Green growth has arisen as the new motive power for social and economic growth. In 2011, APEC Leaders committed to "make green growth a reality in all of our economies." In the meantime, enhancing supply chains to reduce the time, cost, and uncertainty of moving goods and services throughout the region continues to be another priority for APEC given its importance to trade and economic growth. APEC Leaders declared to achieve an APEC-wide 10 percent improvement in supply-chain performance by 2015.

Green Supply Chain is pursuing economically and environmentally balanced supply chain, and generally defined as using green and sustainable development notions to design the different parts of supply chain, including purchasing, manufacturing, packaging, distributing, consuming and recycling, etc. Green Supply Chain aims to reduce the load and influence on the environment for products in each stage of the life cycle, enable related enterprises to comply with environmental legislation and standards, improve environmental performance, raise up the effectiveness and efficiency of supply chain, and thus gain both economic and environmental benefits. It will directly respond to APEC Leaders' commitments on Green growth and supply chain performance improvement.

As proposed and endorsed in SOM1, the APEC High-Level Roundtable on Green Development was successfully convened in Tianjin, China on May 8, 2014, with a fruitful output of the Declaration, in which how to link economies to cooperation on Green Supply Chain was highlighted and Tianjin's offer in setting up a Green Supply Chain pilot center open to interested economies was welcomed.

Considering the needs of APEC economies on enhancing cooperation on Green Supply Chain, it is proposed that APEC establish a network among interested economies and identify a number of demonstration pilot centers in economies to coordinate economies' endeavor and activities to promote Green Supply Chain, and contribute to the future possible actions on information sharing, capacity building, demonstration activities, etc.

Objectives:

- Raise awareness and understanding on trade and investment-related policies that support the development of green supply chains.
- Share information, experiences and successful practices on Green Supply Chain , as they relate to the cross-border movement of goods and services, among a number of demonstration pilot centers in the APEC region and promote Public-Private cooperation on these issues.
- Encourage enterprises to utilize Green Supply Chain management tools that facilitate the cross-border movement of goods and services.
- Establish APEC Cooperation Network on Green Supply Chain based on the aforementioned objectives, providing a platform for APEC to improve the environmental performance of supply chains in the Asia-Pacific region and contribute to the implementation of APEC Supply Chain Connectivity Framework Action Plan (SCFAP). APEC Cooperation Network on Green Supply

Chain is an evolving cooperation mechanism in order to coordinate the efforts of Green Supply Chain and to develop tools to promote green trade and investment, accordingly contribute to realization of Green Supply Chain in the Asia-Pacific region.

Proposed Actions:

The proposed APEC Cooperation Network on Green Supply Chain will be an open and dynamic cooperative mechanism supported by a number of dispersed demonstration pilot centers over this Region. The proposed actions will include, but not limit to:

● **Carry out application studies on Green Supply Chain**

A stocktaking exercise and a compendium of initiatives by APEC economies on Green Supply Chain will be undertaken, including how economies are developing, promoting and coordinating domestic and regional initiatives on Green Supply Chain, as well as areas for potential growth. A brief case study or status report on the various levels of Green Supply Chain development in APEC economies as compared to other parts of the world and exemplary studies for cooperation on Green Supply Chain, such as 1) the potential value for economies participate in the network, 2) the good practice in respect of improving environmental performance and economical benefit through introducing Green Supply Chain management, and 3) the practical results after implementing carbon footprint and green energy initiatives in Green Supply Chain management, will also be developed. Moreover, the ways in which Green Supply Chain serves the SCFAP will be expressly studied, so as to keep coordinated and support each other. These studies would help economies to understand how their current programs would interface with Green Supply Chain management and provide research support to the PSU or Secretariat, as well as A2C2. The research results will be incorporated into the cooperation elements on dedicated website, information sharing mechanism and capacity building activities.

● **Cooperate to set up demonstration pilot centers.**

As the pillars of the network, a number of demonstration pilot centers will be set up. Demonstration pilot centers on Green Supply Chain would be nominated and participate in the network on a voluntary basis by APEC economies, serving as backbone framework to promote Green Supply Chain development and cooperation, and construct a long-term cooperative mechanism under the principles of common benefits. Any newly-built demonstration pilot center could be included in the network after the establishment of the Network. The network will be an open mechanism, and the nominated demonstration pilot centers will actively participate in activities organized by the established demonstration pilot centers. The demonstration pilot centers will update the CTI and other APEC fora as needed, to conduct cooperative activities on Green Supply Chain. APEC welcome and endorse the offer of the City of Tianjin, China, to establish the first demonstration pilot center of APEC Cooperation Network on Green Supply Chain, and launch operations in late 2014.

● **Establish a Green Supply Chain website.**

Establish a Green Supply Chain website by the end of 2016, to update all information of Cooperation Network constantly, including the latest news, opinions, experiences, case sharing, study reports and so forth. Relative progress on workshops and dialogues should be updated on the website as well. The website will be maintained by Tianjin demonstration pilot center and supported by other APEC economies.

● **Enhance Information Sharing on Green Supply Chain**

Hold Information Sharing activities on Green Supply Chain to share experiences and opinions for raising the understanding and awareness within APEC economies. The definition, scope and

policy options related to Green Supply Chain, such as PPP and Corporate Social Responsibilities on Green Supply Chain will be discussed among government representative, business communities and international organizations, with an aim to exploring best practices on Green Supply Chain, and create an enabling environment for Green Supply Chain development and cooperation. It will help APEC to understand the demands of enterprises, help enterprises to play a leading role in promoting Green Supply Chain management, and promote governments to support the capacity building activities and create a favorable policy environment for Green Supply Chain management.

- **Strengthen Capacity Building Activities**

In order to promote Green Supply Chain and help all economies implement SCFAP and realize the improvement of Supply Chain performance in a green and environmentally friendly way, series of capacity buildings on Green Supply Chain will be conducted. To effectively improve economies' capacity on Green Supply Chain, different forms of capacity building activities will be undertaken, such as technical training seminars, capacity building workshop, field trips, advanced management tools promotion, etc. The propose demonstration pilot centers including Tianjin Pilot Center are encouraged to provide necessary financial and intellectual contributions to the future capacity building programs. A work plan will be developed in 2015 to comprehensively advance the capacity building activities on Green Supply Chain.