STEP 1   MAPPING

Outputs

- Statement of general and specific goals and specific targets
- Description of scope for EPP implementation including geographical, temporal and sectoral specific information
- Description of boundaries for carbon reduction
- General requirements for EPP development

Resources

needed for **Step 1** include information on current status of low carbon policies in the area (where the specific case which EPP will be implemented) including the existence of eco-labelling and eco-point systems.

Activities

Step 1 consists of four main activities:

- Setting goals: Defining general and specific goals and specific targets
- Defining scopes and boundaries: Identifying geographical, temporal and sectoral specific scopes and carbon emission boundaries
- Identifying and outlining EPP requirements
- Designing organization structure: Specifying roles and responsibilities of and relationships among stakeholders

EPP Principles

The EPP principles to be consider during EPP development in this step:

- **Applicability**
  - The EPP office should do "specific" mapping by answering the six "W" questions (Who - Who is involved?; What - What do I want to accomplish?; Where - Identify a location; When - Establish a time frame (time-bound goal); Which - Identify requirements and constraints; Why - Specific reasons, purpose or benefits of accomplishing the goal).
  - The mapping outcomes should be realistic and attainable representing an objective toward what can actually be achieved under the specific context with limited resources and willingness to involve relevant stakeholders.
- **Validity**
  - The EPP office should set measurable and verifiable goal and targets.
- **Communicability**
  - The outcomes should be easily understandable by avoiding technical language.
- **Relevancy**
  - Mapping should be done in relevance with the actual implementation context.

1.1   Setting Goals

Setting goals for EPP development will facilitate the EPP office to be clear about expectations on what to be accomplished. The general EPP goal is to encourage consumers for shifting the traditional demands with high carbon emissions towards low carbon consumption.

1.1.1 Selecting a specific goal

In order to reach the general goal, there are specific goals which can be later used for target identification including **Direct and Indirect goals** as described below.
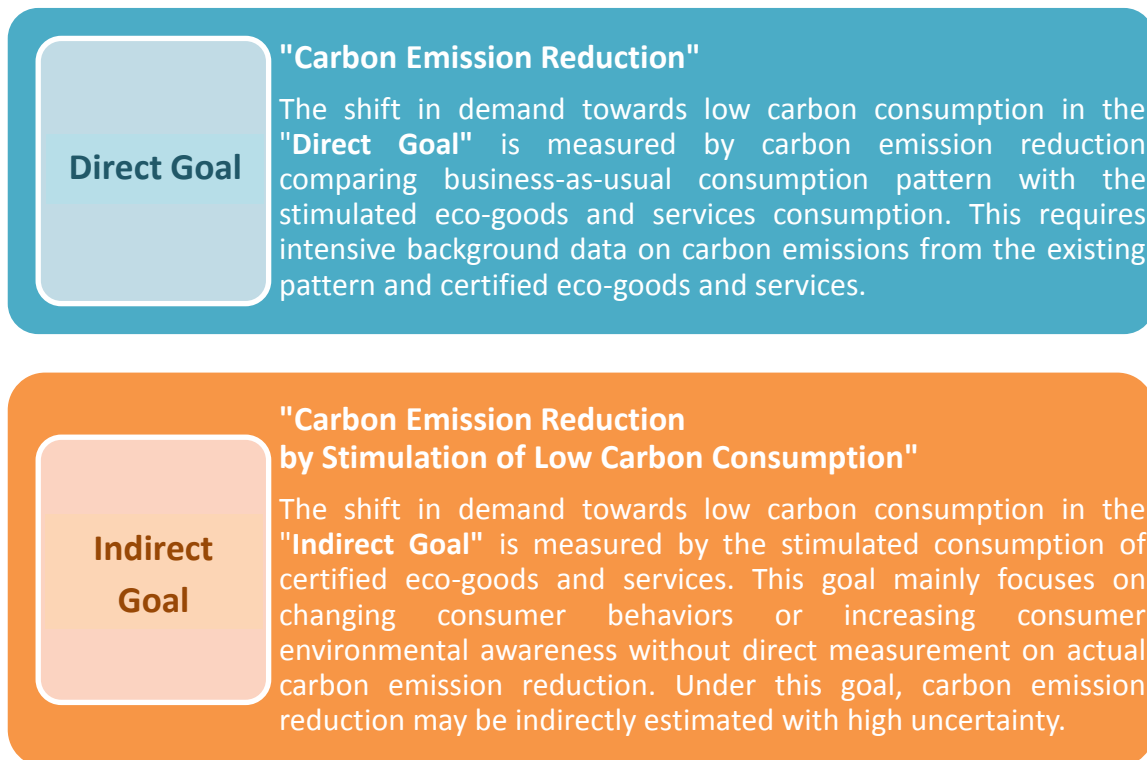
Direct Goal	**"Carbon Emission Reduction"** The shift in demand towards low carbon consumption in the "**Direct Goal**" is measured by carbon emission reduction comparing business-as-usual consumption pattern with the stimulated eco-goods and services consumption. This requires intensive background data on carbon emissions from the existing pattern and certified eco-goods and services.
Indirect Goal	**"Carbon Emission Reduction by Stimulation of Low Carbon Consumption"** The shift in demand towards low carbon consumption in the "**Indirect Goal**" is measured by the stimulated consumption of certified eco-goods and services. This goal mainly focuses on changing consumer behaviors or increasing consumer environmental awareness without direct measurement on actual carbon emission reduction. Under this goal, carbon emission reduction may be indirectly estimated with high uncertainty.

Figure 1.1: Direct and Indirect Goals for EPP implementation.

At the end, both **Direct and Indirect Goals** should lead to carbon emission reduction. To ensure that these goals are achieved, it is crucial to monitor and improve the project during and after the implementation as later explained in **Step 5 and 6**.

The specific targets under the **Direct and Indirect Goals** and specific details of the EPP scope and boundaries are described in the following sub-sections.

1.1.2 Setting Specific Targets

1.1.2.1 Targets for Direct Goal "*Carbon Emission Reduction*"

The objective under the **Direct Goal** is to reduce carbon emissions from consumption of certified goods and services in comparison with a business-as-usual scenario (or the future consumption patterns under the situation of continuing current trends). The carbon reduction target shall be set upon national and local greenhouse gases (GHG) targets and their strategy. Many APEC member economies have utilized the national inventory reporting system as tool for national inventory development. Hence, there are two main steps to set the targets for the Direct Goals which are:

① Select an overall carbon reduction target of the implementing area (i.e. national or local GHG targets depending on the availability)

② Set a specific carbon reduction target for the eco-point program

① Overall carbon reduction target of the implementing area

The overall carbon reduction target can be selected from national or local greenhouse gas (GHG) targets depending on the availability. The main indicators for setting targets of the direct goal should be "carbon emission reduction" in terms of absolute carbon emission (% or tons CO_2 equivalent) or carbon intensity (% or tons CO_2 equivalent/a certain unit of goods/services). In some APEC member economies, carbon targets may be referred to energy efficiency or the share of renewable energy. These energy-based targets are not direct ones and need further conversion to be carbon targets (with uncertainties).

In order to choose an appropriate carbon reduction target, it is recommended to consider the existing national/local targets linked with national/local GHG inventory which are developed in accordance with international standards (i.e. examples in **Box 1.1**). A GHG inventory is an accounting of greenhouse gases (GHGs) emitted to or removed from the atmosphere over a period of time. Policy makers use inventories to establish a baseline for tracking emission trends, developing mitigation strategies and policies, and assessing progress. An inventory is usually the first step taken by entities that want to reduce their GHG emissions. Based on the GHG inventory, many APEC member economies and cities have set up national and local GHG reduction targets. In case the national and local GHG reduction targets have not been defined in the implementing area, it is suggested to coordinate the target identification with national and local governments prior to setting the ones for EPP.

The GHG Inventory is able to account based on several protocols as follows:

BOX (1.1) : Greenhouse Gas Inventory Protocol

The 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2006 Guidelines) were produced at the invitation of the United Nations Framework Convention on Climate Change (UNFCCC) to update the Revised 1996 Guidelines and associated good practice

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BOX (1.1) : Greenhouse Gas Inventory Protocol
guidance. These Guidelines provide internationally agreed methodologies intended for use by countries to estimate greenhouse gas inventories to report to the UNFCCC. They are approved internationally and developed through an international process called "methodologies for estimating anthropogenic emissions by sources and removals by sinks of greenhouse gases" in calculation of legally-binding targets. Additionally, it provides assistance to the analyst in the preparation of national GHG inventories (IPCC 2006).
GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change. It provides the accounting framework for nearly every GHG standard and program in the world - from the International Standards Organization to The Climate Registry - as well as hundreds of GHG inventories prepared by individual companies. (The Greenhouse Gas Protocol 2004)
U.S. Community Protocol for Accounting and Reporting Greenhouse Gas Emissions (Community Protocol) is designed to inspire and guide U.S. local governments to account for quantifying GHG emissions and report on greenhouse gas (GHG) emissions associated with community-wide sources and activities taking place during a chosen analysis year. This Community Protocol represents a new national standard in guidance to help U.S. local governments develop effective community GHG emissions inventories. Local governments can use community GHG emissions inventory reports to provide information on trends in GHG emissions associated with a given community (ICLEI USA 2012).
General Reporting Protocol - The Registry has adopted five overarching accounting and reporting principles that are intended to help ensure that GHG data represent a faithful, true, and fair account of an organization's GHG emissions. The principles are consistent with the World Resource Institute and the World Business Council for Sustainable Development (WRI/WBCSD), GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) and the International Organization for Standardization (ISO) 14064-1, Specification Accounting and Reporting Standard (Revised Edition)(The Climate Registry 2013).
The Emission Inventory Improvement Program (EIIP) provided by EPA's State and Local Climate Change Program offers guidance on inventory preparation that is consistent with methods used at the national level. The approach mirrors the Inventory of U.S. Greenhouse Gas Emissions and Sinks, identifying 14 greenhouse gas source categories and over 50 specific sources, each with its own estimation method. While comprehensive, this approach is resource and data-intensive. It is part of a continuous effort to facilitate development of state inventories (US EPA 2006).

② Setting Carbon Reduction Targets

As previously mentioned, in this step the carbon reduction target in EPP shall be identified according to national and local GHG targets. The EPP can act as a key strategy to reduce GHG emissions from consumptions in different sectors.

The objective of the program is to promote more green products and green consumptions in the market and enhance the consumers to change behavior to have more awareness. The products shall reflect and be able to measure its emission reduction, therefore; the certification systems shall be developed using either international standard or it can be locally setup.

Since each country has accounted GHG emission as inventory and reporting based on several standards which may vary in the calculation system, the carbon reduction calculation from Eco-Point Program must be carefully investigated to prevent double counting on carbon emissions when combined with national inventory.

In order to set carbon reduction targets in EPP, the modified criteria originally proposed by United States Environmental Protection Agency (US EPA 2008 & 2013) to set a credible GHG reduction goal for small business and low emitters are recommended:

- o **Sector-wide:** including all important goods and services sectors
- o **Forward-looking:** based on the most recent base year for which data are available
- o **Long-term:** achieved over five to 10 years
- o **Reduction from baseline emission:** expressed as an absolute GHG reduction, or a decrease in GHG intensity (GHG emission per a certain unit of goods/services).
- o **Aggressive:** in comparison to the projected GHG performance for the business-as-usual scenario

Additionally, following issues should be considered during the target identification process.

- o **Sector issues:** Due to technological improvement and market competition, GHG intensity or GHG emission per a certain unit of goods/services tends to decrease over time in most sectors. The sectors with high competitiveness or where capital stock turns over quickly may set the targets more aggressive than the ones with low competitiveness and or in traditional manufacturing sectors.
- o **Company issues:** Business owners within the same sector can have different GHG emissions sources and a wide range of reduction opportunities. The targets should consider benchmarking values which are appropriate for a wide range of stakeholder involvement.

1.1.2.2 Targets for Indirect Goal "*Carbon Emission Reduction by Stimulation of Low Carbon Consumption*"

The objective under the **Indirect Goal** is to stimulate certified eco-goods and services consumption by taking market share or market growth into account. Therefore, the specific targets can be differentiated into:

1) Percentage of market share increase of specific types of certified eco-goods and services
2) Market growth rate in comparison with business-as-usual growth rate

To specify the market share and growth, market identification and analysis need to be undertaken. The first step is to define relevant markets which refer to description of goods and services present in the market with an assessment of market geographical area. The relevant market for goods and services consists of all goods and services which could be sufficiently interchangeable or substitutable in terms of price, quality, intended use, competitiveness and structure of supply and demand in that market (Tinter, Janković & Milićević 2010).

After the market identification, the market analysis on market growth and market share is to be carried out. Market share can be defined as the percentage of all sales within the whole relevant market previously identified or the breakdown of specific goods and services market from the total market size in percentage (Riley 2012). In this case, the specific market for market share analysis is the eco-goods and services market. Two important parameters typically used for market share analysis are sales revenue and sales volumes (the number of units sold). The data on sales revenue or sales volumes for total market and the eco-goods and services market analysis should be collected. Afterwards, the market share can be calculated in percentage. In practice, it is difficult to identify the market segmentation. In the meanwhile, the data collection both from the specific market (eco-goods and services) and the whole market can be intensive and costly. The EPP office should ensure that the selected segmentation appropriately covers relevant players. If the market size is too large, costs for the market analysis will be high and the results may not represent what EPP aims for.

Alternatively, the second option for specific target under the **Indirect Goal** is market growth rate. If the market growth rate is applied for target setting, only data on eco-goods and services market excluding total market are needed. Consequently, it will be easier and cheaper to measure this target. To achieve the main goal, the shift in demand driven by EPP scheme will have to consider the situation when the EPP is implemented in comparison with the situation under current trend or so called business-as-usual. Hence, the difference in market growth rates of eco-goods and services under the EPP implementation and business-as-usual scenarios is more appropriate for specific target setting than the standalone growth rate of eco-goods and services. For actual implementation, the target setting will strongly depend on available resources (i.e., human resources, budget, time, etc.).

Furthermore, the EPP offices should bear in mind the limitation of this **Indirect Goal**. When applying the **Indirect Goal**, it will not be possible to directly quantify the actual carbon emission reduction since the certified eco-goods and services are not necessarily linked with carbon emission reduction. For some cases, indirect estimation for carbon reduction could be done but the uncertainty may be very high. During the preliminary phases of EPP implementation, the EPP office may begin with the **Indirect Goal** because the targets could be reached more easily. Afterwards, the more aggressive targets in the **Direct Goal** can be chosen.

1.2   Defining Scope and Boundaries

Identification of EPP scope and boundaries to which extent the program will cover is very crucial for an effective implementation. The scope should include geographical, temporal, sectoral aspects as illustrated in **Figure 1.2**.
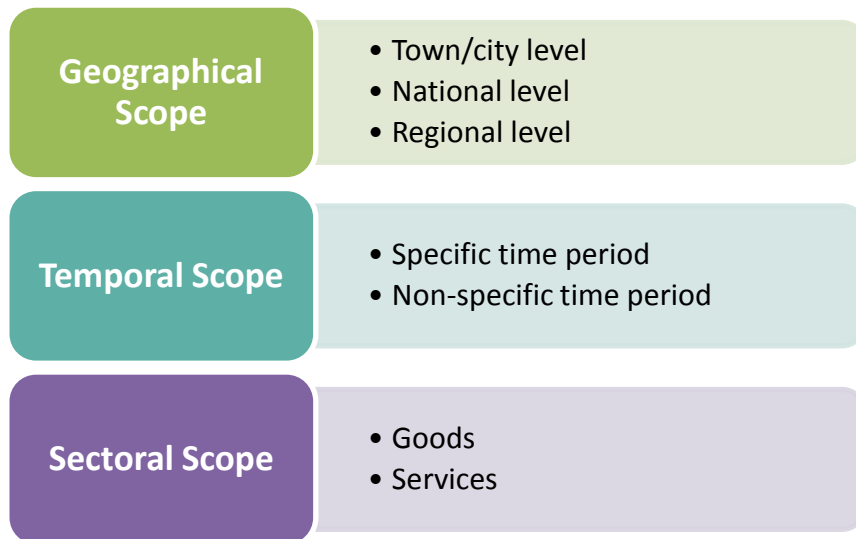
Geographical Scope	• Town/city level • National level • Regional level
Temporal Scope	• Specific time period • Non-specific time period
Sectoral Scope	• Goods • Services

Figure 1.2 Geographical, temporal, sectoral scopes of EPP

1.2.1 Geographical Scope

The geographical scope of EPP should indicate specific area with its size for the program implementation. The rationale for this scope definition will relate to which stakeholder is the EPP office. If EPP is based on bottom-up initiatives (i.e., business owners are the main stakeholders in the EPP office), the EPP will likely to be developed at town/city level. If the business owners are very large ones, the development may be done at national or regional levels. There are advantages and disadvantages that need to be considered during the geographical scope identification as follows.

Table 1.1: Advantages and disadvantages for different geographical scopes.

Level	Advantages and Disadvantages

Town/City Level	*Advantages*
	   o The program size can be small with limited stakeholders which could be easy to implement
	Disadvantages
	   o Higher potentials for conflicts of interest because the limited players which may be difficult to agree on the overall system

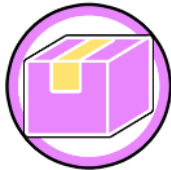| Level	Advantages and Disadvantages
	especially the funding and redeeming scheme ○ Although the scope is at town/city level, it needs to consider national context (i.e., national eco-labelling systems) ○ Development of (technical and administrative) eco-point certification system may be costly due to its small scale.
National Level	*Advantages* ○ Development of (technical and administrative) eco-point certification system can be cost effective due to its large scale. *Disadvantage* ○ The program size may be large with various stakeholders which could be difficult to implement.
Regional Level	*Advantages* ○ Development of (technical and administrative) eco-point certification system can be cost effective due to its large scale. *Disadvantages* ○ The program size is large with many stakeholders which could be difficult to implement. ○ It may not be possible to have consensus agreement on single and harmonized approach at regional level.

1.2.2 Temporal Scope

To implement EPP, the time period could be specific or non-specific mostly depending on the available eco-point funds and resources for EPP office establishment. With limited budget, the time period is often specific and short (i.e., a few months up to 1 year). Although the EPP scheme may be developed for implementation without time specification, it is highly recommended to organize time bound phases of specific activities and targets. Specific timeline of the whole project (specific-time period for the whole project) or each phase (non-specific time period for the whole project) will lead to effective program, budget and human resource planning and implementation.

1.2.3 Sectoral Scope

In this EPP guideline, the sectors for goods and services such as "consumer goods", "household utility services", and "transportation services", which have been chosen in the existing eco-point schemes in Japan and Korea, are recommended. Furthermore, for Asia-Pacific region, sustainable tourism is a key economic driver creating jobs and promoting investment and development. Hence, tourist accommodation services are also included. All in all, the EPP scheme of the sectors in **Table 1.2** will be later explained throughout this report.

Table 1.2: Four main sectors for goods and services demonstrated in the EPP guideline.

ICON	Sector
	Consumer goods *Definition:* Physical goods or tangible consumable items *Examples:* Books, electric devices, tissue papers, and etc.
	Household utility services *Definition:* Relating to, or used in a household *Examples:* Electricity, water, gas, and etc.
	Transportation services *Definition:* Business or system of transporting goods or people *Examples:* Airlines, railroads, trucking companies, public transport, personal cars, and etc.
	Tourist accommodation services *Definition:* Any establishment operated by a person who offers for rent to tourists, in return for payment *Examples:* Hotels, tourist villages, guesthouses , hostels, and any other tourism accommodation

1.2.4 Examples on scope definition of the existing low carbon policies

Examples on geographical, temporal and sectoral scopes in the existing green policies around the world are presented in **Table 1.3**.

Table 1.3: Examples on scope definition of green or low carbon policies around the world

Scheme/ Policy Support	Scope Definition	Country/ Region
Housing eco-point system	*Geographical Scope:* National Level *Temporal Scope:* Specific time period *Sectoral Scope:* Low carbon buildings/construction	Japan

Scheme/ Policy Support	Scope Definition	Country/ Region
	services (energy efficiency improvement)	
Eco-Point for purchasing energy-efficient appliances	*Geographical Scope:* National level	Japan
	Temporal Scope: Specific time period	
	Sectoral Scope: Consumer Goods (Home appliances such as air conditioning, refrigerator, television, etc.)	
Green Credit Card System	*Geographical Scope:* National level	Korea
	Temporal Scope: Non-specific time period	
	Sectoral Scope: Consumer goods; Household utilities (electricity, water and gas consumption); Public transportation	
EU Ecolabel (EU Flower)	*Geographical Scope:* Regional level	EU
	Temporal Scope: Non-specific time period	
	Sectoral Scope: Consumer goods and services which are Beauty care (soaps, shampoos and hair conditioners); Cleaning up (i.e., all-purpose cleansers and sanitary cleansers, detergents, etc.); Clothing (textile products, footwear); Do-it-yourself (paints and varnishes); Electronic equipment (i.e., television, computers, etc.); Covering (wooden floor/hard /textile floor coverings); Wooden furniture; Gardening (Growing media and soil improvers; Household appliances (light sources, heat pumps); Lubricants; Other household items; Paper products; Holiday accommodation (campsite services; tourist accommodation services)	

1.2.5 System Boundaries

After setting the scope, system boundaries of EPP are also important. Different boundaries (i.e., emission estimations with or without life cycle consideration; from gate-to-gate, from cradle-to-gate or from cradle-to-grave, etc.) of eco-point calculations will lead to different carbon emission values. Hence, the EPP office should clearly identify the boundaries of the eco-point system such as which life cycle stages or part of the whole supply chains will be included in the eco-point system.
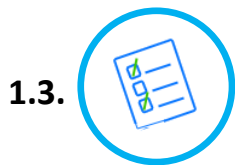
1.3.   Identifying and Outlining EPP Requirements

Following the first part in mapping goal and scope, the EPP office will refine the general EPP framework to be appropriate for the EPP implementation, based on the circumstances surrounding the specific case identified.

To contextualize the EPP framework into implementation, existing low carbon programs and EPP need to be evaluated with respect to the current status of low carbon policies and the existence of eco-point systems in the country or town. The requirements for EPP establishment relate to the current status for EPP development which can be categorized into three main statuses as illustrated in **Figure 1.3**. The specific details of relevant low carbon and eco-point schemes are described in **Table 1.4**.
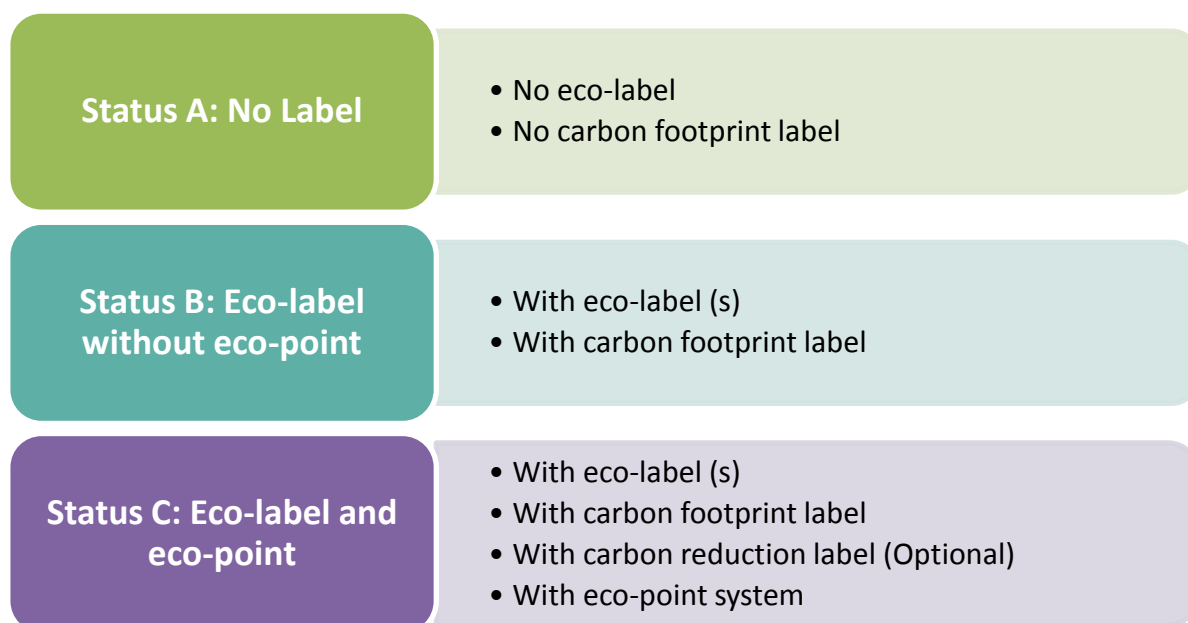
Status A: No Label	• No eco-label • No carbon footprint label
Status B: Eco-label without eco-point	• With eco-label (s) • With carbon footprint label
Status C: Eco-label and eco-point	• With eco-label (s) • With carbon footprint label • With carbon reduction label (Optional) • With eco-point system

Figure 1.3: Three Statuses for EPP development

Table 1.4: Description of relevant low carbon and eco-point schemes.

Scheme	Description
Eco-label*	A label which identifies overall, proven environmental preference of a product or service within a specific product/service category. There are different classifications of labels according to ISO standards, as listed below (Global Ecolabelling Network 2004). *TYPE I (ISO 14024)* A voluntary, multiple-criteria based, third party program that awards a license that authorizes the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations.

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Scheme	Description
	TYPE II (ISO 14021) Informative environmental self-declaration claims.
	TYPE III (ISO 14025) Voluntary programs that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment. It is verified by the latter or another qualified third party.
Carbon footprint label*	A label that demonstrates GHG emissions (in the unit of CO_2 equivalent) of goods, services, and organizations emitted from raw material extraction, processing, manufacturing, transportation, use and final disposal*.
	* The actual boundary of the label depends on the EPP office whether whole or partial life cycle stages will be included.
Carbon reduction label*	A label that shows the reduction of GHG emissions emitted from raw material extraction, processing, manufacturing, transportation, use and final disposal*.
	* The actual boundary of the label depends on the EPP office whether whole or partial life cycle stages will be included.
Eco-point program	An incentive program promoting green consumption towards low carbon society by giving points and rewards to the consumers who purchase certified eco-goods and services.

* ***Important Note:*** Carbon footprint and carbon reduction labels are ones of eco-labels. To distinguish these specific labels which could be directly linked with carbon emission calculation, ***eco-labels presented in this guideline refer to all eco-labels excluding carbon footprint and carbon reduction labels***.

EPP requirements depend on the goal and scope of the program as well as on the current status of low carbon programs and EPP evaluated by the existence of eco-label and eco-point program in the implementing area. The requirements for EPP from Status A to Status C are outlined according to the specific goals of EPP implementation as explained in the following sub-sections. For all types, all steps for EPP are similar except **Step 2** "*Framing certification systems*". Hence, the specific requirements of this specific step are demonstrated in following sub-sections.

1.3.1 EPP requirements for Direct Goal "*Carbon Emission Reduction*""

In case of the **Direct Goal**, the requirements for Step 2 include four main activities (1) Select a carbon emission calculation approach, (2) Select an eco-point economic valuation approach, (3) Set up a process for issuance of certification and (4) Adapt the existing eco-point valuation approach to be aligned with this guideline. This depends on the current status for EPP development (A, B and C) as illustrated in **Table 1.5**. Further details are described in **Step 2**.

Table 1.5: Requirements (**Direct Goal**) for **Step 2** "*Framing Certification System*"

Status	Requirements for Step 2 "Framing Certification System"			
	1	2	3	4
Status A : **No Label**	Select a carbon emission calculation approach and develop a carbon reduction labelling system for goods and certain services [a]	Select an eco-point economic valuation approach	Set up a process for issuance of certification	-
Status B : **Eco-label without eco-point**	Select a carbon emission calculation approach and carry out either *Option 1 or 2* [b] *Option 1:* Develop carbon reduction labelling system for goods and certain services [a] *Option 2:* Calculate carbon reduction based on the existing eco- and carbon footprint labels	Select an eco-point economic valuation approach	Set up a process for issuance of certification	-
Status C : **Eco-label with eco-point**	Select a carbon emission calculation approach and carry out either *Option 1 or 2* [b] *Option 1:* Develop carbon reduction labelling system for goods and certain services [a] *Option 2:* Calculate carbon reduction based on the existing eco- and carbon footprint labels	-	-	Adapt the existing eco-point valuation approach to be aligned with this guideline (*Optional*)

[a] Labelling systems are applicable only for some services such as tourist accommodation. Generally, the labelling systems for services may be omitted.
[b] This requirement is only for the region without existing carbon reduction label/calculation. It will be omitted if there has been carbon reduction label/carbon reduction estimation based on existing labels.

1.3.2 EPP requirements for Indirect Goal "*Carbon Emission Reduction by Stimulation of Low Carbon Consumption*"

In case of the **Indirect Goal**, the requirements for **Step 2** include four main activities (1) Develop a labelling system for goods and certain services, (2) Select an eco-point economic valuation approach, (3) Set up a process for issuance of certification and (4) Adapt the existing eco-point valuation approach to be aligned with this guideline. This depends on the current status for EPP development (A, B and C) as illustrated in **Table 1.6**. Further details are described in **Step 2**.

Table 1.6: Requirements (**Indirect Goal**) for **Step 2** "*Framing Certification System*"

Status	Requirements for Step 2 "Framing Certification System"			
	1	**2**	**3**	**4**
Status A : No Label	Develop a labelling system for goods and certain services [a]	Select an eco-point economic valuation approach	Set up a process for issuance of certification	-
Status B : Eco-label without eco-point	-	Select an economic eco-point valuation approach	Set up a process for issuance of certification	-
Status C : Eco-label with eco-point	-	-	-	Adapt the existing eco-point valuation approach to be aligned with this guideline (*Optional*)

[a] Labelling systems are applicable only for some services such as tourist accommodation. Generally, the labelling systems for services may be omitted.

1.4　Designing Organization Structure

Roles and responsibilities of stakeholders in Eco-Point Program (EPP) should be clarified in order to implement the program successfully and effectively. The organizations associated with EPP and its active roles will be clearly identified in this report. The organizational structure of EPP principally consists of five components: (1) **Eco-Point Program Office** (2) **Business Owners**, (3) **Existing eco-labelling systems** (and their corresponding institutions), (4) **Local/national governmental agencies** and (5) **Consumers**. The relation among various units is presented in **Figure 1.4** and the details of roles and responsibilities of the stakeholders are described in the next sub-sections.
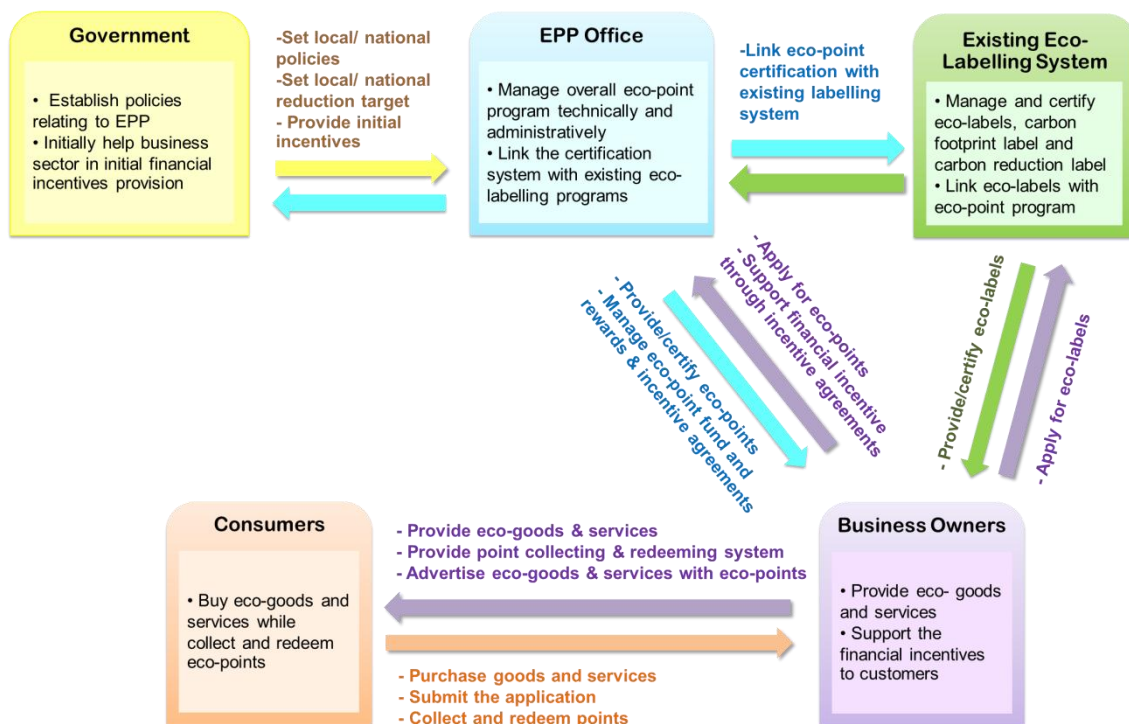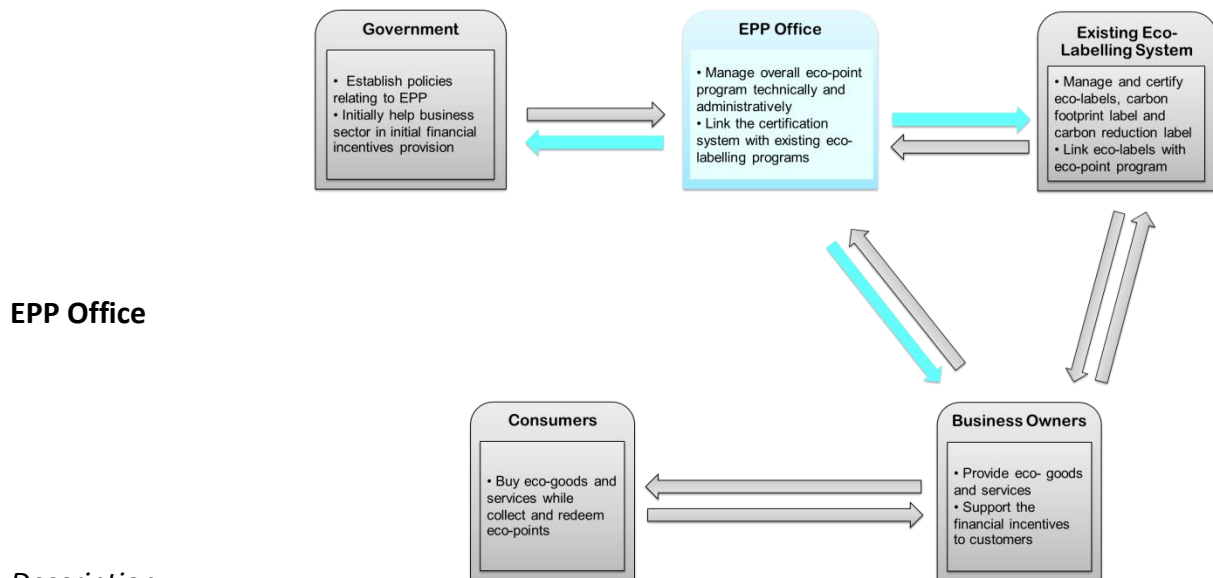

Figure 1.4: The relation among the EPP stakeholders

EPP Office

Description:

The EPP Office is divided into two groups concerning their responsibilities.

1. Technical committee This committee shall take care of proposing the calculation method, designing the promotional scheme or any activity related to EPP in the technical area.

2. Administrative committee This committee will be responsible for the issuance of eco-point certification or any activity associated to the EPP management and operation excluding technical part. Another important role is the management of Eco-Point Fund to provide eco-point rewards. The Eco-Point Fund covers both initial financial supports from the government and voluntary agreement to provide financial incentives from business owners.

Roles and responsibilities of this unit :

One of the main success factors for EPP implementation relates to how it is operated. In general, the EPP Office may be organized under collaboration among business owners, local communities and government depending on readiness of each stakeholder. Roles and responsibilities of this unit for different stakeholders are:

For governmental agencies
 ❖ The role of the EPP office is to coordinate the set of (or to mutually set) local policies and carbon reduction targets with government agencies and other stakeholders.
 ❖ EPP office will coordinate with the governmental agencies regarding initial funding supports.

For business owners
 ❖ EPP office will facilitate the management of the eco-point fund and rewards for business owners (i.e. through incentive agreements).
 ❖ EPP office will set up requirements for certifying eco-points for eco-goods and services for business owners. The requirements depend on current status of existing eco-labelling system and the selected goals (the **Direct and Indirect Goals**).

For existing eco-labelling systems
 ❖ EPP office will coordinate with institutions which are responsible for the existing eco-labelling systems on how to link eco-point certification with the existing systems
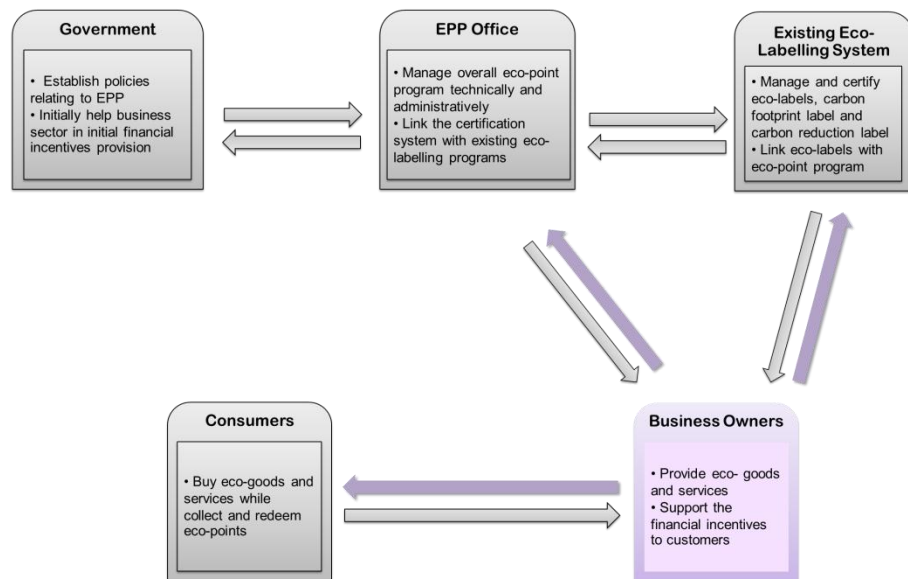
Business Owners

Description:

The business owners are providers of eco-goods or services differentiated in four sectors including consumer goods, household utilities (services), transportation (services), and tourist accommodation (services). Types of business owners could be varied such as investors, manufacturers, retailers, etc. It should be noted that household utilities (i.e. electricity, water and gas) may be provided by governmental agencies. In such case, the roles and responsibilities of "governmental agencies" as "business owners" are needed to be included.

## Roles and responsibilities of this unit :

For EPP office
  ❖ The business owners will provide financial supports through Eco-Point Fund as agreed with and managed by the EPP Office.
  ❖ The business owners will apply for the eco-point certification of their goods and services at the EPP Office. The EPP office will evaluate whether the goods and services pass all requirements or not.

For Existing eco-labelling systems
  ❖ The business owners will apply for the eco-label certification of their goods and services at the responsible institutions of the existing eco-labelling systems. The eco-labels include eco-labels with overall environmental considerations, carbon footprint label and carbon reduction label.

For Consumers
  ❖ The business owners will provide eco-goods or services for the consumers. These eco-goods and services should be certified according to certification criteria from the EPP office (for eco-points) and from the responsible institutions of the existing eco-labelling systems (for eco-labels).
  ❖ The business owners will provide point collecting and redeeming systems for the eco-goods and services for consumers as well as advertise the certified eco-goods and services certified with eco-points
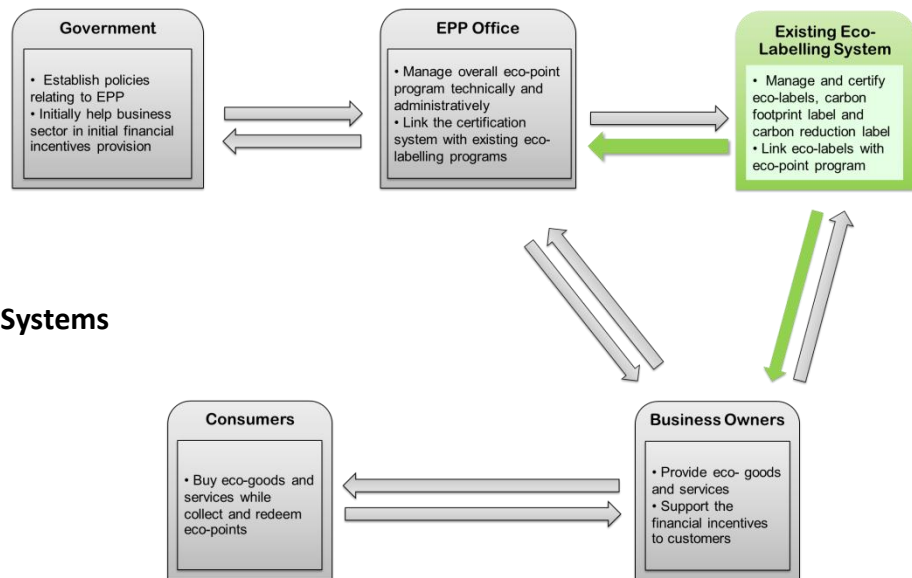
Existing Eco-Labelling Systems

Description:

The existing eco-labelling systems are important elements in EPP implementation. In case the implementing area does not have an eco-label (i.e. eco-labels with overall environmental considerations, carbon footprint label, and carbon reduction label); it is highly recommended to establish labelling system prior to the EPP scheme as previously mentioned.

Roles and responsibilities of this unit :

For EPP office

❖ The corresponding institutions of the existing eco-labelling systems will collaborate with the EPP office in eco-point certification on the existing labels. The eco-points should be linked with the existing eco-labels. The approach on how to make the linkage is explained in **Step 2** "*Framing certification system*".

For Business owners

❖ The corresponding institutions of the existing eco-labelling systems will manage the eco-labels including providing and certifying eco-labels for the goods and services applied by the business owners.
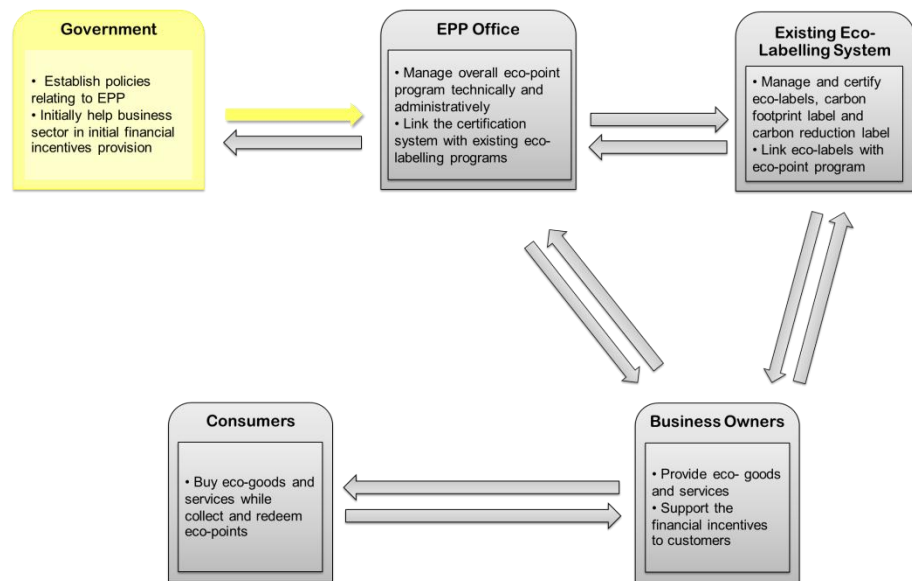
Governmental Agencies

Description:

Many governmental agencies in APEC member economies have set national low carbon policies and/or carbon reduction targets. The government sector plays a major role in the Eco-Point program implementation. They shall support the program not only in the financial aspect but also in policy formulation. With governmental support, the EPP scheme can be better promoted and there are higher possibilities for diverse stakeholders to engage in this program. Governmental agencies can significantly help the EPP development and implementation.

Roles and responsibilities of this unit :

Eco-Point Program Office
- ❖ The role of the government or any related regional institutes is to launch the policies in relation to low carbon/carbon reduction schemes. Alternatively, the policies and targets may be mutually set in collaboration with the EPP office.
- ❖ The government shall provide initial financial supports to the Eco-Point Office.
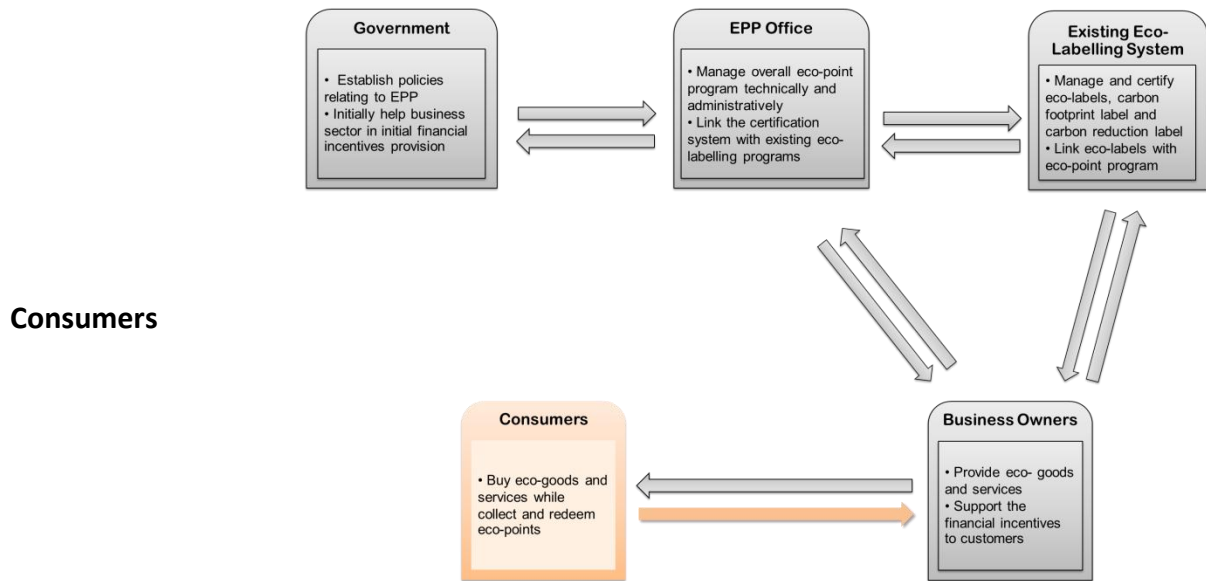
Consumers

Description:

In this guideline, consumers (i.e., local people and tourists) are the most important stakeholders who will support the EPP by buying eco-goods and services. Without the purchasing decisions of the consumers to support low carbon goods and services, the EPP will not be successfully run.

Roles and responsibilities of this unit :

For Business Owners

❖ Purchase the eco-goods and services provided by the business owners

❖ Submit the application and other required documents specifically for each sector.

❖ Collect the eco-points after purchasing the certified goods and services from the business owners.

❖ The consumers are able to exchange the eco-points to eco-point rewards (so called redeeming). Some of these rewards could be exchanged to goods or services in local areas. The remaining points could be transferred to energy- efficient and eco-friendly products made by eco-friendly companies or donate to environmental organizations. More specific details are described in **Step 3** "*Eco-funding and redeeming systems*"