

---

## APEC's Existing Environmental Efforts

Almost since its inception, APEC's leaders have talked about the need to address the environmental stress and degradation that has accompanied the economic growth in their region (O'Meara 1997). At the Manila Summit in 1996 the leaders affirmed a "commitment to sustainable growth" (APEC 1996). Recently, the environment ministries in each APEC country have begun the process of transforming the concern that development be sustainable into an environmental work program. The ministers have asked each APEC working group and policy committee to integrate environmental considerations into their work programs.<sup>1</sup> Special attention has been focused on environmental issues related to urbanization, clean production techniques, and the marine environment. In addition, the broader issues of food, energy, environment, economic growth, and population have been identified as areas of core interest. Unfortunately, the organization's efforts to date are long on rhetoric and short on substance. Not much has been done beyond gathering and sharing information. Success in meeting the environmental challenges that APEC members face individually and collectively will require far more. Better national cooperation is one step, but real progress will require regional coordination.

### APEC'S Environmental Vision

In its first report in 1993, the APEC Eminent Persons Group argued that "APEC members should ensure that they are embarked on a course of

---

1. See box 1.1 for a brief discussion of APEC's institutions and processes.

sustainable development” (APEC 1993a, 46). Picking up on the need to focus on sustainable development, the APEC leaders responded, at the Blake Island Summit in 1993, by committing APEC to “protect the quality of our air, water, and green spaces, and manage our energy resources and renewable resources to ensure sustainable growth and provide a more secure future for our people” (APEC 1993b). At the historic 1994 Bogor Summit, at which the commitment to free trade across APEC was enunciated, the leaders declared that their shared vision for the community of Asia Pacific economies was based on an “approach which . . . embrac[es] the three pillars of *sustainable growth*, equitable development and national stability” (APEC 1994a, emphasis added).

At the Osaka Summit in 1995, the leaders noted with concern 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.” With these stresses in mind, they agreed “to put these interrelated, wide-ranging issues on the long-term agenda and consult further on ways to initiate joint actions so as to ensure that the region’s economic prosperity is sustainable” (APEC 1995a). This proclamation has now evolved into the Food, Energy, Environment, Economic Growth, and Population (FEEEP) initiative. Most recently, at the Subic Bay Summit in November 1996, the leaders called on ministers to “intensify their work on sustainable growth and to report on their progress [at the Leaders’ Summit] in Vancouver in 1997” (APEC 1996).

Not only have APEC’s leaders collectively embraced the environmental cause, but a number of prominent heads of state have personally expressed concern over APEC environmental matters. At Subic Bay in 1996, President Jiang Zemin of China declared that “effective measures needed to be taken to strengthen Asia-Pacific cooperation in the realm of environmental protection” (*Beijing Review*, 23-29 December 1996, 7). Just a few days earlier, President Clinton, in Australia en route to Manila, similarly called for enhanced efforts to “care for our shared environment” (Reuters North American Wire, 22 November 1996). President Fidel Ramos of the Philippines has said that he places “great emphasis on the preservation of the environment because we know that, after painstaking efforts, we finally stand on the threshold of unprecedented growth and change. That threshold—unless we watch our step and look when we cross—could very well be the brink of environmental disaster” (speech, Sustainable Development Ministerial Meeting, 11 July 1996). During the Subic Bay Summit, which he hosted, Ramos actually interrupted his discussions with the leaders of other APEC countries to meet with a group of environmental NGOs. Prime Minister Jean Chrétien of Canada has further promised that the environment will be a top agenda item at the APEC summit that he hosts in Vancouver in 1997.

APEC’s environmental ministers have been charged with turning the leaders’ rhetoric into action. Meeting for the first time in Vancouver in

1994, at the suggestion of Chrétien, the ministers produced an “APEC Environmental Vision Statement” and a “Framework of Principles for Integrating Economy and Environment in APEC” (see appendices A and B). The vision statement declares that sustainable development and trade and investment in the region should be promoted “by integrating environmental considerations into relevant policy development and economic decisions throughout the region.” This directive has translated into efforts to integrate environmental concerns into the work programs of each of APEC’s working groups.

The framework of principles, drawing on the 1992 Rio Declaration, lays out nine cornerstones for APEC efforts to “reconcile the objectives of economic growth and efficiency with improved environmental outcomes.” These are

- sustainable development,
- environmental cost internalization,
- science and research,
- technology transfer,
- the precautionary principle,
- trade and environmental policy integration,
- environmental education,
- innovative sustainable development financing, and
- a narrow role for APEC—putting responsibilities on APEC only when the organization can add value, and emphasizing the need to avoid duplication of the functions of other bodies.

Moving beyond the development of a vision and the laying out of principles, the environment ministers, meeting again in Manila in July 1996, agreed that APEC and its members should focus attention on three issues: sustainable cities and urban management, clean technology and clean production, and sustainability of the marine environment.

## Progress to Date

The declarations of the leaders and the work of APEC’s environment ministers have together laid the foundations for APEC’s existing three-pronged environmental work program:

- integration of environmental and economic considerations in APEC’s working groups;

- attention to sustainable cities, clean technologies, and the marine environment; and
- long-term focus on food, energy, environment, economic growth, and population.<sup>2</sup>

## Integration of Environmental and Economic Considerations

As Zarsky and Hunter (1997, 16) note, while APEC's leaders may be the architects of its environmental agenda, the working groups and committees are the engineers. These staff-level bodies have been directed to fully integrate environmental considerations into their programs—and they have done so with varying degrees of enthusiasm and success.

The Regional Energy Cooperation Working Group, currently “shepherded” by Australia, has to date been the most active in the environmental field. It has launched a variety of information-gathering and dissemination activities including seminars, workshops, surveys, and reports, which look at energy efficiency, clean energy technologies, and the transfer of energy-related technologies and research and development. The group has also released a set of 14 “Non-Binding Energy and Environmental Policy Principles” and has recently begun to examine the prospects for harmonizing energy standards for electrical appliances across APEC.

The Marine Resources Conservation Working Group is helping to improve the capacity of APEC countries to manage red tides and algal bloom problems, and it is collecting information on coastal zone management and sensitive coastal habitats. Its work program for 1997 includes preparing inventories of ocean and marine polluting industries, assessments of the cross-boundary impacts of coastal activities, and an action plan—APEC's first in the environmental realm—for the management of red tides.

The environmental work of the Human Resources Development Working Group has focused on the need for better environmental curricula in the education of engineers, expanded environmental training for administrators and managers in the Asia Pacific region, and ways to promote academic collaboration on sustainable development. The group has also conducted research, seminars, and education and training courses to promote better utilization of international quality assurance standards.

---

2. In addition, a number of APEC's members have expressed interest, ahead of the Vancouver Leaders' Summit, in reducing barriers to trade in environmental goods and services. An APEC focus on liberalization of the environmental product market, however, is not worth priority policy focus, because tariffs are already low, and it is strongly in the importing country's interest to acquire new environmental technologies and environmentally benign goods and services.

The Tourism Working Group has published a report identifying environmentally sensitive areas in APEC and eco-tourism management techniques in use across APEC. The Industrial Science and Technology Working Group, which has held workshops on cleaner air technologies and marine environment monitoring, has also established an acid rain monitoring network. The Fisheries Working Group has done little beyond conducting a study on the environmental impacts of fishing on coral reefs and holding workshops on sustainable aquaculture and destructive fishing techniques.

In sum, the activities are basically limited to gathering and disseminating information. An internal evaluation by APEC's Economic Committee (APEC 1997a) acknowledges that activities to date, while numerous, are small-scale and do not go beyond capacity building. While we have argued that capacity building in APEC is valuable (chapter 6), the current program does not systematically address the major capacity bottlenecks visible across APEC. The overall picture is one of ad hoc attention to environmental concerns, disconnected from any overarching strategy for achieving sustainable development.

The major obstacle to success in pursuing an environmental agenda centered on APEC's working groups and committees is that pollution and resource concerns are not a primary focus of these bodies. In fact, five of APEC's ten working groups do not even mention the environment in their vision statements. It appears, furthermore, that the directive to integrate environmental concerns into work programs has produced few new efforts to address environmental issues. Instead, working groups are simply reporting on activities that were already under way or planned. These problems are exacerbated by the lack of technical expertise on public health and ecological issues within the working groups, a weakness that cannot be surprising given that the groups are designed primarily as vehicles for economic policy. The groups lack any basic, analytic foundation for their environmental efforts. They have no real sense of where the serious problems lie, what might be done to address them, and which ones APEC can begin to remedy.

The idea of making environmental considerations part of everything APEC does is not, in and of itself, a bad one. Unfortunately, the integration efforts have been poorly executed. To build meaningful environmental and economic policy bridges would require not only dedication to environmental progress within each group but also an emphasis on developing interdisciplinary approaches cutting across and among working groups and committees.

The absence of an overarching APEC structure to manage and oversee the efforts of the working groups adds to the organizational challenge. There is little coordination across the groups and no mechanism to hold the groups accountable for progress. Thus, while weaving environmental

sensitivity into the fabric of APEC makes sense as an aspiration, APEC has gone about it wrong.

## **Sustainable Cities, Clean Technologies, and the Marine Environment**

Some working groups are undertaking work in pursuit of the action program laid out at the 1996 APEC “Sustainable Development” Ministerial Meeting in Manila. At that meeting, APEC members agreed to focus on three priority areas: (1) sustainable urbanization, for which Canada has taken responsibility in the absence of a relevant working group; (2) clean production and clean technology, which is being advanced by the Industrial Science and Technology Working Group; and (3) sustainability of the marine environment, for which the Marine Resources Conservation Working Group has assumed responsibility.

In June 1997, the environment ministers met in Toronto to promote further progress on this agenda but achieved little. In fact, a number of people close to or involved in the process have said privately that the Ministerial Meeting was a disaster.<sup>3</sup>

At the end of their Toronto deliberations, the ministers approved a strategy for sustainable cities that calls for special emphasis on pollution prevention and control, environmentally sustainable infrastructure development, and the needs of poor urban settlements. In their proposal, they included the following specific measures:

- facilitation of city sustainability by sharing sustainable urbanization “best practices,” developing guidelines for sustainable planning, and establishing an Internet website to showcase environmental solutions for sustainable cities; and
- encouragement of investment by sharing examples of innovative approaches to financing, by examining economic instruments as tools to promote sustainability, and by promoting cooperation among environment, trade, finance, and other ministries.

The strategy for clean production and clean technology, developed by Australia, Taiwan, and the United States, espouses two goals: to achieve “dramatic” progress in reducing environmental impacts through the promotion of cleaner production technologies, policies, and practices; and to achieve broader adaptation of cross-disciplinary policies and methods for cleaner production through institutional, professional, and private-sector

---

3. The failure to achieve meaningful progress in Toronto should not be viewed as fatal to APEC’s environmental efforts. Instead, the weak output from the Toronto Ministerial simply reflects the poorly-thought-through current policy course and creates an opportunity for APEC to pursue a new environmental agenda, along the lines proposed in chapter 9.

partnerships. To advance this agenda, the ministers meeting in Toronto endorsed the development of tools to facilitate cleaner production, enhancement of research networks, capacity building to improve information sharing, the development of industrial environmental performance indicators, and dissemination of information electronically.

Finally, APEC's environment ministers adopted a strategy designed to ensure the sustainability of the marine environment. Its objectives are to develop integrated approaches to coastal management, reduce and control marine pollution, and manage marine resources sustainably. The measures put forward to achieve these objectives are research and exchange of information, technology, and expertise; capacity building; education and training; and public- and private-sector partnerships.

The inadequacy of each of these efforts is plainly apparent. Rhetoric, for example, about the need for "broad-based societal change in thinking throughout the APEC economies, which embraces the sustainability of cities as a fundamental concept for human prosperity and environmental health" (APEC 1997b) is not matched with any comparable commitment to action. The tools at APEC's disposal to accomplish this goal, together with the equally ambitious goals of the other two focus areas, are primarily limited to exchanging information, strengthening research networks, sharing approaches and best practices, integrating public and private actors, and constructing an array of internet websites. There exists a serious incongruity between the APEC vision and its action programs.

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

Cognizant, perhaps, of the limitations of the initiatives reviewed above, APEC's members are now focusing on a new sweeping action agenda called the "FEEEP" initiative. Aiming to make FEEEP—originally proposed in Osaka in 1995—the environmental centerpiece of its efforts as host of the 1997 Leaders' Summit, Canada plans to present the leaders with a paper that identifies the key FEEEP issues. The hope is that Malaysia will follow up at the 1998 summit by addressing the policy implications and outlining a series of recommendations for action.

The issues that fall under the FEEEP umbrella are undoubtedly important. But in covering almost everything, the FEEEP initiative emphasizes nothing. Limited political capital will be spread thin, making concrete progress on sustainable development unlikely. With its long-term time horizon and vaguely defined objectives, there is a real risk that the FEEEP initiative will produce a broad and ambitious action declaration with no tangible content.<sup>4</sup> Indeed, the FEEEP agenda looks like a program of

---

4. The FEEEP initiative looks strikingly like Agenda 21, the overly broad and now plainly dysfunctional product of the Rio Earth Summit (Daniel C. Esty, *Newsday*, 25 June 1997).

general environmental needs that has been crossed with a list of issues to which nobody objects and reduced to a level of generality that commits no one to anything specific.<sup>5</sup> APEC can ill afford an environmental program that fails to deliver concrete results. Such an outcome leaves APEC open to further criticism that it is a “talk shop” through which little that is worthwhile can be achieved.

Crafting a sensible APEC environmental agenda demands careful consideration not of environmental needs in general but of the specific pollution control and resource management requirements that arise in the context of regional economic integration. The agenda must be further refined with an eye toward APEC’s political, financial, and environmental capacity, focusing on issues where APEC can provide “value added” and do something that is not being done or that cannot be done as well in some other forum. The key is to get APEC’s members moving toward sustainable development rather than just talking about it.

On its own terms, therefore, APEC’s environmental program is unlikely to succeed. First, the obstacles to successful integration of economic and environmental considerations in the working groups seem daunting. Second, given the very modest action items on which agreement has been reached, there appears to be little prospect of making a significant contribution to the sustainability of cities, the use of cleaner production technologies, and the sustainability of the marine environment. Third, FEEEP seems destined to elicit little more than grandiloquent discourse that does not get translated into action.

## A Broader Critique

More troublingly, if we evaluate APEC’s efforts by referring to the core regional environmental management functions identified in chapter 6, the existing program looks wholly inadequate. First, its weak efforts to address the sustainability of the marine environment notwithstanding, APEC has done nothing to address the “super externalities” that drive regional-scale environmental harms. Ensuring that transboundary spillovers do not go unattended is a critical function not only as a matter of environmental policy but also to maintain the integrity of regional economic interactions. Second, despite much talk about capacity building in various working groups, APEC has not moved to establish a systematic program to support the national policy efforts of its members. Finally, APEC’s existing environmental agenda does not in any way reflect a recognition of the important role APEC can play in ratcheting up multilat-

---

5. Early efforts to address the FEEEP issues are far from encouraging. At an APEC FEEEP symposium held in Saskatoon, Canada, 2-4 September 1997, agreement was limited to more exhortations to gather information and conduct further research.

eral environmental efforts or in providing experience for future global environmental management.

There are two other important reasons to be concerned about APEC's current environmental course. First, the potential for making environmental progress has been severely restricted by the decision to lodge APEC's sustainable development activities within the organization's economic and technical cooperation ("ecotech") program.<sup>6</sup> The focus on "cooperation" limits the tools available for effecting change.<sup>7</sup> Measurable improvements in pollution control and resource management across the Asia Pacific region will be achieved only if APEC also takes advantage of environment-related opportunities available through trade "liberalization" and "facilitation" efforts. For example, significant environmental benefits will accrue to APEC and its members if they can lead the way toward elimination of agriculture and energy subsidies (a liberalization measure) and reduce cross-country differentials in environmental standards (a facilitation measure). In short, APEC needs to make the leap from nation-to-nation cooperation to regional coordination in the environmental realm.

A second reason to be concerned about APEC's existing program arises from its failure to address any of the important issues at the economy-environment interface that threaten to derail trade liberalization and the broader process of regional economic integration. In particular, no attention has been paid to developing-country fears about environmental restrictions on market access and the use of trade measures to achieve extraterritorial environmental objectives (e.g., the shrimp-sea turtle dispute between the United States and Thailand). Similarly, little has been done to blunt developed-country worries about "unfair" competitive advantages accruing to those with lax environmental standards.

In sum, APEC's environmental program does not reflect a serious approach to sustainable development. Eileen Claussen, the US assistant secretary of state, had it right when she observed that APEC has not yet become "a credible force for environmental protection" (*Toronto Globe and Mail*, 10 June 1997).

## Conclusion

If words alone could "green" the Asia Pacific, the job would already be done. Unfortunately, the leaders' exhortations about sustainable develop-

---

6. In Manila in 1996, the leaders endorsed a framework of principles for economic cooperation and development, focusing on the following themes: developing human capital; fostering safe, efficient capital markets; strengthening economic infrastructure; harnessing technologies of the future; *promoting environmentally sustainable growth*; and encouraging the growth of small and medium enterprises (APEC 1996, emphasis added).

7. As Yamazawa (1997) makes clear, APEC's current ecotech framework will never enable its members to go beyond seminars, study/research, and information gathering to achieve visible progress.

ment have not been translated into a meaningful action program. Reliance on working groups without the inclination or expertise to integrate economic and environmental goals; an ambitious focus on cities, clean technologies, and the marine environment backed by little more than promises to cooperate and share knowledge; and a misguided long-term focus on the all-encompassing issues of food, energy, environment, economic growth, and population, without any real prospects for serious short-run action to alleviate APEC's pressing environmental concerns, amount to a recipe for failure.

APEC must discard its current environmental approach. The challenge as APEC moves toward the upcoming summit meetings in Vancouver and Malaysia is to understand the roles that a regional body like APEC can fill and the environmental issues on which it can add real value—and to develop a concrete action agenda whose success can be objectively measured. Only then will APEC be positioned to move decisively from vision to action.