



## MEMORANDUM

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

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

SUBJECT : **REQUEST FOR COMMENTS/INPUTS ON THE OUTSTANDING ARTICLES OF THE GREEN ECONOMY CHAPTER UNDER THE ASEAN-CHINA FREE TRADE AGREEMENT**

DATE : **07 MAY 2024**

This pertains to the progress of the negotiation regarding the Green Economy Chapter under the ASEAN-China Free Trade Agreement (ACFTA) during the Working Group on Green Economy (WGGE) Meeting which was conducted on 22-26 April 2024 in Jakarta, Indonesia.

In preparation for the next WGGE Meeting, which will be conducted at the end of May 2024, an Inter-Agency Small Group Meeting was held to review the outstanding articles under the Green Economy Chapter. Relative thereto, the Department of Trade and Industry (DTI), the Philippine Lead Agency, had requested the Department to provide comments on the following articles/texts:

Article/Paragraph	Action Requested
Article 3. Basic Principles Item 1	<ul style="list-style-type: none"><li>DENR to provide comments if the Philippines could adopt the <b>ASEAN alt. paragraph</b> proposal</li></ul>
Article 3. Basic Principles Item 2	<ul style="list-style-type: none"><li>DENR to provide comments/inputs on <b>CN's counter proposal</b>. The DTI views that adopting China's counterproposal could be a leverage for China to adopt paragraph 1 proposal of ASEAN Member States</li></ul>
Article 5: Environmental Goods and Services	<ul style="list-style-type: none"><li>DENR and DOE to provide inputs on suggested linking language (WTO language) to be crafted by the DTI (<i>to follow</i>)</li><li>Agencies to review the proposed paragraph under Article X.5 on Environmental Goods and Services</li></ul>

Article/Paragraph	Action Requested
<b>Article X. Green Trade</b>	<ul style="list-style-type: none"> <li>• DENR to provide additional comments, if any</li> </ul>
<b>Section III. Trade and Environment</b> (Article 13. Right to Regulate and Levels of Protection; Article 14. Upholding Levels of Protection in the Application and Enforcement of Laws and Regulations; Article 15. Multilateral Environmental Agreements and International Environmental Governance; Article 18. Trade and Biological Diversity)	<ul style="list-style-type: none"> <li>• DENR to provide comments on the proposal of China to withdraw Section III, including these Articles</li> </ul>

In addition, the Department was also requested to provide inputs on the proposed definitions from the Philippine side<sup>1</sup> regarding the following:

1. Green Economy;
2. Clean Energy;
3. Green Financing;
4. Green Finance and Investment;
5. Green Product;
6. Green Consumption;
7. Ecological Environment
8. Ecological Agriculture; and
9. Energy Conservation

In this regard, we would like to request your comments/inputs on the aforementioned articles and terms proposed under the Green Economy Chapter of ACFTA. Attached as **Annex A** is the matrix of outstanding articles with corresponding texts for your convenience.

Also attached are the full version of the negotiating text (see **Annex B**) and the matrix of the previous comments or the Philippine's position<sup>2</sup> during the previous WGGE meeting, for your ready reference. We would appreciate receiving your feedback before the set deadline (**10 May 2024**), to send thru the following email: [odpps@denr.gov.ph](mailto:odpps@denr.gov.ph); cc: [psddivision@gmail.com](mailto:psddivision@gmail.com)/[policy@denr.gov.ph](mailto:policy@denr.gov.ph).

For your information and consideration, please.



**CHERYL LOISE T. LEAL, EnP**

<sup>1</sup> Please see **Annex C**

<sup>2</sup> Matrix can be accessed through this link: <https://bit.ly/3ybdx1C>

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Matrix of Outstanding Articles under Section II and III of the Green Economy Chapter

Article	Text	Action Requested	DENR Comments/Inputs
Article 2: Objectives	<p><b>Article 2: Objectives</b></p> <p>1. Promote a green and climate resilient economy, cultivate new growth engines such as clean and renewable energy and green industry, innovation, best available techniques, and focus on promoting high-quality development that will contribute towards low carbon, resource efficiency, climate resilient development and sustainable development.</p> <p>2. Intensify cooperation on areas of mutual interests on green economy such as green trade, green investment and green finance to support regional low carbon, climate resilient development and sustainable development to achieve common prosperity.</p> <p>3. Promote dialogue and sharing of knowledge, best practices, expertise and information on climate action and environmental protection, increase policy communication and experience sharing, as well as explore common plans and strategies for sustainable development while considering national circumstances of each Party.</p> <p>4. Promote dialogue and sharing of knowledge, best practices, expertise and information on climate action and environmental protection, increase policy</p>	<p>DENR to provide inputs on the following terms, if any</p> <ol style="list-style-type: none"> <li><b>Green economy</b> means practices that result in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.</li> </ol> <p>*United Nations Environment Programme, Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication (Nairobi, 2011)</p> <ol style="list-style-type: none"> <li><b>New energy</b> means new energy resource that is systematically developed and utilized on the basis of new technologies that encourages adoption of clean energy and enhances resilience against the impacts of climate change.</li> </ol>	

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Article	Text	Action Requested	DENR Comments/Inputs
	<p><del>communication and experience sharing, as well as explore common plans and strategies for sustainable development.</del></p> <p>3-4. Jointly promote a regional energy transition and enhance technology sharing in energy efficiencies, clean and renewable energies.</p> <p><b>[ASEAN: Article 2: Definition and Terminology]</b></p> <p>[ASEAN: For the purposes of this Chapter, unless otherwise provided in this Chapter:</p> <p>Example: (need to be refined intersessionally)</p> <p>[CN can accept (a) New energy means energy that is systematically developed and utilized on the basis of new technologies. Its scope will change with technological progress.</p> <p>(b) Clean energy means energy with zero or low emissions of greenhouse gases and pollutants during its [ASEAN: production and] consumption process. It refers to both primary energy sources and secondary energy sources processed and converted from them.]</p>	<p>3. <b>Clean energy</b> means any resource generated resulting to zero or low emissions of greenhouse gases and pollutants during its production and consumption process. It refers to both primary energy sources and secondary energy sources processed and converted from them.</p> <p>4. <b>Green financing</b> means increase in the level of financial flows from the public, private and not-for-profit sectors to sustainable development priorities.</p> <p>*<a href="https://www.unep.org/regions/asia-and-pacific/regional-initiatives/supporting-resource-efficiency/green-financing">https://www.unep.org/regions/asia-and-pacific/regional-initiatives/supporting-resource-efficiency/green-financing</a></p> <p>5. <b>Green Finance and Investment</b> means public and private financial flows that address climate</p>	

Commented [M1]: 202401 CN: will response after receiving the complete proposal from ASEAN

Article	Text	Action Requested	DENR Comments/Inputs
		<p>change mitigation and adaptation as well as other environmental issues and support green growth.</p> <p>*OECD Green Finance and Investment Mobilising resources for sustainable development and climate action in developing countries Innovations for the 2030 Agenda</p> <p>6. Green Product and Services (Article 6) - China to provide a definition for ASEAN's consideration.</p> <p>7. Green consumption (Article 6) - China to provide a definition for ASEAN's consideration.</p> <p>8. Ecological environment (Article 5) - China to provide a definition for ASEAN's consideration.</p>	

Article	Text	Action Requested	DENR Comments/Inputs
		<p>9. Ecological agriculture (Article 5) - <i>China to provide a definition for ASEAN's consideration.</i></p> <p>10. Energy Conservation (Article 5) (China) - <i>China to provide a definition for ASEAN's consideration.</i></p>	
<b>Article 3. Basic Principles</b>	<p>1. <u>The Parties reaffirm commitment to uphold [202401 CN: obligations—principles set by the Stockholm Declaration] on the Human Environment of 1972, the Rio Declaration on Environment and Development of 1992, Agenda 21 on Environment and Development of 1992, the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Rio+20 Outcome Document "The Future We Want" of 2012, Transforming our world: the 2030 Agenda for Sustainable Development of 2015, [202401 CN: as well as obligations under] the United Nations Framework Convention on Climate Change (UNFCCC) and [202401 CN: the its] Paris Agreement, and other related Multilateral</u></p>	<p>DENR to provide comment if the Philippines could adopt the <b>ASEAN alt.</b> paragraph proposal.</p>	

Article	Text	Action Requested	DENR Comments/Inputs
	<p><u>Environmental Agreements that China and ASEAN are [202401 CN: Party Parties] to.</u></p> <p><u>290124 ASEAN alt. para. The Parties reaffirm commitment to uphold the Transforming our world: the 2030 Agenda for Sustainable Development of 2015. [202401 CN: as well as obligations under] the United Nations Framework Convention on Climate Change (UNFCCC) and [CN: its]/[ASEAN:the] Paris Agreement, and other related Multilateral Environmental Agreements that China and ASEAN are Parties to.</u></p> <p><b>230424 CN's counter proposal:</b> <u>The Parties reaffirm their commitment to promoting the development of international trade in such a way as to contribute to the objective of sustainable development and will strive to ensure that this objective is integrated and reflected at every level of their trade relationship.</u></p>		
	<p><b>2.</b> <u>[202401 CN: 1 bis. The Parties recall the statements and visions put forward by ASEAN and China to promote sustainable development in the region, including [SG to remove:ASEAN Community Vision 2025, the] [ID to remove: ASEAN Outlook on the Indo-Pacific (AOIP),] [ID: ASEAN-China Joint Statement on Mutually Beneficial Cooperation on the ASEAN Outlook on the Indo-Pacific] [CN to insert/ASEAN to remove:Belt and Road Initiative (BRI) and Global Development Initiative (GDI)]/[ASEAN: and ASEAN-China Joint</u></p>	<p>DENR to provide comments/inputs on <b>CN's counter proposal</b>. The DTI views that adopting China's counterproposal could be a leverage for China to adopt para 1 proposal of ASEAN Member States</p>	



Article	Text	Action Requested	DENR Comments/Inputs
	<p>Statement on Strengthening Common and Sustainable Development.] Cleaner version: ASEAN: The Parties recall the statements and visions put forward by ASEAN and China to promote sustainable development in the region, including ASEAN-China Joint Statement on Mutually Beneficial Cooperation on the ASEAN Outlook on the Indo-Pacific and ASEAN-China Joint Statement on Strengthening Common and Sustainable Development.</p> <p><b>230424 CN's counter proposal: 1 bis.</b> The Parties recall the statements and visions put forward by ASEAN and China to promote sustainable development in the region.</p>		
	<p><u>SG's proposed insertion</u></p> <p>X. The Parties recognise the importance of data and evidence-based analysis and encourage [ASEAN: the use of ]these [ASEAN to remove:means] [ASEAN: information] to [ASEAN to remove:inform and review the progress]. ASEAN: monitor the implementation] of our cooperation.</p> <p>X. The Parties would encourage knowledge, information, and expertise sharing to foster mutual</p>		

Article	Text	Action Requested	DENR Comments/Inputs
	<p>understanding and recognition of our respective mandates in addressing the challenges of <u>climate change, pollution and biodiversity loss.</u></p> <p>X. <u>[ID, LA, MM, to remove entire paragraph: The Parties would explore facilitating the compatibility of [MY, BN: standards, technical regulations] [MY to remove: technical standards, regulations.] and conformity assessment procedures to improve the interoperability of systems that underpin green economy collaboration, thereby reducing potential barriers to trade and investment.]</u></p> <p>X. <u>To ensure a smooth transition to net-zero emissions economies, the Parties would [ID, BN, LA, MM, TH, PH, KH to remove/ SG, MY, PH, VN to retain: explore innovative measures] [ID, BN, LA, MM, TH, PH: work jointly] [ID, BN, LA, MM, TH, PH to remove: together] to facilitate new green growth and workforce opportunities [TH: such as exploring innovative measures].</u></p> <p><u>ASEAN: Taking into account respective pathways and national circumstances to net zero emissions, the Parties would work jointly to facilitate new green growth and workforce opportunities such as exploring innovative initiatives.</u></p>		
<b>Article 5: Environmental Goods and Services</b>	<p>1 The Parties recognise that trade and investment are central to a green economy and that environmental</p>	<p>DENR and DOE to provide inputs on suggested linking language (WTO language)</p>	

Article	Text	Action Requested to be crafted by the DTI (to follow)	DENR Comments/Inputs
	<p>goods and services are important in supporting the transition to sustainable economic growth and development of green industries, sectors, and markets. Accordingly, the Parties will endeavour, to the maximum possible extent, to remove barriers to trade for environmental goods and services. The Parties will also collaborate to develop a comprehensive list of environmental goods and services, to be updated by ASEAN and China.</p>		
<b>Article X. Green Trade</b>	<p>2 To enable and improve the Parties' access to environmental goods and services, and to expand trade and investment opportunities for businesses and industry in the green economy, the Parties will explore potential collaboration in the following areas, including trade facilitation, standards, technical regulations, and conformity assessment procedures for environmentally-friendly products; and promoting the use of more efficient, cleaner, or renewable energy sources for the production of manufactured goods.</p> <p>4. [202401 CN: 4 alt. The Parties commit to]VN, MY: facilitate to][ASEAN Chair, SG: strive to][ASEAN Chair, VN to remove., through implementing obligations and schedules of][ASEAN Chair to remove: commitment in chapters on Trade in Goods, Trade in Services. SPS and STRACAP, etc., of this Agreement.] [CN, MY are flexible to remove: strive to] improve access to environmental goods and services. address tariff and non-tariff measures, and [SG to</p>	DENR to provide additional comments, if any	

Article	Text	Action Requested	DENR Comments/Inputs
	remove:establish][[SG:maintain] a sound policy environment for the development of green trade.]		
	<b>Section III. Trade and Environment</b>		
<b>Article 13. Right to Regulate and Levels of Protection</b>	<p>1. The Parties reaffirm the sovereign right of each Party to establish its own levels of environmental protection and its own environmental priorities, and to adopt or modify its relevant laws, policies and practices accordingly.</p> <p>2. The Parties shall strive to ensure that its laws, policies and practices provide for and encourage high levels of environmental protection consistent with standards, principles and agreements referred to in paragraph 2 of Article 15 [Multilateral Environmental Agreements and International Environmental Governance] and paragraph 1 of Article 1 [Context] and to further improve their respective levels of protection provided for in those laws, policies and practices</p> <p>3. When preparing and implementing measures related to the environment that affect trade or investment between them, the Parties shall take account of available scientific, technical and other information, and relevant international guidelines and recommendations.</p>	DENR to provide comments on the proposal of China to withdraw Section III	
<b>Article 14. Upholding Levels of Protection in the Application and</b>	1. No Party shall fail to effectively enforce its environmental laws and regulations through a sustained or recurring course of action or inaction in a	DENR to provide comments on the proposal	

Article	Text	Action Requested	DENR Comments/Inputs
Enforcement of Laws and Regulations	<p>manner affecting trade or investment between the Parties.</p> <p>2. No Party shall weaken or reduce the level of environmental protection provided by its laws and regulations, in order to encourage trade or investment.</p> <p>3. No Party shall waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws, regulations and policies in order to encourage trade or investment between the Parties.</p> <p>4. Nothing in this Chapter shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of the other Party.</p>	<p>of China to withdraw Section III</p>	
Article 15. Multilateral Environmental Agreements and International Environmental Governance	<p>1. The Parties recognize that multilateral environmental agreements (MEAs) play an important role, globally and domestically, in protecting the environment and stress the need to enhance the mutual supportiveness between trade and environmental policies. The Parties further recognize that this Chapter can contribute to realizing the goals of such agreements.</p> <p>2. The Parties reaffirm their commitment to the effective implementation in their laws and practices of the multilateral environmental agreements to which they are a party as well as their adherence to environmental principles reflected in the international instruments referred to in Article 1 [Context].</p>	<p>DENR to provide comments on the proposal of China to withdraw Section III</p>	

Article	Text	Action Requested	DENR Comments/Inputs
	<p>3. The Parties strive to consult and cooperate as appropriate with respect to MEAs to which both Parties are party, on trade-related environmental issues of mutual interest.]</p>		
<p><b>Article 18. Trade and Biological Diversity</b></p>	<p>1. The Parties recognize the importance of the conservation and sustainable use of biological diversity, and the role of trade in pursuing these objectives, consistent with the Convention on Biological Diversity (CBD) and its protocols, CITES, other relevant international instruments to which they are a party, and the decisions adopted thereunder.</p> <p>2. To this end, the Parties shall strive to:</p> <p>(a) scientifically and reasonably include animal and plant species in the Appendices to CITES in accordance with Article 2 of CITES, taking into account the actual situation of species resources and rational utilization, and recognize the role of conservation and sustainable use in relation to trade with species included in the Appendices;</p> <p>(b) combat environmental crime throughout the entire value chain;</p>	<p>DENR to provide comments on the <b>proposal of China to withdraw</b> Section III</p>	

Article	Text	Action Requested	DENR Comments/Inputs
	<p>(c) prevent or control the introduction and spread of invasive alien species, in connection with trade activities; and</p> <p>(d) strengthen the cooperation on the implementation of the CITES, including in relation to animal and plant species listed in the CITES Appendices.</p>		
	<p>3. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to, creation of ecological corridors on farmland, building of high-quality farmland shelterbelts, restoration of farmland ecosystem for increased biodiversity, and habitat rehabilitation, ex-situ conservation and stock enhancement for the growth of aquatic organisms and effective biodiversity protection.</p>		

**Note:**

- China text proposals are in blue.
- ASEAN text proposals text in purple.
- Clean text agreed by both Parties are in black.

## **Chapter xx: Green Economy**

**[CN: Section I. General Principles and Objectives]**

**Plenary WGGE 4:**

China suggested to divide the Chapter into 4 Section. For ASEAN's consideration.

**270124 Post WGGE 4-Intersessional:**

ASEAN: Agreed to discuss the structure of the Chapter at a later stage when more articles have been discussed.

**WGGE 7:**

CN and ASEAN agreed to conclude that article Context is clean.

**[CN: Article 2] [ASEAN: Article 1:] Objectives**

1. Promote a green and climate resilient economy, cultivate new growth engines such as clean and renewable energy and green industry, innovation, best available techniques, and focus on promoting high-quality development that will contribute towards low carbon, resource efficiency and climate resilient development and sustainable development.

**WGGE 5: Clean.**

2. Intensify cooperation on areas of mutual interests on green economy such as green trade, green investment and green finance to support regional low carbon, climate resilient development and sustainable development, to achieve common prosperity.

**WGGE 5: Clean**

3. Promote dialogue and sharing of knowledge, best practices, expertise and information on climate action and environmental protection, increase policy communication and experience sharing, as well as explore common plans and strategies for sustainable development while considering national circumstances of each Party.

**WGGE 5: Clean.**



4. Jointly promote a regional energy transition and enhance technology sharing in energy efficiencies, clean and renewable energies.

**WGGE 5:** Clean.

**[ASEAN: Article 2: Definition and Terminology]**

**Plenary WGGE 4;**

ASEAN to provide further inputs on this. To be placed as Placeholder.

**202401 CN:** will response after receiving the complete proposal from ASEAN.

**Post WGGE 4-Intersessional:**

ASEAN would like to suggest revisiting this article at a later stage.

[ASEAN: For the purposes of this Chapter, unless otherwise provided in this Chapter:

Example: (need to be refined intersessionally)

[CN can accept] (a) New energy means energy that is systematically developed and utilized on the basis of new technologies. Its scope will change with technological progress.

(b) Clean energy means energy with zero or low emissions of greenhouse gases and pollutants during its [ASEAN: production and] consumption process. It refers to both primary energy sources and secondary energy sources processed and converted from them.]

**Article 3. Basic Principles**

~~[ASEAN to delete]:[CN: – Staying committed to development as a priority. The Parties commit to prioritize development, strengthen policy coordination, and ensure policy continuity, consistency and sustainability. The Parties strive to foster global development partnerships that are more equal and balanced, forge greater synergy among multilateral development cooperation processes, and speed up the implementation of the UN 2030 Agenda for Sustainable Development.~~

~~– Staying committed to benefits for all. The Parties should care about the special needs of countries at different stages of development. The Parties may employ various means to support developing countries in developing green and low-carbon energy, with emphasis on addressing unbalanced development of green economy among countries.~~

~~-**Staying committed to innovation-driven development.** The Parties commit to seize the opportunities created by the latest round of green technological revolution and green industrial transformation, and foster an open, fair, equitable and non-discriminatory environment for the development of green economy.~~

~~-**Staying committed to harmony between man and nature.** The Parties commit to improve regional environmental governance, actively respond to climate change, protect biological diversity and create a community of life for man and nature. The Parties commit to accelerate transition to a green and low carbon economy and strive to peak carbon dioxide emissions and achieve carbon neutrality.~~

~~-**Staying committed to results-oriented actions.** The Parties commit to increase input in development, advance cooperation on climate change and green development, among other areas, and accelerate implementation of the UN 2030 Agenda for Sustainable Development, so as to build a global community of development with a shared future.]~~

**Plenary WGGE 4:**

ASEAN proposed to delete the whole insertion from China and suggested new paragraphs below. For China's consideration.

China proposed to retain the whole insertion, with consideration of some amendments on the proposed paragraph. For ASEAN's consideration to incorporate China's proposed paragraph to Article 4/3 on Basic/General Principles.

**[ASEAN:**

1. The Parties reaffirm commitment to uphold [202401 CN: obligations principles set by the Stockholm Declaration] on the Human Environment of 1972, the Rio Declaration on Environment and Development of 1992, Agenda 21 on Environment and Development of 1992, the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Rio+20 Outcome Document "The Future We Want" of 2012, Transforming our world: the 2030 Agenda for Sustainable Development of 2015, [202401 CN: as well as obligations under] the United Nations Framework Convention on Climate Change (UNFCCC) and [202401 CN: the its] Paris Agreement, and other related Multilateral Environmental Agreements that China and ASEAN are [202401 CN: Party Parties] to.

290124 ASEAN alt. para: The Parties reaffirm commitment to uphold the Transforming our world: the 2030 Agenda for Sustainable Development of 2015, [202401 CN: as well as obligations under] the United Nations Framework Convention on Climate Change (UNFCCC) and [CN: its]/[ASEAN:the] Paris Agreement, and

other related Multilateral Environmental Agreements that China and ASEAN are Parties to.

**190424 CN's counter proposal:** The Parties reaffirm their commitment to promoting the development of international trade in such a way as to contribute to the objective of sustainable development and will strive to ensure that this objective is integrated and reflected at every level of their trade relationship.

**WGGE 5:**

ASEAN proposed to replace para 1 with an alternative paragraph to simplify the reference to key documents where ASEAN and China are parties to. China proposed some edits to the original para.

**WGGE 6:**

China will consult internally and revert with alternate paragraph.

**WGGE 7:**

**190424** China prefers to keep all the international documents, or not to mention any international document at all in order to avoid misunderstanding. In this context, China would like to make a counter proposal based on her internal consultation.

2. [202401 CN: 1 bis. The Parties recall the statements and visions put forward by ASEAN and China to promote sustainable development in the region, including[ASEAN to remove: ASEAN Community Vision 2025,] [ASEAN to remove:the ASEAN Outlook on the Indo-Pacific (AOIP),][ASEAN: ASEAN-China Joint Statement on Mutually Beneficial Cooperation on the ASEAN Outlook on the Indo-Pacific] [CN to insert/ASEAN to remove:Belt and Road Initiative (BRI) and Global Development Initiative (GDI),][ASEAN: and ASEAN-China Joint Statement on Strengthening Common and Sustainable Development.]

**190424 CN's counter proposal:** 1 bis. The Parties recall the statements and visions put forward by ASEAN and China to promote sustainable development in the region.

**WGGE 6:**

Maintain ASEAN's position to remove the reference to BRI and GDI, retain ASEAN-China joint statements on i) ASEAN-China Joint Statement on Mutually Beneficial Cooperation on the ASEAN Outlook on the Indo-Pacific and ii) ASEAN-China Joint Statement on Strengthening Common and Sustainable Development.

China clarified that BRI and GDI are relevant with Green Economy initiatives, and contains encouragement to establish economic cooperation. China also argued that proposal to remove BRI and GDI but retaining ASEAN Community Vision 2025 is not a fair negotiation.

**190424** China prefers either to keep all the initiatives, or not to mention any

initiative at all. In this spirit, China would like to make a counter proposal to streamline the text and accelerate the process.

**WGGE 7:**

ASEAN proposed to remove ASEAN Community Vision 2025 to set common ground for both Parties.

3. The Parties recognize the importance of upholding development as a priority, benefits for all, innovation-driven development, living in harmony with nature, as well as results-oriented actions.

**WGGE 5:** Clean.

4. The Parties recognize the sovereign rights of each Party to develop, set, administer enforce and modify laws and policies relevant to trade and environment, and climate change accordingly.

**WGGE 5:** Clean.

5. The Parties recognize that it is inappropriate to use environmental standards as a disguised means of trade protectionism. The Parties also recognize that weakening or reducing levels of protection in the environmental standards to encourage trade or investment is inappropriate.

**WGGE 5:** Clean.

6. The Parties recognize the importance of taking action on climate change and environmental protection in a manner that promotes and not restrict trade and investment, and achieve mutually beneficial outcomes, particularly through cooperation in supply chains, standards and conformity assessment procedures, sustainable agriculture, clean energy, green finance, green technology and the circular economy, etc.

**WGGE 5:** Clean.

7. The Parties recognize the importance of cooperation in sustainable infrastructure to support individual and collective efforts to address climate change and promote environmental sustainability and green growth.

**WGGE 5:** Clean.

8. [ASEAN:The Parties recognise the importance of data and evidence-based analysis and encourage the use of these information to monitor the implementation of our cooperation.]

**WGGE 7:**

ASEAN proposed additional paragraph as above.

9. [ASEAN: The Parties would encourage knowledge, information, and expertise sharing to foster mutual understanding and recognition of our respective mandates in addressing the challenges of climate change, pollution and biodiversity loss.]

**WGGE 7:**

ASEAN proposed additional paragraph as above.

10. [ASEAN: Taking into account respective pathways and national circumstances to net zero emissions, the Parties would work jointly to facilitate new green growth and workforce opportunities such as exploring innovative initiatives.]

**WGGE 7:**

ASEAN proposed additional paragraph as above.

**[ASEAN: Article 5: Environmental Goods and Services]**

1. [Placeholder for collaboration in identifying goods and services relevant to green technology to demonstrate the seriousness and resolve of both sides to mainstream sustainable development and work towards a green economy under the ACFTA. Possible collaboration could be in the areas of study on trade facilitation; harmonization of standards for environmentally-friendly products; promoting the use of more efficient, cleaner or renewable energy sources for the production of manufactured goods; etc.]

**Post WGGE 4:**

To ASEC: Singapore's proposed edits within, please.

**270124 Post WGGE 4-Intersessional:**

ASEAN is still conducting domestic consultation on this article.

**190424** China requests for the early circulation of the text proposal by ASEAN.

2. [202401 CN: 4 alt. The Parties commit to, through implementing obligations and schedules of commitment in chapters on Trade in Goods, Trade in Services, SPS and STRACAP, etc., of this Agreement, [CN is flexible to remove: strive to] improve access to environmental goods and services, address tariff and non-tariff measures, and establish a sound policy environment for the development of green trade.]

**WGGE 7:**

Agreed to move Paragraph 4 of Green Trade up to the Article on Environmental Goods and Services.

**Article 6: Cooperation and Capacity Building**

1. The Parties are committed to strengthening cooperation in education, joint research, and development projects in priority areas, as well as to fostering demand for green products and services to stimulate innovation, competitiveness, and long-term sustainable development.

**Plenary WGGE 4: Clean**

2. The Parties are committed to working together to build capacity and share knowledge, best practices, expertise, information exchange, technical assistance, and other forms of cooperation to promote a better understanding of the challenges of transitioning to economies, to assist in implementing the agreement and enhancing its benefits, with the intention of accelerating economic growth towards a green economy.

**Plenary WGGE 4: Clean**

**[CN: Section II. Priority Areas of Cooperation] [ASEAN: Article 7: Co-operation]**

**Plenary WG GE 4:**

China preferred to retain the structure by putting Section II and to retain the structure of Article instead of alphabetical numbering. For ASEAN's consideration.

**[CN: Recognizing the importance of green economy in achieving the Sustainable Development Goals, the Parties may strive to strengthen collaboration, including through the sharing of knowledge, best practices and technology, on the following priority areas in order to promote the just transition of energy, upgrading of industrial structures, green and sustainable recovery as well as high-quality development.]**

**Plenary WG GE 4:**

ASEAN to provide inputs and confirmation on the Chapeau para of Section II. Priority Areas of Cooperation.

**270124 Post WGGE 4-Intersessional:**

ASEAN: Propose to discuss the structure of the Chapter at a later stage when more articles have been discussed.

**[CN: Article 4. Area 1: Green Trade] [ASEAN: (a) Green Trade]**

1. The Parties recognize that international trade is an engine for inclusive economic growth and poverty reduction and contributes to the promotion of sustainable development. The Parties further recognize that green trade is central to green economy, which can promote and strengthen the development of green industries, sectors and markets through the delivery of environmental goods and services, and support the transition to sustainable economic growth.

**WGGE 5:** Clean.

2. The Parties recognize the importance to promote the development of international trade in such a way as to contribute to the objective of sustainable development and to ensure that this objective is integrated and reflected in the Parties' trade relationship.

**WGGE 5:** Clean.

3. The Parties agree that the provisions of this Chapter shall not be applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or as a disguised restriction on trade between the Parties.

**WGGE 5:** Clean.

~~[ASEAN to delete: APEC members among the Parties reaffirm their commitment to the List of Environmental Goods and Reference List of Environmental and Environmentally Related Services endorsed by APEC. The Parties commit to, through implementing obligations and schedules of commitment in chapters on Trade in Goods, Trade in Services, SPS and STRACAP, etc., of this Agreement, strive to improve access to environmental goods and services, address tariff and non-tariff measures, and establish a sound policy environment for the development of green trade.]~~

[202401 CN: 4 alt. The Parties commit to, through implementing obligations and schedules of commitment in chapters on Trade in Goods, Trade in Services, SPS and STRACAP, etc., of this Agreement, ~~[CN is flexible to remove: strive to]~~ improve access to environmental goods and services, address tariff and non-tariff measures, and establish a sound policy environment for the development of green trade.]

**Plenary WGGE 4:**

ASEAN to seek China's consideration as not all AMS are APEC member.

**WGGE 5:**

China has proposed an alternate para as above, for ASEAN's consideration.

**WGGE 7:**

Agreed to move Paragraph 4 of Green Trade up to the Environmental Goods and Services.

4. The Parties are encouraged to utilise various promotional activities such as exhibitions, forums, fairs, etc. to collaborate and to build platforms for the development of green trade, and promote trade of green products and services.

**WGGE 5:** Clean.

**[CN: Article 5. Area 2: Green Investment] [ASEAN: (b) Green Investment]**

1. The Parties recognize that investment is a major driver of productivity, inclusive economic growth and job creation, and green investment can play an important role in promoting green economy towards sustainable development.

**WGGE 5:** Clean.

2. The Parties agree to strengthen green investment cooperation and promotion in green industry and green services, such as clean energy and environmental protection, ecological environment, ecological agriculture, green tourism, and low carbon technologies to improve the sustainable development of investment cooperation projects and contribute to the Parties efforts to transition to green economies, circular economy and green skills development.

**WGGE 7:** Clean.

3. The Parties may enhance mutual understanding of green investment strategies and policies through holding meetings, seminars and forums, among others.

**WGGE 5:** Clean.

4. The Parties may promote green investment cooperation in cooperation projects between China and ASEAN member states.

**WGGE 6:** Clean.

5. The Parties may encourage relevant stakeholders, such as government agencies, local government, industry associations, chambers of commerce, financial institutions and enterprises, to strengthen contact, explore new cooperation opportunities in green investment, and ensure that their cooperation continues to be improved and more forward-looking.

**WGGE 5:** Clean.



**[CN: Article 6. Area 3: Sustainable Consumption and Production] [ASEAN: (C) Sustainable Consumption and Production]**

**WGGE 7:**

ASEAN and China agreed to combine the article on Sustainable Consumption and Production with Circular Economy.

**[CN: 1.** The Parties recognize sustainable consumption and production as one of the SDGs in the 2030 Agenda for Sustainable Development. The Parties should encourage green consumption and promote green and low-carbon ways of production and life.

**300124 ASEAN Caucus for WGGE 5:**

ASEAN wish to seek clarification from China on:

1. how the second part of paragraph 1, particularly on green consumption, connects with the article which relates to sustainable consumption and production.
2. the meaning of 'green and low-carbon ways of production and life'.

China clarified that:

1. The second part of the paragraph seeks to encourage people to be mindful with their buying behavior, particularly one that might increase pollution.
2. with regard to the reference on green and low-carbon ways of production and life, they encourage households to adopt green practice in daily life, for e.g. reduce and reuse of packaging from e-commerce and also plastics.

**WGGE 6:**

Based on CN's clarification, the article seems to focus on consumer behaviour that implies individual and household rather than enterprises or government. Therefore, ASEAN propose to remove the article on Sustainable Consumption and Production, but include relevant elements from this article into the Circular Economy article. China look forward to ASEAN's proposed text on Sustainable Consumption and Production elements in the Circular Economy article.

2. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to,

(1) promotion of [ASEAN to remove:simple and moderate,] green and low-carbon ways of life, construction of green shopping malls, development of green transportation, promotion of green product sales, and expansion of green product consumption.

**300124 ASEAN Caucus for WGGE 5:**

ASEAN wish to seek clarification on what does 'green and low-carbon ways of life' mean, and what each of 'experience sharing, communication and cooperation' would mean in the context of sub-paragraph 2(1).

**WGGE 5:**

ASEAN will consult internally based on the explanation from China.

(2) promotion of sustainable agricultural production, such as farmland protection and stewardship, improvement of water use efficiency in agriculture, agricultural bioresource protection, [For China's clarification: agricultural nonpoint source pollution abatement and control], conservation and rehabilitation of agricultural ecosystems, development of green and low-carbon agricultural value chains, improvement of green technology innovation systems, and [For China's clarification: transformation towards green lifestyle in rural areas].

**300124 ASEAN Caucus for WGGE 5:**

ASEAN: Seek clarification from China on how this paragraph would be implemented.

**Article 7. Area 4: Circular Economy**

[ASEAN: 1. The Parties recognize that SDG 12 in the UN 2030 Agenda for Sustainable Development can contribute to circular economy. The Parties will encourage and promote green consumption and production, and low-carbon ways of life.]

**WGGE 7:**

ASEAN Proposed the above paragraph incorporating elements in the article on Sustainable Consumption and Production.

[CN: 2. The Parties recognize the important role of circular economy /green circulation in promoting sustainable development. The Parties should encourage conservation and efficient use of resources of all types, and endeavor to put in place a system for recycling waste and used materials.

[ASEAN alt.:

The Parties encourage circular economy approaches to maintain products, materials and resources in the economy for as long as possible, and to return the waste from production and consumption into the value chain, to minimize waste generation and environmental impacts; and contribute to more sustainable production and consumption.]

**300124 ASEAN Caucus for WGGE 5:**

Seek clarification from China on what does 'Green circulation' mean as ASEAN is more familiar with the concept of circular economy.

China: According to related guidance issued by MOFCOM, Green circulation refers to a new kind of development mode which promotes green and low-carbon concepts throughout the entire circulation process. It may include the application of green energy-saving technologies, the promotion of energy conservation and emission reduction in circulation enterprises, the expanded procurement and sales of green and

low-carbon goods, and the circulation of "new commodity—second-hand commodity—waste commodity".

**WGGE 7:**

ASEAN Proposed an alternate para as above.

The language mainly refers to Circular Economy Framework for ASEAN Economic Community with some additional wordings to emphasize that circular economy is beneficial for businesses.

3. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to,

(1) plastic pollution control, [ASEAN to remove: green distribution, green warehousing, and green transformation of express packaging] [ASEAN: extended producer responsibility, facilitating circulation of materials for recycling, eco products, eco-design, eco-label, other policy instruments, waste-to-energy, green industry implementation, and green distribution].

**WGGE 7:**

ASEAN proposed some amendments as above.

The cooperation areas mentioned in this para are available in many of AMS. For example, the waste-to-energy is to minimize the waste and convert the waste to energy system. Green industry development is a follow up to an The China-ASEAN Forum on Emerging Industries and the language is mainly taken from ASEAN-CHINA Joint Statement on Strengthening Common and Sustainable Development. The inclusion of Eco-product and eco-label are also to cover initiatives that aim to make available products that are sustainable and information on the product's sustainability.

(2) [ASEAN to remove: Green and low-carbon transport of agricultural products, rebuilding and upgrade of agricultural wholesale markets, green business models of agricultural e-commerce.]]

**ASEAN alt. sub-para:** The best practices in applying circular economy models in areas such as agriculture, energy, transportation, green building and infrastructure manufacturing, waste and plastic management, and others.]

**WGGE 7:**

ASEAN's position is to remove sub-paragraph 2 (2). ASEAN also proposed an alternate sub-para 2(2) as above.

**[CN: Article 8. Area 5: Green Finance] [ASEAN: (e) Green Finance]**

**[CN: 1.** The Parties recognize that the establishment and improvement of a green financial system can help bring into play the role of capital market in optimizing resource

allocation and serving the real economy, and supporting and promoting sustainable economic development.

**WGGE 6:**

China clarified that there is no specific definition for green financial product in China. However, a document containing list of green financial products in various category i.e. under green bonds, green trusts, etc. in China is available.

ASEAN will propose some amendments to the text by next round.

2. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to, green credit, green bonds, green insurance, green funds, green trusts, and other multi-level green financial products and market systems, green finance policies and standard systems, transition finance standards, and the construction of local pilot zones for green finance reform and innovation, etc.

**WGGE 5:**

ASEAN is considering adding new elements to be under para 2. ASEAN will propose some amendments to the text by next round.

**WGGE 6:**

China seeks clarification if the Islamic financial instruments is focusing only on some specific countries/ group or is in broad range of cooperation.

ASEAN clarify that the Islamic financial instruments are not only for Muslims. The intention is to inform businesses on the availability of Islamic financial instruments and to share or exchange information regarding this type of financial instrument should any Party is interested.

3. The Parties should promote the convergence of international standards for green finance, two-way opening up of green financial markets in an orderly manner and capacity-building in green finance, leverage green investment in private sector through regional cooperation mechanisms such as China-ASEAN cooperation, and promote regional cooperation in green finance.

**WGGE 6:**

ASEAN is considering combining paragraph 3 and 5. ASEAN will provide combined text by next round.

4. The Parties should [endeavor]/[encourage] credit rating agencies to specifically evaluate the environmental-friendliness of fund-raising and investment projects, the impact of environmental costs on the credit rating of bond issuers and their bonds, and separately disclose such information in credit rating reports.]

**WGGE 6:**

ASEAN proposed to remove this para.

5. [ASEAN: The Parties acknowledge the vital role of the ASEAN Taxonomy for Sustainable Finance and [202401 CN: China's taxonomies for respective Parties sustainable finance taxonomy] in promoting and supporting transition to low-carbon and climate resilient development, i.e., climate change mitigation and adaptation, [202401 CN: as well as the importance of advancing comparability and interoperability of taxonomies in supporting more efficient, lower-cost cross-border green capital flows. The Parties and] will pursue cooperation among [202401 CN: multilateral] development banks, including the Asian Infrastructure Investment Bank (AIIB), and the financial sector towards this end.]

**WGGE 5:**

China will share reference with regards to China's taxonomy intersessionally. China is open to combine paragraph 3 and 5.

**WGGE 6:**

ASEAN is considering combining paragraph 3 and 5.

China has the statistics document for green loan, green financing. Additionally, China also have document on green financial products and Taxonomies. Some docs are in English, but uncertain if it is publicly available. China will consult internally on the documents and will revert on the documents. China also seeks some information on ASEAN taxonomies.

Noting the different Taxonomy ASEAN and China own, China perceives it is important to establish cooperation on Taxonomy, such as through information sharing.

ASEAN Taxonomy can be found in the following link: <https://asean.org/wp-content/uploads/2023/03/ASEAN-Taxonomy-Version-2.pdf>

**190424** China has shared her Green Bond Endorsed Projects Catalogue (2021 Edition) with ASEAN. China looks forward to receiving ASEAN's text proposal.

**[CN: Article 9. Area 6: Green Technology] [ASEAN:(f) Green Technology<sup>1</sup>]**

1. The parties recognize that green technology is an engine for environmental protection, mitigation and adaptation to climate change which can provide important support for the development of green economy.

**WGGE 7: Clean**

~~[To be moved to the Definition and Terminology article (ASEAN will revert on the definition). For the purpose of this Chapter, green technology refers to technology intended to be used to mitigate or reverse the effects of human activities on the environment. ([https://www.ig-global.com/dictionary/green-technology/])]~~

2. The parties will jointly build a closer partnership on science, technology and innovation, such as low-carbon technologies, sustainable and green infrastructure, environmental industry, green industry through ASEAN-China Plan of Action on a Closer Partnership of Science, Technology and Innovation for Future (2021-2025) and the subsequent Plans of Action, and the launching of the ASEAN-China Science, Technology and Innovation Enhancing Programme, to further enhance exchanges on innovative development of science and technology of both sides and foster new impetus for cooperation.

**WGGE 7:** Clean.

4. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to, innovation and integration of green technology, research and development of green technology equipment, development of green technology research institutions, commercialization of green technology research findings, trial and pilot extension of green technology, support relevant stakeholders, including MSMEs in adopting green technology, and capacity building for green development.

**WGGE 7:** Clean.

**[CN: Article 10. Area 7: Green Standard] [ASEAN: (g) Green Standard]**

**[CN:** 1. The parties recognize that [ASEAN: cooperation on] standards, technical regulations and conformity assessment procedures [ASEAN: can] increase compatibility and interoperability of systems and processes and reduce barriers to trade which support a well-functioning green economy. The parties also recognize that information exchange and transparency with regard to the preparation, adoption [ASEAN to remove:and] [ASEAN:,application and maintaining the] [ASEAN to remove:of] standards, technical regulations and conformity assessment procedures on green economy are important for international cooperation.

**WGGE 7:**

ASEAN proposed some amendments as above.

2. [The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to,

(1) encouraging, where appropriate, the adoption and development of international standards relating to green economy; exploring the development of standards in areas that are of mutual interest to the Parties, including but not limited to international standards.]

**WGGE 7:**

Internal consultation in ASEAN is still underway.

(2) promoting dialogue and cooperation on standards, technical regulations, and conformity assessment procedures related to green economy, [ASEAN to remove: in particular policy alignment on standards, technical regulations, and conformity assessment procedures for new energy products such as new energy batteries, new energy vehicles and related components and parts, encouraging policy coherence and mutual recognition], in order to reduce trade barriers, and promote the development of green trade and investment.

**WGGE 5:**

CN: The intention of this paragraph is to be able to exchange knowledge and experience on the green standards between China and ASEAN.

CN: On the inclusion of 'new energy products', to have dialogue on new energy products with ASEAN.

**WGGE 7:**

ASEAN proposed some amendments as above.

3. The Parties may strengthen exchanges on mutual recognition of conformity assessment results related to green economy, in order to reduce duplicate evaluations, and promote trade facilitation.

**WGGE 5:**

ASEAN would like to seek clarification on:

1. The meaning of conformity assessment results and its procedures
2. How this paragraph would relate to other Chapter mentioned (STRACAP).

CN: Paragraphs in Green Economy Chapter would complement the articles in STRACAP Chapter. This paragraph would also provide greater detail in cooperation complementing the articles in STRACAP.

**WGGE 6:**

ASEAN will provide proposal for amendment by next round.

4. The Parties may encourage coordination in setting up [ASEAN to remove:such][ASEAN: of] international standards [ASEAN: such] as the Codex Alimentarius standards and increase coherence among standards.]

**WGGE 7:** Clean.

**[CN: Article 11. Area 8: Sustainable Energy] [ASEAN: (h) Sustainable Energy]**

[CN: 1. The Parties recognize the importance of accelerating the construction of a new energy system, increasing the proportion of clean energy consumption, and promoting the green and low-carbon transition of the energy structure.]

**WGGE 6:** Clean

[CN: 2. The Parties may promote knowledge sharing in [ASEAN to remove:renewable energy technologies] [ASEAN: clean and low-carbon energy technologies] and advance energy transition in the region[ASEAN to remove:; including through establishing an ASEAN-China Clean Energy Cooperation Center, to contribute] to achieve low-carbon economic development as well as green and sustainable growth.

**WGGE 7:**

ASEAN's proposed amendments as above.

CN: seek ASEAN consideration to reconsider its proposal to remove the reference on ASEAN-China Clean Energy Cooperation Center. China will consult internally on the remaining ASEAN's proposed edits.

3. The Parties agree to strengthen cooperation in the sustainable energy industries in the fields [ASEAN: , such as][ASEAN to remove:including] wind power, hydropower, [ASEAN to remove:photovoltaic] [ASEAN: solar power], hydrogen [ASEAN to remove:fuel cells], [ASEAN: bio-energy,] smart energy solutions, energy storage systems, electric vehicles, etc. and promote trade and investment [ASEAN to remove:liberalization and facilitation of products and services related to sustainable energy between the Parties].

**WGGE 7:**

ASEAN's proposed amendments as above.

CN: Will consult internally and revert.

4. The Parties may strengthen experience sharing, communication and cooperation in the[ASEAN:renewable energy][ASEAN to remove: following aspects, including but not limited to, fostering the industries that convert livestock manure into energy sources, taking progressive steps to produce biomass fuel from straw and improve energy mix in rural areas, demonstrating alternative energy sources that help with emission reduction and carbon sequestration][ASEAN: and carbon capture, utilization and storage], and building more clean energy facilities[ASEAN: that help with emission reduction].]

**WGGE 7:**

ASEAN's proposed amendments as above.



CN: Will consult internally and revert.

**[CN: Article 12. Area 9: Coordinated Transformation for Digital and Green Development**

1. The Parties recognize the importance of [ASEAN: smart grids and]promoting energy efficiency improvement in emerging fields, deep integration of digital technology and green and low-carbon industries, and application of digital energy-saving and carbon reduction technologies.

**WGGE 7:**  
ASEAN's proposed amendments as above.  
CN: proposed to move the reference on smart grid to the paragraph in Sustainable Energy as it is more relevant.

2. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to,

(1) promoting green and low-carbon development of digital industries such as data centers and 5G, enabling [ASEAN to remove:the green] [ASEAN: digital] transformation [ASEAN to remove: of traditional industries through digital technology,] [ASEAN: on] research and development (R&D) and extension of common digital and green technologies, expansion of digital and green integration application scenarios, [ASEAN to remove:and formulation of collaborative standards for digital and green development].

**WGGE 7:**  
ASEAN's proposed amendments as above.

(2) applying digital, smart and green technology in agricultural production, assembling and integrating green technologies to meet the needs of different crops and regions, bolstering digital development in agriculture including efforts to advance R&D and extension related to digital application scenarios, accelerating the use of big data in agriculture, and promoting smart agriculture.

**WGGE 7:** sub-para 2(2) Clean.

**Article X Other areas of cooperation**

1. The Parties agree to strengthen cooperation in any other areas as mutually agreed by both sides.

**WGGE 7:** Clean.

**[CN: Section III. Trade and Environment]**

**WGGE 5:**

China is open to streamlining the text under Section III by identifying priority areas.

**190424** China requests for the opinion of ASEAN on this section, as WGGE has not discussed these 7 articles yet.

**WGGE 7:**

Upon internal consultation, ASEAN proposed to remove the entire Section.

**[CN: Article 13. Right to Regulate and Levels of Protection**

1. The Parties shall strive to ensure that its laws, policies and practices provide for and encourage high levels of environmental protection consistent with standards, principles and agreements referred to in paragraph 2 of Article 15 [Multilateral Environmental Agreements and International Environmental Governance] and paragraph 1 of Article 1 [Context] and to further improve their respective levels of protection provided for in those laws, policies and practices.

2. When preparing and implementing measures related to the environment that affect trade or investment between them, the Parties shall take account of available scientific, technical and other information, and relevant international guidelines and recommendations.]

**[CN: Article 14. Upholding Levels of Protection in the Application and Enforcement of Laws and Regulations**

1. No Party shall fail to effectively enforce its environmental laws and regulations through a sustained or recurring course of action or inaction in a manner affecting trade or investment between the Parties.

2. No Party shall waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws, regulations and policies in order to encourage trade or investment between the Parties.

3. Nothing in this Chapter shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of the other Party.]

**[CN: Article 15. Multilateral Environmental Agreements and International Environmental Governance**

1. The Parties recognize that multilateral environmental agreements (MEAs) play an important role, globally and domestically, in protecting the environment and stress the need to enhance the mutual supportiveness between trade and environmental policies. The Parties further recognize that this Chapter can contribute to realizing the goals of such agreements.

2. The Parties reaffirm their commitment to the effective implementation in their laws and practices of the multilateral environmental agreements to which they are a party as well as their adherence to environmental principles reflected in the international instruments referred to in Article 1 [Context].

3. The Parties strive to consult and cooperate as appropriate with respect to MEAs to which both Parties are party, on trade-related environmental issues of mutual interest.]

**[CN: Article 18. Trade and Biological Diversity**

1. The Parties recognize the importance of the conservation and sustainable use of biological diversity, and the role of trade in pursuing these objectives, consistent with the Convention on Biological Diversity (CBD) and its protocols, CITES, other relevant international instruments to which they are a party, and the decisions adopted thereunder.

2. To this end, the Parties shall strive to:

(a) scientifically and reasonably include animal and plant species in the Appendices to CITES in accordance with Article 2 of CITES, taking into account the actual situation of species resources and rational utilization, and recognize the role of conservation and sustainable use in relation to trade with species included in the Appendices;

(b) combat environmental crime throughout the entire value chain;

(c) prevent or control the introduction and spread of invasive alien species, in connection with trade activities; and

(d) strengthen the cooperation on the implementation of the CITES, including in relation to animal and plant species listed in the CITES Appendices.

3. The Parties may strengthen experience sharing, communication and cooperation in the following aspects, including but not limited to, creation of ecological corridors on farmland, building of high-quality farmland shelterbelts, restoration of farmland ecosystem for increased biodiversity, and habitat rehabilitation, ex-situ conservation and stock enhancement for the growth of aquatic organisms and effective biodiversity protection.]

**[CN: Section IV. Implementation Mechanism]**

**Article 20. Contact Points**

1. [CN: Each Party] [ASEAN: The Parties] shall designate contact point(s) to facilitate communication between the Parties for the implementation of this Chapter.
2. Each Party shall notify the other Party in writing of its designated contact point including information of their contact details no later than 60 days after the date of entry into force of this Agreement.
3. A Party shall notify the other Party of any change of its contact point or the details of the relevant officials.

WGGE 3: Clean

**Article 21. Non-Application of Dispute Settlement**

1. The Dispute Settlement Mechanism in this Agreement shall not apply to any matter arising under this Chapter.
2. Any dispute concerning the interpretation, implementation or application of this Chapter shall be settled amicably by the Parties.

WGGE 5: Clean.

**[CN: Article 22. Review**

This Chapter shall be subject to periodic review within the framework of the ACFTA-JC. The Parties shall discuss progress achieved in pursuing the objectives set out in this

Chapter and consider relevant international developments in order to identify areas where further action could promote these objectives.]

**Plenary WGGE 3:**

To revisit the article on Review with due consideration to the similar provision in the overall upgraded ACFTA.

**190424** China suggests to remove this article from this Chapter, as it can be considered in the overall upgraded ACFTA.

**[ASEAN to remove/CN to insert: Annex. Relevant Cooperation Implementation Mechanisms]**

**WGGE 7:**

ASEAN proposed to remove the Annex to allow for a wider range of implementation mechanisms and to avoid having confined list of mechanisms.

China seek ASEAN's consideration to keep this Annex considering the intention is to just list out some references without imposing any obligation to participate in the initiatives.

	<b>Specific Areas</b>	<b>Implementation Mechanisms</b>
1	Green Trade	China International Import Expo; China Import and Export Fair; China International Fair for Trade in Services; China-ASEAN Expo, etc.
2	Green Investment	International Conference on Trade in Agricultural Services
3	Sustainable Consumption and Production	China International Consumer Products Expo
4	Green Finance	Green Investment Principle (GIP) for the Belt and Road Initiative; Central Banks and Supervisors Network for Greening the Financial System (NGFS); ASEAN Plus Three Transition Finance General Principles.
5	Green Technology	ASEAN-China Joint Science, Technology and Innovation Committee; Forum on ASEAN-China Technology Transfer and Collaborative Innovation.
6	Trade and Sustainable Management of Fisheries	China-Philippines Joint Committee on Fisheries; China-Malaysia Technical Working Group on Fisheries;

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	and Aquaculture	China-Myanmar Working Group on Fisheries; China-Vietnam Joint Committee on Fisheries in Beibu Gulf.
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## PH Proposed Definitions in the ACFTA Chapter on Green Economy

As of 25 April 2024

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1. **Green economy** means practices that result in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.

\*United Nations Environment Programme, Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication (Nairobi, 2011)

~~2. **New energy** means new energy resource that is systematically developed and utilized on the basis of new technologies that encourages adoption of clean energy and enhances resilience against the impacts of climate change.~~

3. **Clean energy** means any resource generated resulting to zero or low emissions of greenhouse gases and pollutants during its production and consumption process. It refers to both primary energy sources and secondary energy sources processed and converted from them.

4. **Green financing** means increase in the level of financial flows from the public, private and not-for-profit sectors to sustainable development priorities.

\*<https://www.unep.org/regions/asia-and-pacific/regional-initiatives/supporting-resource-efficiency/green-financing>

5. **Green Finance and Investment** means public and private financial flows that address climate change mitigation and adaptation as well as other environmental issues and support green growth.

\*OECD Green Finance and Investment Mobilising resources for sustainable development and climate action in developing countries Innovations for the 2030 Agenda

6. Green Product and Services (Article 6) - *China to provide a definition for ASEAN's consideration.*

7. Green consumption (Article 6) - *China to provide a definition for ASEAN's consideration.*

8. Ecological environment (Article 5) - *China to provide a definition for ASEAN's consideration.*

9. Ecological agriculture (Article 5) - *China to provide a definition for ASEAN's consideration.*

10. Energy Conservation (Article 5) (China) - *China to provide a definition for ASEAN's consideration.*



