



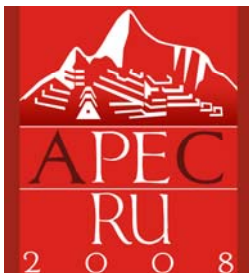
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2008 APEC SECRETARIAT REPORT ON APEC DEVELOPMENTS

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2008 APEC SECRETARIAT REPORT ON APEC DEVELOPMENTS

2008 APEC priorities

Peru continues to foster APEC permanent agenda as well as the set priorities as determined by Leaders and Ministers in 2007. APEC Peru theme for 2008, “A new commitment to the Asia Pacific Development”, is regarded as a frame that gives us the opportunity to work on the social dimension of the APEC agenda, meaning to encourage and present initiatives on the social issues having a substantial influence in advancing towards the goals of trade and investment facilitation. This includes new areas of emphasis such as:

- Highlighting the educational programs role on the social and economic development of the member economies.
- Supporting the development and modernization of the small and medium enterprises, recognizing them as a dynamic sector in creating new jobs.
- Supporting technological cooperation programs oriented to bridge the digital gap
- Stressing the impact of corruption of public and private representatives on the business environment and economic performance of the economies.
- Introducing the issue of Corporate Social Responsibility (CSR) on APEC relevant activities.

Key outcomes from Senior Officials’ Meetings in 2008

- SOM agreed to monitor developments at the Doha Round and remain on stand-by for a possible stand-alone declaration on the Doha Round from Leaders in November.
- SOM agreed to form a Friends of the Chair Group on Food Issues that would consider how to take the APEC Food System forward inter-sessionally and report back to CSOM. Leaders would discuss this issue at AELM in November and their views would be reflected in the Leaders Statement.
- Agreed to report to Leaders in November on progress taken to implement the Regional Economic Integration (REI) Agreed Actions.
- SOM agreed that it was important to complete the mandated work on RTA/FTA model measures by CSOM.
- SOM welcomed the CTI, EC and SCE reports to SOM and approved their recommendations.
- SOM also noted that the findings of a study on a Regional Centre for Disaster Management and Coordination would be presented at CSOM. Regional disaster response work may be discussed at the AELM in November and this study would inform the Leaders’ discussion.
- SOM endorsed the paper on the terms and conditions of the Fixed Term Executive Director which will be forwarded to the AMM in November 2008 for consideration. SOM also endorsed the recommendations contained in the calendar reform paper and agreed on the direction of the draft Policy Support Unit (PSU) work plan

I - Trade and Investment Liberalization and Facilitation (TILF)

1. World Trade Organisation-Doha Development Agenda (WTO-DDA)

In Sydney, APEC Leaders reaffirmed their commitment to the multilateral trading system and continued resolve to achieve a successful conclusion in the DDA negotiations. They issued a separate Statement on the WTO Negotiations endorsing the view of the Ministers Responsible for Trade (MRT) in Cairns that there has never been a more urgent need to make progress. They also pledged their commitment to work with renewed energy to deliver an ambitious and balanced result.

Senior Officials continued to review progress in the WTO Doha Round of Negotiations at each of their meetings to-date this year. In Arequipa, APEC Ministers Responsible for Trade (MRT) issued a separate statement on the DDA, calling for all WTO members to engage constructively and work with a sense of urgency to reach an ambitious and successful conclusion of the Round.

At SOM3 in August, SOM noted the disappointment of APEC economies over the impasse in the WTO Doha Round negotiations in Geneva. SOM agreed to the Chair issuing a media release expressing APEC's continued support for the Doha Round. SOM agreed to monitor developments and remain on stand-by for a possible stand-alone declaration on the Doha Round from Leaders in November.

At the CTI-level, the Committee recognized that there was not much it could do on the DDA in light of the current state play of the negotiations, and agreed to conduct activities in support for the multilateral trading system in a flexible way. Several workshops and seminars have been organised or being planned to build capacity and raise awareness amongst member economies in areas of IT products; remanufactured products; environmental goods and services; educational services; and energy services.

2. Regional Economic Integration

In Sydney, APEC Leaders endorsed a report on strengthening regional economic integration. The report outlines a wide range of practical actions that APEC member economies can take to promote and reinforce the integration taking place in the region. Leaders also agreed to accelerate their efforts by:

- further reducing barriers to trade and investment including through free trade agreements and regional trading arrangements;
- improving economic efficiency and the regional business environment including capital markets;
- facilitating integration in sectors such as transportation, telecommunications, mining and energy.

APEC Leaders have asked Ministers and officials to carry forward this work and report back to them in 2008 with a summary of steps taken to promote regional economic integration.

For 2008, Senior Officials agreed on a matrix which provides an implementation framework for all 53 regional economic integration agreed actions and identifies a dozen deliverables to be completed for 2008. In Arequipa, MRT endorsed the list of deliverables as key to advancing the REI agenda in a systematic manner under particular themes. Ministers

instructed officials to complete the deliverables for 2008 and develop the progress report requested by Leaders in 2007, by November's APEC Ministerial Meeting (AMM). They also urged officials to identify proposals for concrete future steps that should be taken to achieve meaningful progress in the REI agenda in 2009 and beyond.

Friends of the Chair (FOTC) groups have been set up both at the CTI and SOM levels to oversee this work on REI. The SOM-level FOTC will assist the SOM with the preparation of the report for APEC Ministers to consider in November while the CTI-level FOTC will liaise with the relevant sub-fora and focus/prioritise its work on the many REI actions which relate to work undertaken in the CTI and its sub-fora. The CTI-FOTC has agreed to focus its initial work in 3 areas: Rules of Origin (ROOs); Convergences/Divergences of FTAs; and Docking, Merging and Enlargement of FTAs. A CTI-level Trade Policy Dialogue (TPD) on Enlargement, Docking and Merging of FTAs was held on 24 May. A half-day TPD on the effects of ROOs on trade was held on 19 August 2008. The Dialogue helped members to better understand the challenges arising from the complexity of ROOs in existing trade agreements in the region due to a lack of consistency in ROOs procedures and application..

At their August meeting, SOM reviewed the progress made in implementing the 2008 priority list of Regional Economic Integration (REI) Agreed Actions which included amongst other things, (i) the compilation of the inventory of issues relevant to an FTAAP; (ii) the review of existing analytical work relevant to a possible FTAAP; and (iii) the Convergences and Divergences Study.

3. Regional Trading Arrangements/Free Trade Agreements (RTAs/FTAs)

In 2007, Ministers reaffirmed the importance of the model measures for RTA/FTA chapters as a capacity-building tool and non-binding reference, and endorsed three model measures for commonly accepted chapters of RTA/FTA: electronic commerce; rules of origin and origin procedures; and sanitary and phyto-sanitary measures. This is in addition to the set of 6 model measures agreed in 2006: trade in goods; technical barriers to trade; transparency; government procurement; dispute settlement and cooperation. Ministers aim to complete this work in 2008 as mandated by the Busan Roadmap.

At their meeting on 31 May – 1 June 2008, MRT endorsed a further set of 3 model measures in the following areas: Competition Policy, Environment and Temporary Entry for Business Persons. They also instructed officials to accelerate efforts to complete the work on all remaining model measures in time for the AMM in November.

CTI continues to work intersessionally in the lead up to CSOM/AMM on the 5 remaining model measures (trade in services; investment; safeguards; antidumping; and subsidies and countervailing measures) and the proposed new model measure on labour that was tabled at CTI3.

4. Individual Action Plans and Collective Action Plans (IAP-CAP)

Ministers recognised the importance of Collective Action Plans (CAPs) as a useful channel to implement APEC commitments on trade and investment liberalisation and facilitation (TILF), which complement the Individual Action Plans (IAPs). CTI and its sub-fora will review the implementation of CAPs and consider establishing an annual review mechanism for CAPs, as encouraged by Ministers, and incorporating pathfinder initiatives with capacity building elements in the development of CAPs.

The IAPs will be made more transparent and accessible to business and the IAP Peer Review process more robust, inclusive, forward-looking and policy relevant to include a greater focus on what APEC members are doing individually and collectively to implement specific APEC commitments and priorities. In Arequipa, MRT welcomed the successful conclusion of the IAP Peer Reviews of Canada, Peru and the United States in March. The IAP Peer Reviews of Chile, Mexico and Singapore were held at the margin of SOM III in Lima in August this year.

5. Investment

In 2007, APEC Ministers instructed officials to prepare an Investment Facilitation Action Plan (IFAP) for 2008-2010 which would provide greater coherence to APEC's investment work, promote better understanding of the elements of a sound investment policy regime, address identified building needs and recognise the importance of further public-private sector dialogue. IFAP was developed by CTI and endorsed by MRT in May 2008. The IFAP for 2008-2010 shows guiding principles as working framework and menu of actions and measures, and aims to strengthen regional economic integration; strengthen the competitiveness and sustainability of economic growth of APEC's member economies; expand prosperity and employment opportunities in the APEC region; and make further progress toward achievement of the Bogor Goals.

Investment continues to be a priority area for robust action in 2008. In addition to its 2008 projects including capacity building activities, IEG has launched its initiatives to implement IFAP through its newly established Small Group, based on the achievement to date and in collaboration with other fora and ABAC as well as international organizations.

6. Trade Facilitation

In Sydney, APEC Leaders welcomed APEC's Second Trade Facilitation Action Plan (II) which seeks to reduce trade transaction costs by a further five percent by 2010. The Plan was endorsed by MRT in Cairns in July. It places greater emphasis on collective actions and pathfinders which economies will undertake collectively to meet the trade facilitation of a further 5% reduction in transaction costs by 2010.

For 2008, CTI adopted a work plan on trade facilitation to progress the implementation of TFAPII. This work plan also incorporates work to be undertaken in response to AMM's instructions to consider the findings of the World Bank study on "Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reforms" in the further development of APEC's trade facilitation and transparency agenda. At CTI3, CTI noted this work as an area for collaboration with the Economic Committee in identifying behind the border trade barriers. It was agreed that the CTI Chair would concurrently get in touch with the World Bank to follow up on this.

At CTI2, the Committee adopted a set of Key Performance Indicators (KPIs) and reporting methodologies to measure the progress of implementing the agreed actions and measures in TFAPII for implementation by sub-fora collectively. CTI also agreed to continue working intersessionally with the four relevant sub-fora namely, Sub-committee on Customs Procedures (SCCP); Sub-committee on Standards and Conformance (SCSC); Business Mobility Group (BMG) and Electronic Commerce Steering Group (ECSG) to consider measurement of progress of such actions in individual economies and on enhancing the

reporting methodologies where necessary. At CTI3, CTI noted that some sub-fora were having difficulties with this exercise. Lacking expertise in this area, CTI requested the PSU Manager to assist in this exercise by developing the reporting methodologies for CTI's consideration.

SOM welcomed the contribution of US\$500,000 by Hong Kong, China to the APEC Support Fund to support capacity building activities that would help economies implement TFAPII.

Noting the importance of trade logistics in the REI agenda, CTI agreed to focus on this area for the upcoming CTI 1 TPD in 2009.

7. Pathfinder Initiatives

In 2007, CTI completed a review of the implementation of its existing TILF-related Pathfinder initiatives and revised Annex A to the 2004 Pathfinder Initiatives Guidelines to clarify the two ways in which a pathfinder could be developed. The Committee also launched a [Pathfinder on Data Privacy](#), which will improve the protection of private information in the APEC region and increase trust in electronic commerce.

For 2008, lead economies will continue to promote increased participation in the existing TILF-related pathfinders. Sixteen APEC member economies are participating in the *APEC Data Privacy Pathfinder*.

8. Capacity Building

CTI established an informal capacity building steering group (CBSG) that would help over the more strategic approach it had adopted to capacity building. The CBSG will play an important ongoing role in ensuring that capacity building strategies are better integrated into the formulation of new CTI initiatives. CTI agreed that the CBSG will work intersessionally (in consultation with the BMC, EC and SCE) to develop a strategy to promote capacity building in a more holistic way.

9. Intellectual Property Rights

Intellectual Property Rights Experts' Group (IPEG) continued its efforts in 2008 to deepen the dialogue on intellectual property policy, survey and exchange information on the current status of Intellectual Property Rights (IPR) protection and administrative systems, and study measures for the effective enforcement of IPR.

Officials worked on a range of activities, including on patent acquisition procedures, cooperation among enforcement agencies, innovative techniques for IPR border enforcement, signal theft, counterfeit market places, plant variety protection, and IPR capacity building. In particular, a joint-fora session with SCCP was held to address challenges on border enforcement for IPR protection and help map out future work towards balancing trade facilitation and IP protection.

Given the growing concern on the issue of exploiting and protecting genetic resources and traditional knowledge, a seminar was conducted to promote exchanges of views and deepen understandings on the matters among member economies. In conjunction with the 27th IPEG in Lima, Peru in August 2008, 2-day workshop was held on the topic of "Raising Awareness

and Providing Policy Insights on Promoting Appropriate Access to Genetic Resources and Protection of Traditional Knowledge in APEC Economies.”.

Recognising the important role of public education and awareness on IP protection, an interactive e-learning program, IP Xpedite, has been launched with purpose of increasing awareness and utilization of IP information. A few studies were completed or targeted to complete this year, including a survey on non-traditional trade marks and a survey on access to genetic resources and protection of traditional knowledge

10. Government Procurement

The Twenty Eighth GPEG meeting was held on 15 August 2008, in Lima, Peru. The meeting was preceded by a capacity-building seminar on the Implementation of the Value for Money Non-Binding Principle (NBP) in Government Procurement from 13-14 August 2008. One of the key conclusions of the seminar was the importance of fostering open, just and transparent procurement policies and practices, the achievement of which necessarily included the permanent application of the Value for Money NBP. The meeting endorsed a project proposal on a Seminar on the APEC-wide Government Procurement Market Accessibility.

The seminar is scheduled to take place in Seoul in July 2009. The objectives of the project are three-fold: (i) to conduct a full-scale updating of member economies' procurement systems and policies; (ii) to compile member economies' overall regulatory framework and procedures as well as to collect and disseminate practical and business-relevant tips and information; and (iii) to initiate an in-depth discussion on the ways to enhance market openness among APEC economies in the area of government procurement.

11. Business Mobility

The BMG has been working in expanding the membership and participation in the ABTC scheme in order to continue to facilitate business travel and hence trade and investment in the APEC region; examining the options for managing the rapid growth of the ABTC scheme and to look at ways to enhance it, including ABAC's suggestion to look at the viability of enhancing the card with biometrics.

BMG met, for its third regular meeting of 2008 at the margins of SOM III, in Lima, Peru. A workshop was organized the three previous days, aimed to encourage Member Economies to adopt international standards in implementing their Frequent Passengers Program (FPP) by incorporating biometrics in the reading of their passports and identification documents (ID's).

Consensus was reached on a set of KPIs and a methodology for 2008. The BMG Report submitted to CTI indicates progress has been made in most of the agreed eight Action areas including the ABTC, with a 169% increase in the number of active cardholders since end 2006 and a 79% increase in the year 31 July 2007 - 31 July 2008 (44,931 cardholders). Finally, members agreed to work towards the introduction of a biometric ABTC, subject to the availability of TILF funding.

In a very important step, the BMG agreed to the participation of Canada as a transitional member of the scheme, making a total of 20 member economies.

12. Market Access Group (MAG)

MAG met on 21st May, in Arequipa, Peru. Members reaffirmed its commitment to ITA principles and also reiterated they will pursue their efforts and best endeavours towards reaching a mutually satisfactory deal at the Doha Development Agenda/Non-Agricultural Market Access (DDA/NAMA) negotiations.

On trade facilitation, MAG agreed to obtain information from economies concerning their policies on remanufactured products, with a view to identify possible areas of work and advancement. MAG will seek proactively a cooperative point of view on Rules of Origin (ROOs), taking in account the economies' different perspectives on standardization issues.

MAG held its third meeting in Lima, in the margins of SOM III. The sub fora endorsed the *Proposal for Market Access Group Work on Rules of Origin to Support Regional Economic Integration*. MAG affirmed the importance of ensuring the provision of duty free treatment for products covered by the ITA. MAG also discussed and agreed on the substance of Singapore's proposal for Initiating an Environmental Goods and Services Work Programme Framework, as a response to MRT's instruction to elaborate a work program to advance APEC work on environmental goods and services. MAG agreed to organize a workshop on remanufactured products in 2009.

13. Automotive Dialogue

The 10th meeting of the Automotive Dialogue (AD) was held in Singapore from 9 to 12 September 2008. The participants considered development of FTA model measures for the automotive industry, including opportunities for increased harmonization of preferential ROOs; support for SME development and opportunities for increased regional economic integration; advanced technologies in transforming the Automotive Industries; development of harmonized standards for fuel quality and the implications of increased use of bio-fuels; and, the importance of intellectual property rights through promotion of best practices in the automotive sector. The meeting proposed having the 2nd IPR Seminar in Indonesia. It was stressed that sharing information and increasing public awareness is necessary for IPR protection and safety in relation to counterfeit products.

14. Chemical Dialogue

In 2008, the Chemical Dialogue (CD) continued work as a public-private sector forum for finding solutions to challenges facing the chemical industry in the Asia-Pacific region. At its meeting in May 2008 in Lima, Peru, the CD endorsed a framework for chemical regulatory best practices. Following up on its agreement to continue to pursue collective advocacy to the European Commission (EC) about potential barriers to trade in REACH (Registration, Evaluation, and Authorisation of Chemicals) implementation, the CD endorsed and transmitted to the EC a set of questions and letters on REACH implementation. In line with the CD's commitment to information sharing on GHS (Globally Harmonized System of Classification and Labelling of Chemicals) implementation, the CD endorsed the report of the GHS Virtual Working Group as an APEC contribution to SAIC (the UN's "Strategic Approach to International Chemicals Management").

II - Economic and Technical Cooperation

1. SOM Steering Committee on Economic and Technical Cooperation (SCE)

In Sydney, Ministers commended the achievements of the SCE and endorsed the 2007 Senior Officials' Report on Economic and Technical Cooperation. Ministers also welcomed the achievements of the Working Groups and SOM Taskforces and the ongoing improvement that will be achieved through the Program of Independent Assessments.

The program of independent assessment aims to improve the operations and work of SCE related Fora to ensure ECOTECH activities are targeted and make the best use of scarce resources. The SCE finalized the GFPN and MRCWG independent assessment in 2008.

The independent assessment of the Agriculture Cooperation Working Group (ACTWG) and the High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB); the Anti-Corruption and Transparency Experts Taskforce (ACT), the Energy Working Group (EWG) and the Telecommunications and Information Working Group (TEL) is ongoing and it is expected that final reports will be presented and discussed at SOMI in February 2009.

SCE3 has endorsed the new project proposal for the 2009 Independent Assessments of the Human Resource Development Working Group (HRDWG), Industrial Science and Technology Working Group (ISTWG), and Transportation Working Group (TPTWG).

In 2008, the SCE reviewed progress of the remaining issues of the ongoing SCE fora review, endorsed its 2008 Work Plan and the updated SCE Policy Criteria for 2008-2009 Projects (see Annex A), approved the revised Terms of Reference and 2008 Work Plans submitted by SCE Related Fora, and agreed to extend the mandate of the Task Force on Emergency Preparedness, the Anti-Corruption Taskforce and Counter-Terrorism Taskforce for another two, three and two years respectively.

SCE members had a constructive discussion on the need for more coordination and consultation among the various SCE related fora to identify synergies in their work and to avoid duplication. Revitalizing SCE's policy's guidance has been a focus of the SCE work during 2008. SCE agreed to undertake a stocktake of their SCE fora capacity building activities to provide a clearer picture of the capacity building gaps and needs in APEC. SCE fora are requested to submit their inputs for discussion at SCE-COW in February 2009. Based on these inputs, SCE can develop a forward-looking, comprehensive ECOTECH workplan for APEC. SCE also welcomed Peru's proposal on capacity building and the Secretariat was asked to provide its feedback on how it would rationalise the proposal to create a space within APEC's framework for providing support and assistance to interested economies in project designing, funding and implementation, with existing project management mechanisms like the PMU.

Another important issue of 2008 SCE agenda is the approval of the Strategy paper on APEC's engagement with multilateral organisations. SCE has also explored work placements and twinning arrangements as an additional way to enhance capacity building within the APEC region. It was agreed that twinning arrangements presented a good way to build capacity and that SCE will consider 1-2 pilot projects to kick-start the process in 2009.

The Annual APEC Fora Report which summarizes the key achievements of all Working Groups and SOM Task Forces since the last report to SCE and SOM in June 2007 was endorsed with a note on the GFPN's recommendations. SCE is in the process of completing the 2008 SOM Report on ECOTECH for submission to Ministerial Meeting.

Counter Terrorism and Secure Trade

In 2008, the CTTF has significantly advanced its work on coordinating the implementation of the Leaders and Ministers Statements on counter-terrorism, assisting economies to identify and assess their counter-terrorism needs, coordinating capacity-building and technical assistance programs and facilitating cooperation among APEC Fora and with relevant international organizations.

CTTF has successfully implemented the APEC Best Practices in Post-Blast Scene Management Workshop; the APEC Seminar on Protection of Cyberspace from Terrorist Use and Attacks; the APEC Workshop on Trade Recovery Programme; a test of the Aviation Security Emergency Points of Contact Network; the STAR VI Conference; and, a workshop on Effective Public Private Partnerships in Counter-Terrorism and Secure Trade. CTTF members also welcomed the 2008 Summary Report of Counter-Terrorism Capacity Building Needs and endorsed the Best Practice document on the Protection of Critical Energy Infrastructure.

In August, SCE and SOM endorsed the extension of CTTF mandate for two more years (2009-2010).

Member economies continue participating in other activities to be implemented in 2008 and 2009, including the APEC Seminar on Securing Remittance and Cross Border Payments from Terrorist Use, the first Food Defence pilot project; workshops on detecting and deterring cash couriers and bulk cash smuggling; a workshop to improve regulation of non-profit organizations to prevent misuse by terrorist groups; and a Workshop on Aviation Security Audits.

Health

In 2007, Senior Officials endorsed the transformation of the Health Task Force to Health Working Group (HWG). The endorsement of the Group's establishment and its finalized TOR were given at SOM I in Lima in February. In their first meeting the HWG agreed on the following areas as priorities for 2008:

- preparedness for and response to public health threats, including avian and human pandemic influenza and vector borne diseases;
- fighting against HIV/AIDS in the APEC region; and
- Improving health outcomes through advances in health information technology.

The group also agreed to launch 5 new projects in 2008 with a view to contributing to APEC's goals of economic progress and trade liberalization by ensuring that economies are well prepared to deal with health threats and to respond to them in a way that minimizes their adverse impacts on human welfare, trade, investment.

Health Working Group's Terms of Reference, areas of priorities and the Medium-Term Work Plan for 2008 were officially endorsed at SOM III by the SCE. The HWG agreed to continue strengthening collaboration with a number of other APEC Fora and collaboration and information sharing with ASEAN.

Emergency Preparedness

The Task Force for Emergency Preparedness (TFEP) has made steady progress in coordinating APEC activities for emergency preparedness. In order to provide direction and coordinate work across APEC by bringing together disaster and emergency management experts from APEC members, an APEC 2007 Senior Disaster Management Coordinator Seminar was held on 20-23 August 2007 in Cairns, Australia. The holding of a TFEP meeting back-to-back with the seminar helped identify key areas for building capacity and expertise within and across APEC economies.

The TFEP mandate for a further two years, the new Terms of Reference and its 2008 Workplan were endorsed at SOM1. As part of its Workplan, the TFEP held a training workshop and study tour in April followed by a dialogue with economies, private sector representatives and key regional and international partners on emergency preparedness and risk reduction. At SOM III in Lima on 12-14 August, the second APEC Emergency Management CEOs' Seminar was held. The Seminar contributed to the development of a "Strategy for Disaster Risk Reduction and Emergency Preparedness and Response in the Asia Pacific Region 2009-2015", and explored ways to build business and community resilience. CEOs agreed to hold the CEOs' Seminar annually to 2013 and establish a CEO Steering Group to guide the development and directions of the seminars. At its 15 August meeting, the TFEP welcomed the recommendations of the CEO Seminar and undertook to consider them. The Task Force also endorsed the concept of holding annual CEO seminars to 2013, subject to the biennial review of the TFEP mandate and the availability of funding and resources. A Stocktake Template of emergency preparedness capacity-building needs was completed and presented in the meeting. September 22 to 28, the Workshop on Large-Scale Disaster Recovery in APEC was successfully held in Taipei along with visits to the site of the Chi-Chi earthquake in Chinese Taipei and the site of the Sichuan earthquake in China.

Energy Security

In the Sydney APEC Leaders' Declaration on Climate Change, Energy Security and Clean Development endorsed on 9 September 2007, the APEC Leaders highlighted the importance of improving energy efficiency by working towards achieving an APEC-wide regional aspirational goal of a reduction in energy intensity of at least 25 per cent by 2030 (with 2005 as the base year), and decided to establish an Asia-Pacific Network for Energy Technology (APNet) to strengthen collaboration on energy research in our region particularly in areas such as clean fossil energy and renewable energy sources.

The EWG35 was held on 3-7 March 2008 in Iquitos, Peru. In response to Leaders' instruction, the EWG discussed and endorsed the APEC Peer Review Mechanism on Energy Efficiency (PREE) and encouraged interested members to volunteer to undergo a PREE at EWG36 or subsequent EWG meetings. New Zealand and Chile have volunteered to undergo the PREE for presentation at EWG37 to be held in the first half of 2009. The APEC Energy Trade and Investment Study is currently undertaken to identify all existing barriers to energy trade and investment in APEC region. An APEC Energy Trade and Investment Roundtable meeting was held in Cairns, Australia on 1-2 October 2008 and concluded with the APEC Energy Trade and Investment Draft Action Plan, which will be finalized at the next EWG meeting in Philippines in December 2008.

Anti corruption and Transparency

The 7th meeting of the APEC Anticorruption and Transparency Experts Task Force was held in Lima, Peru on the 13-14 August. Anticorruption and law enforcement officials discussed the main 2008 deliverables to be forwarded for Ministers' endorsement. These include the Lima Anti-Corruption Declaration on Financial Markets Integrity, the Guidelines on Private-Public Actions against Corruption and Revised ACT TOR. As noted by Senior Officials, these are all to be confirmed in time for the Concluding SOM. Representatives from the Anti Fraud Office of the European Commission and Transparency International also attended the meeting reaffirming the importance of mutual exchanges among these bodies to progress the international anticorruption agenda.

ACT approved Australia's revised proposal for implementing a Code of Conduct for businesses that Chile and Vietnam volunteered to implement. It was noted that Thailand has expressed interest in joining this pilot implementation. ACT Chair was also working to approve the Actions for Public-Private Cooperation against Corruption which stressed the importance of promoting best practices for entrepreneurial ethics, including contractual relations with the government for voluntary implementation.

Marine Resource Conservation

The 21st Annual Meeting of the APEC Marine Resource Conservation Working Group (MRCWG) was held on 15-16 April 2008, in Piura, Peru. The meeting noted the Report on the Stock take workshop on the Bali Plan of Action (BPA) held in Manado (Indonesia) and reiterated the important guiding role played by the BPA in framing the work of the MRCWG for the period of 2005-2009 in the lead-up to the 2010 planned APEC Oceans Ministerial. Economies submitted reports highlighting national programs, policies and activities to develop, manage, protect and conserve marine and coastal life and resources as well as small island environments. Economies also shared their experiences in the challenges, limitations, as well as opportunities they encountered in the process.

In addition to an update of current projects, the group also discussed future work on ecosystem-based management practices; a framework for trans-boundary marine conservation; the impact of Climate Change on marine resources; use of satellite images to interpret the impact of oil spills on coral health; how small islands could adapt and mitigate the impact of a rise in sea level due to climate change; and the 10th Roundtable Meeting to share experiences and develop strategies against the negative impact of climate change marine and chemical pollution.

MRCWG identified the priority issues for 2008/09 including the adoption of an integrated ecosystem-based approach (EBA) towards the management of marine activities as well as examining ways to mitigate the impact of climate change.

Fisheries Working Group

At its 19th annual meeting held April 14-17, 2008 in Piura, Peru, the Fisheries Working Group (FWG) focused on identifying major gaps and challenges in implementing a Ministerial framework for healthy oceans and resources--the "Bali Plan of Action" (BPA) adopted at the second APEC Oceans-related Ministerial Meeting in September 2005. The conclusion of the "BPA stock-take" project later in 2008 will provide members with a good idea of not only what activities are contributing to BPA implementation, but also specific challenges that need to be addressed, with a view to helping find solutions through collaboration, including with multilateral organizations, in the Asia-Pacific region. The

impact of climate change on oceans and fisheries, and ecosystem-based management were also among the issues that garnered attention.

The FWG continued to build on efforts to find the group's niche in global and regional debates and challenges. Discussions focused on issues such as illegal, unreported and unregulated fishing, diversification of use of small pelagics into higher value uses including human consumption, sustainable development of aquaculture, eco-labelling and energy efficiency in fishing. The discussions aimed at achieving a common understanding of challenges in the region and strengthening regional cooperation to respond to pressing international.

The 7th Joint session of the FWG-MRCWG was held on 18 April 2008. During the meeting, participants updated one another on developments and discussed areas for further collaboration. This included a proposal for a joint project to develop tools for an ecosystem-based approach towards marine management.

Gender

At its 6th meeting (17-18 May, Tacna), the GFPN issued recommendations to be considered by the SCE and SOM, including:

- To assist women with access to markets and benefits from free trade and globalization, the provision of support to the economies for trade capacity building assistance for women across the APEC region, particularly in developing economies;
- The inclusion of the gender implications of trade as a key policy issue to be considered by APEC Economic Leaders and Ministers.

GFPN, agreed to create an evaluation group to assess APEC project proposals for consistency with APEC project gender criteria. The new GFPN's Project Assessment Standing Committee (PASC) was set up in June 2008 and has initiated its work for the BMC 3 process (Sept-Oct).

In 2008, the GFPN successfully implemented the Third Gender Analysis Workshop; the Women in the Digital Economy Forum; the APEC Digital Economy Forum for Women. The group is currently developing a gender and trade database.

The Independent Assessment review of GFPN has been completed and the SCE's decisions pertaining to the assessment were endorsed by SOM3 in Lima, Peru in August 2008. Its outcomes are expected to help strengthen the work of GFPN and increase gender awareness in APEC. The GFPN expressed its positive views to the outcomes of the assessment. The SCE has considered all the recommendations, taking into account inputs from relevant fora and with a view to achieving a balance between gender and other priorities in APEC. The GFPN is requested to report to SCE1 in February 2009 on its progress in implementing SCE's instructions.

Human Resources Development

At the 4th APEC Education Ministerial Meeting held in Lima, Peru from 11-12 June 2008 under the theme "*Quality Education for All: Achieving Competencies and Skills for the 21st Century*" Ministers affirmed the recommendations and action plans on the four priority areas

of mathematics and science; language learning; career and technical education/technical vocational education and training (CTE/TVET); and ICT and systemic reform.

The Ministers endorsed the direction in which EDNET has been moving that bases its information gathering on evidence-based practice and research and encouraged research institutions to support APEC education efforts through comparative analyses in the priority areas.

The Ministers directed EDNET to focus on the following key systemic components of education change: a) Teacher's quality and instruction; b) Standards and assessments; c) Resources and tools and, d) Policies and research. The outcomes of the 4th EMM will be reported to Leaders and Ministers in November.

Mining

The Second meeting of the Mining Task Force was held in Lima, Peru from 26 to 27 August 2008. MTF members agreed to develop a Report on the situation in mining sector including new developments, important events, trends and other initiatives in mining sector for every MTF meeting for member economies consideration and information.

The Meeting endorsed three project proposals on “Sustainable Development in Mining in APEC Region”, “APEC Workshop for Capacity Building on Best Practices in Mining and in Further Processing of Iron Ore” and on preparation of study on “Creating a Framework for Corporate Social Responsibility Stakeholder Dialogue: Mining Industry Operations”.

Member economies considered the proposal to make a research/analysis on “Investment Attractiveness in Mining” and agreed to analyze the best practices in attracting investments in mining sector in the world, present this report for the consideration of industry representatives and prepare an evaluation report to the MTF member economies intersessionally.

The Task Force updated its Work plan for 2008 and 2009 including the proposal to add to MTF Work Plan for 2009 an item about “Exchange of Information in the context of responding to the UNCSO review of mining”. Member economies agreed to conduct the third MTF meeting in Singapore in 2009.

Private Sector Development

The APEC Ministers Responsible for Trade (2006), requested the SMEWG to frame up an initiative to address private sector development work through a multi-year thematic work-plan. The centrepiece of the work-plan is a series of capacity-building workshops on the year's theme to be held in the margins of the SMEWG Ministerial Meeting. Last year, the first workshop under the theme “Starting Business” was held in Australia.

The outcome of the Capacity Building Seminar on Ease of Doing Business, which is part of the implementation plan for the Leaders' endorsed Private Sector Development Agenda were presented at the 26th SMEWG meeting held in Kaohsiung. Delegates discussed issues such as easing the tax compliance burden and how APEC economies are performing in the area of business taxation.

This year, the workshop “Obtaining Business Licenses” was held in Peru and the “Access to Capital” workshop will be in Singapore in 2009.

Small and Medium Enterprises

The policy theme for APEC 2008 SME is ‘Business Solutions for SME Development’ with the sub-themes: Business formalization and facilitation (Obtaining Business Licenses); Fostering SME innovation, innovation management and technology transfer; and Complementary services for strengthening SME regional hubs and local market development.

The Small and Medium Enterprises Ministerial Meeting (SMEMM) held its 15th meeting in Chiclayo, Peru on 28-29 August, 2008. The policy theme of the meeting was "Sustainable Local Development to Foster SMEs Growth" which complemented Peru's APEC 2008 theme, "A New Commitment to Asia-Pacific Development".

The Ministers agreed to promote policy, business and regulatory environments that foster the establishment, growth and development of micro enterprises and SMEs. Ministers emphasized the importance of fostering SME growth as part of a sustainable economic development strategy. They also discussed policies designed to support SME development and reduce poverty within local communities across a range of areas including: sustainable environmental initiatives, corporate social responsibility, innovation management, public-private partnerships and regional economic integration.

Ministers approved the SMEWG new four year Strategic Plan 2009-2012. The priorities of the Plan are: 1) Business Environment; 2) Building Management Capability and Promoting Entrepreneurship; 3) Market Access and Internationalization; 4) Innovation; 5) Financing; 6) Raising Awareness of Sustainable Business Practices; and the cross-cutting theme, "Youth, Women and Minorities". The group is working on the KPIs of the Plan to be discussed intersessionally and expected its endorsement in the next SMEWG Meeting in Bangkok (March 2009).

Telecommunications and Information

APEC Ministers Responsible for the Telecommunications and Information Industry met in Bangkok in April 2008 (TELMIN7) and the key theme was “Digital Prosperity: Turning Challenges into Achievements”. During the meeting, Ministers discussed on how their economies faces the challenges of universal telecommunications and Internet access, pro-competitive regulatory regimes and liberalized markets by pooling knowledge and experience among the members in order to promote digital prosperity while ensuring a secure environment for Internet and telecommunications users.

The Bangkok Declaration adopted by Ministers underlines the importance of trade and investment liberalization and facilitation in the telecommunications and information sector to support regional economic integration; call for continued collaboration and sharing of information and experience to support a safe and trusted ICT environment including effective responses to ensure security against cyber threats, malicious attacks and spam; states that APEC economies should continue their efforts to expand the reach of networks with the ambitious goal of achieving universal access to broadband by 2015; and recognizes the Vital role played by ICT in all phases of emergency preparedness, early warning and disaster

mitigation, rescue and relief operations, delivery of humanitarian assistance and recovery efforts.

The TELWG will held its 38th Meeting in Lima from 12-17 October 2008 and will review the advances achieved, including reviews and studies on competition policy, convergence, universal access, as well as cybersecurity issues and misuse of the network infrastructure, among others.

Transportation

Peru hosted the 31st APEC Transportation Working Group (TPT-WG31) Meeting in Lima from 25-29 August 2008. Top priorities were given by the participants to implementing the Directives from TMM5 and Leaders and continue to prioritize the implementation of the Directives set out in 2007 by APEC Transportation Ministers and Leaders.

The participants agreed to develop a solid Agenda and considered suggestions for the theme of the 6th Transport Ministerial Meeting to be held in Cebu City, Philippines on 27-29 April 2009. Two drafting meetings have been scheduled in December 2008 and February 2009 to further discuss possible themes including seamless transportation systems, vehicle emission, security, safety, regional harmonization, fuel efficiency and trade facilitation and to explore the possibilities of integrating Corporate Social Responsibility in the TPTWG activities.

The TPT-WG31 endorsed 8 project proposals. The Road Safety Sub Group in Land Transport Safety Sub Group was renamed to include rail transport system to make Land Transport more encompassing. The participants took note of the nominations from 14 member economies as their Council Members to the APEC Port Services Network.

CTTF activities relevant to the TPTWG, including reports on the outcomes of the Sixth Secure Trade in APEC Region Conference (STAR VI), Security and Vulnerabilities of the Global Supply Chain; the Workshop on Trade Recovery Program (23-24 July 2008); and, the Public-Private Partnership to Counter Terrorism and Secure Trade Workshop, were presented.

Reports on the ‘APEC Air Cargo Security Workshop’ in Bangkok, Thailand from 24-26 June 2008; and the first meeting of the Transportation Working Group’s (TPT-WG) Aviation Emissions Task Force (AETF) held in Auckland, New Zealand last 30-31 July 2008 were also presented.

Tourism

The 32nd TWG and the 5th Tourism Ministerial Meeting were held in Lima, Peru 6-11 April 2008. The Ministerial meeting took the theme on “*Towards Responsible Tourism in the Asia-Pacific Region*” with the purpose to ensure continuous sustainable growth in the tourism industry in order to contribute and generate income and employment to local communities, as well as to promote the conservation and preservation of our environment, including social and cultural aspects.

Discussions and presentations were held on: *Social Inclusion and Indigenous Tourism; Corporate social responsibility; Environmental responsibility; Cultural Tourism; Aviation Connectivity; and Cruise Development in the APEC Region.* Member economies reported on

the work done domestically related to issues protecting tourism resources and ecotourism and environmental standards for tourism, hotels and particular areas. Also the rational use of resources in the development of tourism facilitates the protection and preservation of the natural regional resources.

Ministers endorsed The Pachacamac Declaration which mainly highlights support to joint strategies to guide a Responsible Tourism in the Region, preserving the ecosystem while minimizing environmental impact and, hence, producing more benefits to local communities. It emphasizes the social corporate and environmental responsibility, encouraging the implementation of renewable energy and social inclusion that contributes to the economic development of local communities. The Declaration also encourages a better air connectivity through the creation of new air routes and frequencies of exchange to facilitate tourism and foreign trade.

III - Economic Committee

Structural Reform Ministerial Meeting (SRMM)

A Ministerial meeting on structural reform took place from 3-5 August 2008. The Ministerial Meeting addressed the benefits but also the political challenges of structural reform, with a particular focus on regulatory reform; strategies for successful implementation of reform, including political considerations; and robust legislative and institutional frameworks. A session with regional business leaders identified the priority that the private sector places on addressing behind-the-border impediments to opening markets and ease of doing business across the region. The meeting agreed to a range of measures including:

- a. Encouraging the Economic Committee (EC), CTI and Finance Ministers' process to work together in advancing APEC's structural reform initiatives;
- b. Asked the EC to report back to AELM on progress in implementing the LAISR 2010 agenda, and how EC can continue on structural reform initiatives beyond 2010;
- c. Requesting the EC to strengthen the capacity building program on structural reform in its forward work program;
- d. Requesting EC to develop a process of voluntary reviews or self-reviews of economies' institutional frameworks that support structural reform, and to report back to Leaders through SOM on that new mechanism.

These outcomes and action points from the SRMM were reported back at EC2 which was held in Lima, Peru, from 19-20 August 2008 and will also be discussed at AMM.

ABAC also played an active and useful role at the SRMM in organising a session on regional business views on priorities to be addressed by governments in tackling structural reform. Business representatives from member economies highlighted the need for "smart" regulation based on simplification, transparency and speed of administrative decision; and the need for the focus of regulatory reform to be qualitative as well as quantitative.

The Economic Committee (EC) is responsible for leading APEC's on-going structural reform work programme. In 2007, the EC developed a detailed and ambitious work program outlining how APEC's structural reform agenda will be progressed in the five areas of regulatory reform, competition policy, public sector governance, strengthening economic and legal infrastructure, corporate governance, and public sector governance. The work program

was endorsed at the AMM. Structural reform was also discussed as an important aspect of regional economic integration. The EC will continue to progress the implementation of the 2008 work program, taking into account new emphases and developments flowing from the SRMM, above. The EC has established Friends of the Chair (FotC) groups in the five areas to develop and progress the forward work program.

Two EC seminars were held around the margins of SOM III, one on Transport Infrastructure and the other on Corporate Governance. Both offered substantial material to enrich the forward work plan, and EC2 discussed the outcomes & lessons learned. EC2 also hosted a substantive policy discussion on corporate governance reform, which focused on the priorities, successes and challenges faced in strengthening corporate governance frameworks.

A number of decisions were adopted at EC2: including the endorsement of a new Chair and Vice Chair for the Committee for 2009-2010. A number of reforms were also considered: EC then SOM endorsed a proposal by SELI & EC to merge the SELI Coordinating Group and the EC FotC group on SELI, with the group meeting as a FotC group in the future. The proposal to re-name CPDG to the Competition Policy and Law group (CPLG) was also endorsed, on the basis that there already existed a FotC on regulatory issues. There was also general agreement that EC and CTI needed to work more closely together on issues that have both an at-the-border and behind-the-border dimension eg. trade logistics. Greater collaboration between both groups with SCE was also encouraged.

There are a number of projects that have been endorsed within the framework of the EC, two on the topic of corporate governance; a training course on competition policy; and a seminar on regulatory reform in enhancing the domestic business environment.

The EC continues to coordinate with CPLG and FMP and other relevant APEC fora in carrying out its role with regard to structural reform. The revamped annual APEC Economic Outlook publication, now renamed the APEC Economic Policy Report (AEPR) is being prepared in 2008 with this year's theme being competition policy. The Report will be finalised ready for release at AMM and AELM. .

Competition Policy

The 1st meeting for 2008 of the Competition Policy and Deregulation Group (CPDG) was held on 13-14 August 2008, in Lima, Peru. The Group endorsed the new CPDG Chair. CPDG Member economies reported on updates and developments of competition policy and law which covered: i) Introduction of competition law and change to competition law and policy; ii) Enforcement of competition law and policy (featuring recent cases); and iii) Challenges being faced in the area of competition policy and competition advocacy efforts. Members also agreed to change the name of the group into Competition Policy and Law Group (CPLG), because the issues on deregulation are more discussed in the EC meeting rather than in CPDG.

Strengthening Economic Legal Infrastructure

The 2nd meeting for 2008 of the Strengthening Economic Legal Infrastructure (SELI) Coordinating Group was held on 17 August 2008, in Lima, Peru. The meeting highlighted the issue of SELI Reform in particular the suggestion of merging the SELI Coordinating Group into the EC FotC group on SELI to avoid duplication of participants and activities between

two fora. As a follow up, the merger of SELI Coordinating Group into the EC FotC Group on SELI was agreed and endorsed formally by the members at this SELI 2 meeting.

IV - Interaction with the Business Community

APEC Business Advisory Council (ABAC)

In 2008, ABAC's main theme is "Mind the gap: making globalization an opportunity for all". Its focus is on making recommendations for concrete measures to transform growth into lasting development, to spread the benefits of globalization more widely between and within APEC economies.

The First 2008 Meeting took place in Jakarta, Indonesia, from January 20-23. A dialogue with APEC Senior Officials was held, directed to ensure synergy with the APEC process. ABAC agreed that its major priorities will include further exploring the concept of a FTAAP, the WTO Doha Development Round, Energy Security and Climate Change, Business Facilitation and SME development.

ABAC held its Second Meeting for 2008 in Moscow, from 12th to the 14th May. Members discussed current economic and business issues; advanced its preparations for a report to APEC Leaders in November. The key areas of discussion were the global credit market contraction; impacts of shortages in the supply of basic food products, and subsequent marked increases in prices, and the situation in the Doha Development Agenda round of multilateral trade negotiations.

ABAC agreed to send the views of business on how APEC Ministers of Finance, central banks, and regulatory bodies should collaborate and respond to the problems exposed in recent months, specially the implications on the regional economy of the global credit market contraction.

ABAC urged APEC Ministers Responsible for Trade to liberalize trade in environmental goods and services on a multilateral basis, considering that this would be a valuable practical step to complement the significance APEC Leaders have attached to addressing climate change and energy security. ABAC discussed the human and economic implications of the drastic increases of food-prices in the APEC region, and communicated its concerns to Ministers of Trade, calling for renewed attention to the policies and programs in the APEC Food System (AFS).

ABAC held its third meeting of 2008 in Hangzhou, China. The first session of the Second ABAC SME Summit, which attracted some 10,000 SMEs and 350 media people from around the region, was held back-to-back with the meeting.

In the Informal Session ABAC members discussed: the APEC Food System; and the Trans Pacific Strategic Partnership Agreement (P4). APEC 2008 SOM Chair discussed with ABAC members the outcomes of SOM II and the MRT meetings held in Arequipa, Peru, notably the status WTO Doha negotiations. It was noted that the collapse of the WTO trade talks may bring a greater focus on options regarding regional economic integration.

The ABAC Council agreed to seek Leaders' re-endorsement of the AFS as the principal mechanism by which APEC should seek to address the current and anticipated future food

challenges in APEC. The ABAC Council also reiterated the position taken by ABAC members at the Jakarta meeting on the issue of corporate social responsibility (CSR) – i.e., that it is “strictly a business activity”; that “it is voluntary”; and that “it should not be mandated or legislated”. Finally, the Letter to APEC Leaders and the Report to APEC Leaders were drawn up at the Hangzhou meeting.

V - Finance Ministers’ Process

The Senior Finance Officials’ Meeting (SFOM; formerly known as the Finance Ministers’ Technical Working Group (FMTWG)) has chosen the following two policy themes to steer its work program for 2008: (i) Results-based budgeting and (ii) Capital Market Reforms. These two themes were further developed at SFOM held in Peru in July (10-11 July, Cusco) in preparation for discussion by Finance Ministers at the 15th Finance Ministers’ Meeting in Trujillo, in early November 2008. The theme of Results Based Budgeting (RBB) was broadened to Improving Public Expenditure, including RBB and Managing Fiscal Risk.

Other key issues discussed were food and fuel prices, global financial market turbulence, inflationary issues and implications to the US sub-prime market, the need to ensure sufficiency and efficiency of investment in the APEC region, and structural reform.

Several new Initiatives under the FMP were approved at SFOM 4:

- A World Bank initiative on the economic impacts of climate change, which will focus on case studies of 6 economies, and development of a report for presentation to FMM in 2010;
- An Australian initiative on strengthening capital markets.

In 2008 to date a number of workshops and seminars have now been delivered including:

- A second workshop on Fiscal Space - Reviewing, Assessing and Prioritizing Government Expenditure, Jakarta, Indonesia, 14-15 May 2008.
- a high-level seminar co-hosted by APEC and the IMF as part of the "Initiative on Ageing Issues in APEC", held in Seoul on May 21-23, 2008. Member economies shared experiences on economy-specific & general issues regarding ageing and financial markets in APEC; and
- an ABAC bond market dialogue that was held in Cusco on 9 July 2008, preceding SFOM 4.

VI - Management Issues

1. APEC Reform

In 2007, significant reforms were agreed by Leaders and Ministers in Sydney, most notably:

- to increase substantially member contributions from 2009 to help strengthen the Secretariat.
- establishment of a new APEC Policy Support Unit to provide analytical capacity, policy support and assist in coordinating related capacity building for APEC's trade, investment and economic reform agenda and related ECOTECH activities.

- Improvements to APEC Secretariat budget and management processes.
- Agreement to the appointment of an Executive Director for a fixed term from 2010.

Leaders and Ministers also commended efforts to streamline and bolster APEC's operational capacity, including the appointment of a Chief Operating Officer in 2007, and measures to enhance project management skills and improve related processes.

Following agreement to the Policy Support Unit (PSU) Governance Arrangements at SOM I, PSU Manager Philip Gaetjens has been appointed as the PSU manager and began his tenure in Singapore on July 2008.

At SOM III, Senior Officials endorsed the paper on the terms and conditions of the Fixed Term Executive Director which will be forwarded to the AMM in November 2008 for consideration. SOM further agreed on the direction of the draft PSU work plan and endorsed the recommendations contained in the APEC calendar reform paper.

2. APEC Information Management Portal (AIMP)

Members are encouraged to become active users of the APEC Collaboration System (ACS) and sites to which they belong, not only accessing information that is available there, but also making use of the collaboration functions and actively contributing content.

The Project Data Base provides much greater project workflow and management capacity, as well as improved search and reporting tools. **All projects being submitted to BMC for funding are required to submit their projects online through the PDB.**

The Meeting Document Data Base provides improved retrieval and searching facilities. Currently, the database contains 2005, 2006 and all 2007 documents to date. As the year continues, all new meeting documents will be loaded as they become available, and past documents will progressively be added. Eventually, documents to be loaded into the MDDB will include: ALL Leaders and Minister Statements for all years (1989 to present); ALL Summary Records that we have (1989 to present); ALL meeting documents (2004 to present); and selected older meeting documents.

3. Budget and Management Committee (BMC)

The next meeting of the BMC will be held on 20-21 October 2008 in Singapore. The meeting will consider 2009 budget proposals including funding for projects. All new project proposals seeking 2009 APEC funding have been submitted online through the Project Data Base **by 4 September 2008.**

4. Projects

a. Implementation

The Guidebook on APEC Projects (6th Edition) and Annexes thereto should provide POs with necessary information on all stages of project life cycle, which POs are encouraged to consult

and to explain to experts, participants and organizations identified for implementation of projects. POs should also contact the Secretariat on a regular basis, at least once every two months throughout the project's duration.

Regular and frequent communication with the Secretariat is critical to ensure more effective project administration. Project Overseers are reminded of the need to give adequate time (at least four weeks before a meeting) to identify participants and speakers being APEC funded to attend project activities. It can take several weeks to process their travel and for them to obtain visas, particularly if they have to transit the United States or Canada. There can be significant increases in airfare costs when this four week advance notice period is not met. Project Overseers are urged to plan their workshops/seminars well in advance and encourage nomination of participants by the deadline to ensure that the most direct and economical flights can be obtained.

b. Project Assessment/Evaluation Process

Since 2007, the Quality Assessment Framework (QAF) has been applied to all project proposals. Fora are gradually building experience and system in applying the QAF and should continue to embrace this tool to help improve project quality and effectiveness. Those fora that have not yet established a small group to conduct QAF assessments are encouraged to do so as soon as possible. The names of these representatives should be advised to the relevant Program Director to allow QAF members to maximise use of the systems built into the Project Data Base (PDB). It is encouraging to note that the submission ratio, as well as timely submission of evaluation reports for completed projects, has improved. The Secretariat is working to rectify the PDB to facilitate the submission and assessment of evaluation reports.

c. Project Management

To assist in improving the quality of APEC projects, improve the coordination of project activities and ensure most cost-effective and targeted projects, the Project Management Unit was established in 2007. The PMU aims to develop further a more professionalised approach to projects within the Secretariat and help build capacity in project management within the Secretariat and the wider APEC community.

The Secretariat submitted to the BMC 1 in February 2008 a concept note to improve the project approval process, comprising increased opportunities of project approval and immediate disbursement of funds upon approval. BMC agreed to the formation of a small group to take this work forward. BMC 2 in April agreed that a work program to address the range of issues should commence through the US-led small group with close involvement of the Secretariat as soon as possible with the objective of putting recommendations to the BMC at its next meeting. It was suggested that the list be expanded to include further relevant issues raised in the original Secretariat's paper, and now includes ranking, delegation and risk management of projects. The issues continue to be discussed by the BMC Small Groups.

Program Directors (PDs) continue to be the first point of contact to assist fora with general inquiries, proposal development and project administration. The PMU provides support to Program Directors to help them fulfill their role. Fora can contact the PMU through their respective PDs for guidance on project development, implementation or its assessment and evaluation. Suggestions on how to improve the APEC project processes are welcomed and should be directed through the relevant PD or to pmu@apcc.org.

5. Communications and Public Affairs

a. Website

Changes have been made to the website, and the horizontal resolution of the site is now at a width of 1024. This results in less scrolling down to view the site and the addition of extra information on the right hand side of the home page. The APEC Website Development Tool Kit is almost complete. The intent of this project is to provide templates and guidance on the preparation of satellite websites (those websites that are affiliated with APEC and its activities). Updating of existing Satellite sites for those using HTML will be very simple. Two project sites will be tested to ensure that the templates and guidance are complete and comprehensive. The Resource Centre for Satellite sites will be completed in early fall.

b. Media support

All APEC events and issues are of interest to the wide range of recipients of official APEC news. This ranges from major news outlets such as CNN to industry publications and the growing number of direct APEC News recipients (4,000 plus media contacts at this stage). Any event that Fora are involved with may be of interest to people in these news groups.

c. APEC E-Newsletter

The APEC E-Newsletter is published quarterly and sent to a subscription database of over 4,200 journalists, business people, government officials and academics in nearly all economies. And in excess of three times this number access the E-Newsletter directly through the APEC website. It is an effective vehicle for providing in-depth information on interesting issues to a broader audience.

The APEC Secretariat Communications Team can assist your Fora in drafting articles on newsworthy subjects. Contact the APEC Secretariat with ideas for articles as the year progresses. The latest issue can be viewed through the APEC website, www.apec.org.

d. Project Publications

All publication plans included in project proposals will be viewed by Communications staff at the initial stages of the project. This will permit changes to be made at the onset of the project and reduce the possibility of incorrect usage of logos, nomenclature etc. In addition Communications is also looking at the possibility of providing publication templates so as to ensure a more consistent graphic look to the covers of project publications.

SCE Policy Criteria for 2008-09 projects

In assessing ECOTECH 2008-09 projects, priority will be given for capacity building activities for developing economies under the Manila Framework in accordance with the following categories:

High
Rank 1: Leaders Key ECOTECH Priorities*
<p>Climate Change, Energy Security and Clean Development: energy efficiency, biodiesel standards, low emissions technology and innovation, alternative and low carbon energy uses, forests, aviation emissions, environmental goods and services, support for effective adaptation strategies, protection of marine and coastal resources, policy analysis</p> <p>WTO and Multilateral Trading System</p> <p>Regional Economic Integration: FTAs/RTAs, improving the business environment, structural reform, trade and investment liberalisation and facilitation, strengthening intellectual property rights, anti-corruption, financial markets sectoral issues and private sector engagement, targeted trade-related technical assistance and capacity building, and engagement with international financial institutions</p> <p>Enhancing Human Security: counter-terrorism; health security; pandemic and emergency preparedness; food and consumer product safety, and energy security.</p> <p>APEC Reform</p>
Medium
Rank 2: Ministers ECOTECH Priorities (additional to above)
Trade and economic reform; SME competitiveness; private sector development; human resource development; digital capability improvement; cooperation with ASEAN and ABAC; gender integration, investment.
Rank 3: Host priorities (additional to above)
Highlighting the educational programs role on the social and economic development of the member economies; supporting the development and modernization of the small and medium enterprises, recognizing them as a dynamic sector in creating new jobs; supporting technological cooperation programs oriented to bridge the digital gap; stressing the impact of corruption of public and private representatives on the business environment and economic performance of the economies; introducing the issue of Corporate Social Responsibility on APEC relevant activities.
Rank 4: Sectoral Ministers priorities*
Finance (2007); Energy (2007); Mining (2007); Health (2007); SME (2007); Transportation (2007), Tourism (2008); Telecommunications (2008); Education (2008), Structural Reform (2008)
Low

Rank 5
Other capacity building activities that fall within the Manila Framework.
Zero
Rank 6
Other activities
* To be updated following 2008 sectoral ministerial meetings.