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**MEMORANDUM**

**FOR :** **The Directors**  
Legal Affairs Service  
Climate Change Service  
  
Biodiversity Management Bureau  
Environmental Management Bureau  
Ecosystems Research and Development Bureau  
Forest Management Bureau  
Mines and Geosciences Bureau

**FROM :** **The OIC Director**  
Policy and Planning Service

**SUBJECT :** **INTERNATIONAL TRADE CENTRE (ITC) WEBINAR  
ENTITLED 'TOWARDS LOW CARBON TRADE: IS THE  
ASEAN READY?'**

**DATE :** **09 MAY 2023**

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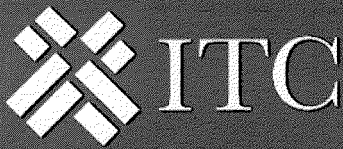
This is to extend the invitation from the Department of Trade and Industry regarding the webinar organized by the International Trade Centre (ITC) entitled **'Towards Low Carbon Trade: Is the ASEAN Ready?'** to be held on **11 May 2023, 2:00 PM – 4:00 pm** via **Zoom**.

The webinar will present the EU Carbon Border Adjustment Mechanism (CBAM) Agreement and related developments in other jurisdictions, discuss its potential impact on trade from the ASEAN region and explore policy tools that can be leveraged by the ASEAN Member States at the national and regional level to meet the requirements and prepare for the transition to low carbon trade.

The detailed background and agenda for the webinar is attached, for your reference. Interested participants may register through <https://bit.ly/3LFUqja> or using the QR code in the attached webinar banner.

For your information.

  
**CHERYL LOISE T. LEAL**



# TOWARDS LOW CARBON TRADE – IS THE ASEAN READY?

Thursday, 11 May 2023 / 08.00–10.00 CET Via Zoom

[REGISTER HERE FOR THE MEETING LINK](#)

## CONTEXT

In December 2022, the European Parliament and Council **reached an agreement on the Carbon Border Adjustment Mechanism (CBAM)** and reform of the European Union (EU) Emissions Trading Schemes (ETS). In April 2023, the European Parliament approved the final text, which means that it will enter into law upon formal Council approval. This initiative is being implemented as a tool to deal with carbon leakage – i.e. to prevent shifting emissions to other countries as a means of to overcome the high domestic prices set within the EU. The CBAM will apply to selected sectors - the final agreement covers iron and steel, cement, aluminium, fertilizers, electricity and hydrogen, which goes beyond the European Commission's proposal. **Further, other jurisdictions such as Canada, UK, and USA are also exploring similar initiatives to reduce carbon leakage.**

These carbon regulatory measures may pose additional green requirements for exports from developing countries, but compliance can actually present opportunities for businesses to become more competitive players in the market.

Meeting these requirements and leveraging business opportunities, however, **require significant actions by businesses to be able to assess and reduce their carbon footprints** in a manner compliant with the prospective regulations.

The ASEAN region is a dynamic market ranking as one of the top eight economies in the world; and the EU's third largest trading partner, after the US and China. Implementation of the EU CBAM will have implications on the value chains of ASEAN Member States (AMS). Accordingly, rapid and effective decarbonisation

measures are required by ASEAN Member States (AMS) to realign policy frameworks and prepare the private sector to be able to compete effectively on the global market

In this context, efforts are already underway in certain AMS', including through measures to introduce carbon taxes and develop emissions trading systems (ETS). For instance, Singapore introduced a carbon tax in 2019. Thailand has introduced a carbon market referred to as 'FTIX' enabling public and private sector organizations to offset emissions, and is developing a voluntary emissions trading scheme piloted for the energy sector. Other countries such as Malaysia, Vietnam, Indonesia, and the Philippines are also exploring options in terms of constructing carbon markets or ETS.

This webinar seeks to take stock of the developments taking place in the EU and other jurisdictions in terms of operationalising these carbon border adjustment measures, discuss its potential impact on trade from the ASEAN region, and explore the tools that can be leveraged by AMS' at the national and potentially at the regional level - to prepare for this transition to carbon competitive supply chains.

This webinar will:

- Present the recently concluded CBAM Agreement and potential impact on ASEAN's trade.
- Discuss national and regional level efforts that can be taken by ASEAN to respond to the CBAM and move towards decarbonizing supply chains, and
- Explore trade and investment policy tools that can be leveraged to facilitate the transition of AMS' to carbon competitive trade in the long term.

## AGENDA

Time (CET)	Agenda	Speaker(s)
08h00 –	<b>Opening Remarks and Introduction to the Speakers</b>	
08h10 –	<p><b>Session 1: The EU CBAM Agreement – and its impact on ASEAN Trade</b></p> <p>This session will:</p> <ul style="list-style-type: none"> <li>Present the EU CBAM Agreement – the scope, coverage, and current status</li> <li>Discuss the potential impacts on trade of ASEAN Member States (AMS) based on their existing trade with the EU</li> <li>Identify policy measures that can be explored at the national level to prepare to meet the CBAM requirements.</li> </ul>	<p><b>Representative,</b> European Commission</p> <p><b>Aaron Cosbey,</b> Climate Change and Sustainable Transition Expert, Small World Sustainability Consulting</p>
08h30 –	<p><b>Session 2: Emissions Trading Systems (ETS) in the ASEAN</b></p> <p>This session will:</p> <ul style="list-style-type: none"> <li>Dive into the operation of ETS – and its relevance for responding to the CBAM requirements and facilitating the transition to low-carbon supply chains.</li> <li>Present developments in formulation and implementation of ETS in the AMS and other regions, and</li> <li>Discuss lessons learned in developing effective ETS and feasibility of regional led efforts in this regard.</li> </ul>	<p><b>Theresa Wildgrube</b> Senior Advisor, International Carbon Action Partnership (ICAP)</p>
08h45 –	<p><b>Session 3: Transitioning to low carbon industrial development in the ASEAN</b></p> <p>This session will:</p> <ul style="list-style-type: none"> <li>Discuss the importance for the ASEAN region to transition to low carbon supply chains; and</li> <li>Explore relevant trade and investment policy tools that can and should be leveraged to strengthen AMS' participation in low carbon trade.</li> </ul>	<p><b>Anbumozhi Venkatachalam</b> Director, Research Strategy and Innovation, Economic Research Institute for ASEAN and East Asia (ERIA)</p>
09h00 –	<p><b>Open Discussion</b></p> <ul style="list-style-type: none"> <li>Chris Humphrey, Executive Director, EU-ASEAN Business Council</li> <li>Yeoh Wee Jin, Secretary General, South East Asia Iron and Steel Institute (SEAISI)</li> <li>Radju Munusamy, Policy Manager (Sustainable Development), ASEAN Business Advisory Council</li> </ul>	
09h50	<b>Closing Remarks</b>	

The International Trade Centre (ITC) is a joint agency of the World Trade Organization (WTO) and the United Nations (UN). ITC seeks to foster inclusive and sustainable growth and development through trade and international business development. ITC's technical assistance programmes contribute to the global efforts to achieve the UN Global Goals for Sustainable Development and the Aid for Trade Agenda.