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APEC Secretariat Report on Key Developments

Purpose: Information

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**Competition Policy and Law Group Meeting
Ningbo, China
21-22 February 2014**

APEC Secretariat Report on Key Developments – February 2014

1. APEC 2014 PRIORITIES

In 2014, APEC's theme is "*Shaping the Future through Asia-Pacific Partnership.*" The priority areas include:

- Advancing regional economic integration;
- Promoting innovative development, economic reform and growth; and
- Strengthening comprehensive connectivity and infrastructure development.

2. KEY OUTCOMES OF SENIOR OFFICIALS AND COMMITTEE MEETINGS

Second Senior Officials' Meeting

The APEC **Economic Leaders Meeting, Ministerial Meeting**, the APEC **CEO Summit**, and the **Concluding Senior Officials' Meeting** were held in Bali Indonesia from 1 to 8 October 2013:

The APEC Economic Leaders' Meeting issued the [Bali Declaration](#) on 8 October 2013.

The 2013 APEC Ministerial Meeting was held in Bali, Indonesia on 4 and 5 October 2013. The meeting considered progress on attaining the Bogor Goals, action required to promote connectivity and encouraging sustainable growth with equity. A [joint statement](#) was issued summarising work undertaken during the year.

Committee on Trade and Investment (CTI)

In 2013, the APEC **Committee on Trade and Investment (CTI)** adopted a work program organized around five priority areas that contribute to APEC 2013 Priorities under the theme of "Resilient Asia-Pacific, Engine of Global Growth." The five areas were:

- Support for the multilateral trading system
- Attaining the Bogor goals, trade and investment liberalization, and regional economic integration
- Promoting connectivity
- Expanding regulatory cooperation and advancing regulatory coherence
- Contributions to APEC growth strategy and cross-cutting mandates.

An overview of the CTI's work and achievements as well as that of its 11 sub-fora and industry dialogues in 2013 can be found in the 2013 CTI Annual Report to Ministers.

The CTI will next meet in Ningbo, China from 24-25 February 2014 to discuss and agree on the Committee's priorities and work program for 2014. It will continue to advance the CTI-related action as directed by Ministers and Leaders in Bali; as well as those actions outlined in its 2013 Annual Report to Ministers. Some of the planned activities or mandated tasks for the year will include:

- Intensify implementation of the Supply Chain Connectivity Framework and Action Plan (SCFAP) and advance the systematic approach to improve supply chain performance.
- Intensify work to assist economies in the implementation of the APEC List of 54 Environmental Goods (adopted in 2012) commitments.
- Undertake further activities will be organised as part of the Action Plan Framework for Regional Economic Integration (REI) Capacity Building Needs Initiative adopted in 2012.
- Hold the 2014 APEC Regulatory Advancement Mechanism (ARCAM) Dialogue on Electric Vehicles.
- Undertake a review of the efficiency and effectiveness of existing CTI sub-fora under the process agreed in 2013 to streamline CTI sub-fora and reduce the frequency of CTI sub-fora meetings.

Economic Committee (EC)

The second EC meeting in June 2013 included two policy discussions on “Regulatory Reform in Green Investment” and “State of the Regional Economy: Navigating towards Sustainable Growth in a Changing Landscape.” The EC discussed the APEC New Strategy on Structural Reform (ANSSR), including the ANSSR mid-term progress being conducted in 2013 and various on-going capacity building activities to assist member economies with implementation of their ANSSR plans. The EC also discussed the progress on the Ease of Doing Business (EODB) Action Plan and the updates on Good Regulatory Practices (GRP). The EC considered the work plans of the Competition Policy and Law Group (CPLG) and its five FotCs including: competition policy, regulatory reform, corporate law and governance, public sector governance and ease of doing business.

The EC published the 2013 APEC Economic Policy Report (AEPR) on Promoting Fiscal Transparency and Public Accountability and the 2013 ANSSR Mid-Term Progress Report in October 2013.

The next EC meeting will be held in Ningbo, China on the margins of SOM1.

SOM Steering Committee on ECOTECH (SCE)

At the third and final SCE meeting of 2013 on 3 July, the SCE endorsed the report of the survey of fora and economies conducted during the year and accepted ten recommendations arising from the report. The recommendations included changing the way the SCE-COW (Committee of the Whole) meets to allow for more discussion and coordination of cross-cutting issues, formally providing opportunities for fora chairs and lead shepherds to meet to encourage collaboration, developing capacity building guidelines and encouraging fora to work with the Policy Support Unit. SCE also noted fora progress on completing strategic plans and concluded independent assessments of EGILAT, EWG, TPTWG and CTF. SCE recommended to the SOM that the CTF be upgraded to a working group, which the SOM subsequently agreed to leading to the Counter-Terrorism Working Group (CTWG) being formed.

The next SCE meeting will be held in the margins of SOM1 in Ningbo, China on 26 February 2014. It will be preceded by the SCE-COW meeting on 25 February.

Budget and Management Committee (BMC)

In 2013, the Secretariat received a total of US\$5 million in voluntary contributions for APEC projects from three Member Economies, including US\$901,782 to the Trade and Investment Liberalization and Facilitation Special Account (TILF) and JPY241,446,000 (equivalent to US\$2,519,524) to the APEC Support Fund (ASF) Energy Efficiency and Low-Carbon Measures Sub-fund from Japan; A\$1,500,000 (equivalent to US\$1,580,550) to the ASF (General Fund) from Australia; and NZ\$75,000 (equivalent to US\$59,006) to TILF from New Zealand.

During the same period, the Secretariat received fixed members' contributions for 2013 totaling S\$5,710,113 and US\$1,117,324 to the Administrative Account and Operational Account respectively¹.

The BMC embarked on a financial realignment exercise in 2013, which is a substantial work program to promote transparency in APEC financial management, strengthen the governance of the APEC Secretariat, support the stability of the APEC financial system, and promote predictability and sustainability of APEC project funding. As part of the exercise, SOM approved the BMC's recommendations that starting from 2014, APEC will set an aspirational target for the funding level in TILF and ASF with a planning horizon of three years. At the same time, there will be a cap on the value of projects approved per session or per year. The modus operandi for coordinating voluntary contributions will be submitted to SOM for approval after endorsement by BMC in 2014.

APEC Business Advisory Council (ABAC)

ABAC achieved two important milestones in 2013: First, the completion of a detailed roadmap

¹ The Secretariat also received a contribution of US\$150,000 from a Member Economy and is separately liaising with the Member Economy on the year(s) that the contribution should be designated for.

towards regional food security, drawn by the newly-created APEC Policy Partnership for Food Security (PPFS) with ABAC participation. One of the PPFS action plans is to reduce food losses and increase food safety by promoting the effective use of cold chain technology and by urging economies to adopt international food safety standards.

The other achievement is the ministerial endorsement of the Asia Pacific Financial Forum (APFF), a regional platform for multi-stakeholder collaboration to help accelerate the development of integrated financial markets.

In its 2013 Letter and Report to Leaders, ABAC called on APEC to have a more ambitious agenda on trade, investment and services liberalization targets. It stressed its belief that the ultimate expression of regional connectivity is still the achievement of a Free Trade Area of the Asia-Pacific (FTAAP). To facilitate smoother trading of goods, the Council provided key recommendations to improve regulatory coherence, which should start with domestic regulatory reforms, and urges APEC to adopt global product data standards to address supply chain connectivity and complexity challenges noted in the region.

ABAC also highlighted the need for major infrastructure investment across APEC to secure economic growth and regional integration. In particular, the business community is concerned about the slow implementation of big-ticket public-private partnership (PPP) projects while noting a McKinsey Global Institute report estimating global infrastructure investment requirement of US\$57 trillion to sustain economic growth. For its part, ABAC has developed an infrastructure investment checklist designed to help governments determine the extent to which their economies facilitate infrastructure investment. In addition, ABAC continued to host confidential dialogues with individual APEC economies under the Asia-Pacific Infrastructure Partnership. These offered advice to governments on how to create conducive environments for successful PPPs.

ABAC will have 4 meetings in 2014:

- First ABAC Meeting, 11 - 14 February 2014, Auckland, New Zealand
- Second ABAC Meeting, 4 - 7 May 2014, Santiago, Chile
- Third ABAC Meeting, 7 - 10 July 2014, (TBC), United States
- Fourth ABAC Meeting, 5 -8 October 2014, Beijing, China

More information on ABAC can be found at: <http://www.apec.org/Groups/Other-Groups/APEC-Business-Advisory-Council.aspx>.

3. DEVELOPMENTS WITHIN THE SECRETARIAT AND POLICY SUPPORT UNIT

Key Staff Movements and Appointments

Program Directors to have left the Secretariat since the last update in June 2013 include, Mr Diego Belevan of Peru; Ms Yumiko Honda of Japan, Ms Shea Wing Man of Hong Kong, China and Ms Yoo Myung-hee of Korea. New Program Directors to commence at the Secretariat include Mr Alex Rogers of New Zealand; Mr Alvaro Castro of Mexico; Ms Grace Cruz-Fabella of The Philippines; Ms Kristin O'Grady of the USA; Ms Sakura Ozaki of Japan and Ms Ha Thai Quynh Phuong of Viet Nam.

Staff that have commenced work with the Secretariat in the last six months include, Mr Michael Andrew Mesina, Ms Lilibeth Coquilla Ellica and Mr Wong Chi Chung. Ms Anna Lim, Executive Assistant, resigned in Sep and was replaced by Ms Oh Soh Wan in Nov 2013. Ms Jacqueline Tan, Publishing & Corporate Affairs Manager resigned in November 2013 and was replaced by Ms Tizi Melissa Othman in Jan 2014.

Recent staff movements in the Policy Support Unit include the departure of Analyst Ms Tammy Hredzak (November 2013); the engagement of Senior Analyst Dr Gloria Pasadilla (July 2013), Researcher Mr Andre Wirjo (December 2013) and Analyst Mr Emmanuel A. San Andres (January 2014); and the promotion of Ms Bernadine Zhang to Analyst (January 2014).

Project Management Unit (PMU)

Three project sessions were completed in 2013 and a total of 109 projects at a value of \$13.2 million were approved for implementation. At BMC2, 2013 members agreed to pilot the approach to conduct two project sessions instead of three in 2014. The first session for 2014 will commence at the end of February 2014.

The pilot phase of multi-year projects which commenced in 2011 was concluded in mid-2013. A total of 12 multi-year projects were funded under the pilot. Members agreed that a mid-term review of the pilot phase be commissioned by the Secretariat in 2014. The Terms of Reference for the review will be submitted for consideration at BMC1.

A consultancy commissioned by the Secretariat (and funded by APEC TATF) on developing a framework and methodology for undertaking evaluations and impact assessments of APEC projects was completed in mid-2013. The findings of the evaluation were presented at the BMC2 meeting in Medan. Work on implementing the recommendations from the consultancy is underway. In accordance with the directions set out in the (implementation) Action Plan submitted to members at BMC2, the Secretariat has made amendments to existing templates to capture information on participants and capacity building impacts more effectively. A system to collate participant information for future evaluations is being developed. An indicative pipeline for potential APEC project evaluations planned for 2014-2015 will be presented at the upcoming BMC meeting with a view to seeking members' approval. This will subsequently be circulated to other Committees/SFOM, sub-fora and working groups for consideration.

The design and upgrade of the APEC Project Database was finalized in 2013 with all project records since 2006 (concept notes, proposals and monitoring reports) uploaded on to the system in October 2013. The system is a comprehensive repository of all project records and is accessible to all members.

Policy Support Unit (PSU)

At the last PSU Board meeting on 30 September 2013 in Bali, the Board approved the extension of current PSU Director for a further two years, i.e., from 21 February 2014 to 20 February 2016. The Board will next convene on 26 February 2014 in Ningbo under China's chairmanship.

In October last year, the PSU released a new publication titled "APEC in Charts" which was well received by APEC Ministers and Senior Officials. The PSU aims to publish this annually. StatsAPEC has also been optimized for use on mobile devices since last year.

The PSU's first output for 2014 covers the topic on services:

- APEC, Services, and Supply Chains: Taking Stock of Services-Related Activities in APEC (Policy Brief No. 9, 29 January 2014)

In the months ahead, the following deliverables can be expected:

For CTI

- Bogor Goals Progress Report – IAP Peer Review Process 2014
- Perceptions in the Use of NTMs in the APEC Region
- Comprehensive Analysis on Enhanced Resiliency of Cross-Border Value Chains (Phases 1 to 4)
- Voluntary Standards and Regulatory Approaches in Advertising in APEC Economies (Issues Paper)

For EC

- APEC Economic Trends Analysis (biannual)
- Ease of Doing Business – Interim Assessment 2009-2013
- Regulatory Reform - Case Studies on Promoting Innovation

For MRT and AMM

- Key Trends and Developments Relating to Trade and Investment Measures and Their Impact

on the APEC Region 2014 (biannual)

For SFOM

- Asia Region Funds Passport: A Study of Potential Economic Benefits and Costs

For SMEWG

- Integrating SMEs into Global Value Chains - Policy Principles and Best Practices (Issues Paper)

Others

- Biannual updates to StatsAPEC
- Research Outcomes: Summary of Research Projects 2013

For the most up-to-date monthly work program and soft copies of the PSU's reports and publications, please visit: www.apec.org/About-Us/Policy-Support-Unit/PSU-Products-Publications).

Communications and Public Affairs

The Communications and Public Affairs Unit (CPAU) continues to carry out its operational plan. Between September 2013 and January 2014, the APEC Secretariat engaged Burson-Marsteller, a communications consulting firm, to provide an independent assessment of APEC's tools; identify specific communications challenges and strategic opportunities facing incoming host economies; and make recommendations for the APEC Secretariat's strategic communications and public affairs plan for 2014 – 2016.

Between 15 June 2013 and 1 February 2014, Dr Alan Bollard conducted outreach. Remarks were delivered to:

- Singapore Management University (SMU) Lecture Series, Singapore
- APEC Youth Summit, APEC Leaders Week Bali. Indonesia.
- Bali Business Forum, Indonesia
- Institute for South East Asian Studies, Singapore
- S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore
- Asian Financial Forum, Hong Kong, China

Op-eds written by Dr Bollard were published in the following publications:

- "Greater cross-border trade key to APEC Growth," Asahi Shimbun
- "Building Bridges," El Comercio, Peru
- "Economic Integration in the Pacific Basin," La Tercera, Chile
- "APEC's Trade Agenda," The Wall Street Journal, United States
- "Obama trades places, but APEC agenda intact," Jakarta Post
- "China as a model for reform and market integration," People's Daily, China

Media interviews and background discussions were conducted with over 20 organisations including AFP, Al Jazeera, Bloomberg, CNBC, China Central Television, El Comercio, CNN, The Economist, The International New York Times, Kompas and Reuters.

The APEC Bulletin was published in September 2013 and featured articles on:

- The Cross Border Privacy Rules System: Promoting consumer privacy and economic growth across the APEC region
- Mapping out a renewable energy future
- Connecting indigenous micro-enterprises to global markets
- Interview: Boosting business recovery before disasters strike
- Transforming Digital Divides into Digital Opportunities
- Streamlining Regulations Boosts Wine Trade

Since December, the APEC Bulletin has been issued on a monthly basis.

CPAU Support for members:

- Updated the APEC Communications Toolkit in June 2013
- Updated the APEC Websites Guidelines in September 2013 with general guidelines for the Host Economy Website
- Published Outcomes and Outlook 2013/2014 and APEC at a Glance.
- Launched the Apple (iPhone) version of the APEC Glossary App to help iPhone users look up APEC acronyms
- Announced winners of the annual APEC Photo Contest at CSOM in early October
- Participated in three TATF-funded workshops to build capacity for incoming hosts in Papua New Guinea, Peru and The Philippines.

APEC Technical Assistance and Training Facility

The APEC Technical Assistance and Training Facility (APEC TATF) works closely with the APEC Secretariat to implement a range of activities designed to strengthen the APEC Secretariat as a customer-driven institution. APEC TATF ended on December 31, 2013, and its successor project, US-APEC Technical Assistance to Advance Regional Integration (US-ATAARI) will support the APEC Secretariat. From June 2013, APEC TATF's accomplishments include:

- Working closely with the IT Unit and the selected vendor, developed the IntraAPEC, which was completed in December 2013. The APEC Secretariat operating units are populating the portal with information. US-ATAARI will provide training to users on how to maximize use of IntraAPEC. It is anticipated to be officially launched in March 2014.
- Working with the Finance Unit, engaged an expert to review and make recommendations on aspects of APEC financial processes, broadly in line with the industry's best practices and Singapore Financial Reporting Standards. US-ATAARI will support work
- Organized an APEC Secretariat-wide offsite staff retreat in August 2013, which focused on the development of the APEC Secretariat's 2014-2016 strategic plan.
- Worked with the APEC PMU and the BMC small working group to examine APEC's monitoring and evaluation framework. Phase 2 tested the methodology developed in Phase 1. Results and recommendations were presented at SOM 3 in Medan. US-ATAARI will work with the PMU to implement longer term recommendations in 2014.
- Continued to work with SCE sub-fora, and in particular, the PPWE, in their efforts to develop medium-term strategic plans to ensure that their goals and future work are in line with APEC's overall objectives.
- Provided training to APEC Secretariat staff on elements of conducting effective performance management reviews.