SUMMARY CONCLUSIONS

14TH APEC-HRD WORKING GROUP MEETING
10 - 13 June 1996
Bandar Seri Begawan, Brunei Darussalam

1. The 14th meeting of the APEC Human Resources Development (HRD) Working Group (WG) was held in Bandar Seri Begawan on 10th - 13th June 1996. Delegates from Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Papua New Guinea, Republic of the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America attended. Representatives of the APEC Secretariat were also present. The list of delegates provided by member economies appears as ANNEX 1.

2. The meeting was co-chaired by Mr. Stewart Goodings, Lead Shepherd of the HRD WG, and Mr. Pengiran Ismail Mohamed, head of the Brunei Darussalam delegation, in his capacity as Host of the meeting.

OPENING REMARKS

3. The Plenary Session began with welcome remarks by the Host, who expressed his appreciation for the preparation and support from the APEC Secretariat and the Lead Shepherd. He also recognised the contributions to the WG of the former Lead Shepherd, Ms Kathy O'Hara.

4. The Lead Shepherd expressed his appreciation for the excellent conference facilities and looked forward to working with the WG. He outlined the proposed agenda for the meeting, which was subsequently adopted. The agenda appears as ANNEX 2.

TABLING OF REPORTS ON THE LEADERS' AND MINISTERS' INITIATIVES AND OTHER HRD-RELATED INITIATIVES

5. The Lead Shepherd acknowledged the tabling of the reports on the Leaders' and Ministers' initiatives and other HRD-related initiatives, highlights of which appear below.

6. The United States tabled a **Report on the APEC Leaders' Education Initiative.** Member economies are continuing to create or develop APEC Study Centres. Three regional meetings of the Study Centres have taken place, the most recent in Manila on 9 - 10 May 1996, and two more are planned including a major conference in Canada in May 1997. Study Centres have individual and collaborative projects on APEC-related issues and have recently established "Edunet" at the University of Washington, an electronic forum for discussion, information, and educational

exchange. Study Centres are based at institutions of higher education and advanced research, and engage in research, exchange and student and public education. The report on the APEC Leaders' Education Initiative appears as ANNEX 3.

7. Thailand tabled a **Report on the APEC Business Volunteer Programme (BVP),** which noted that preparations are being made to establish the APEC BVP Co-ordination Office in Bangkok which is expected to start operation in late September or early October 1996. An advisor from Japan will be joining the APEC BVP Co-ordinating Office later this year to assist in the development and implementation of the programme. Thailand plans to organise a meeting of APEC BVP focal points later this year to discuss organisational matters concerning the implementation of the APEC BVP. After Thailand tabled its report, Japan welcomed Thailand's progress on the BVP. The report on the BVP initiative appears as ANNEX 4.

8. As agreed at the previous WG meeting, Korea provided further details of its proposal to host the **HRD Ministerial Meeting in 1997.** Tentative dates for the HRD SOM and HRD Ministerial Meeting are 23-24 September and 25-26 September 1997, respectively. Korea looks forward to working on the agenda with other member economies.

9. The Philippines tabled a **Report on the APEC Centre for Technology Exchange Training for SMEs (ACTETSME).** Preparations include the construction of the ACTETSME building, survey of technology information needs and training for SMEs, and conduct of the ACTETSME organisational workshop. The operational capacity of ACTETSME will be demonstrated via electronic means during the Third SME Ministerial Meeting in September. The report on ACTETSME appears as ANNEX 5.

10. The Philippines tabled a **Report on the preparations for the Third SME Ministerial Meeting,** which will be hosted by the Philippines on September 5-6 1996. The SME Ministerial will be guided by the theme, "Creating the Climate for Globalisation of SMEs", and will discuss the progress of the SME Action Program. A series of related meetings to create a business environment conducive to the development of SMEs will be held prior to the Ministerial Meeting. The report appears as ANNEX 6.

11. The Philippines tabled an **Update on Sustainable Development (SD) Ministerial.** The SD Ministerial Meeting will discuss three specific areas for potential cooperation: (1) Sustainable Cities/Urban Management; (2) Clean Technology/ Clean Production; and (3) Sustainability of the Marine Environment. Activities already underway in the various APEC fora related to these three themes will be identified and areas for further cooperation will be considered. The report appears as ANNEX 7.

12. The USA's **Report on the APEC Education Foundation** was tabled as part of the report on the APEC Leaders' Education Initiative, which appears as ANNEX 3. The Foundation is now a fully functioning entity and hopes to begin modest grant-making in 1996. A Board of Governors and Advisory Council have been

established and membership from throughout the Asia Pacific is presently being sought. The Korean Institute of International Economic Policy has recently agreed to co-operate closely with the Laurasian Institute to ensure the success of the Foundation.

13. Korea tabled a **Report on the APEC Vocational Training Programme**. The report appears as ANNEX 8.

14. For the information of WG members, Japan tabled current status reports on two Partners for Progress project proposals. These appear as ANNEX 9.

15. Japan tabled a **Report on the Japan-APEC Partnership for Education and Training (JAPET)**. The report appears as ANNEX 10.

16. Australia tabled a **Report on progress on University Mobility in the Asia Pacific (UMAP)** programme. A regional UMAP Reference Group Meeting will be held in Auckland, New Zealand on 20-23 August 1996. The Reference Group Meeting will consider, *inter alia*, the development of a database of two-way student exchanges and institutionalisation of the programme through the establishment of a small permanent secretariat to co-ordinate regional participation. The report on UMAP appears as ANNEX 11.

17. The representative from PECC tabled a **Report on PECC-HRD**. PECC places great significance on the development of the APEC labour market database and related LMI initiatives. Willingness to continue working with the HRD WG on projects was confirmed. A 1996/97 PECC HRD Outlook will be published in early 1997. PECC HRD sought advice on mechanisms for PECC HRD and the HRD WG to interact across a broad range of activities. The PECC report appears as ANNEX 12.

REPORT OF THE APEC SECRETARIAT

18. The two HRD Programme Directors outlined their division of labour at the APEC Secretariat and each presented a report. Ms. Rosalind K. Coleman is responsible for policy and management issues while Mr. Shaikh Fadilah Ahmad is responsible for the four Networks and project management.

19. Reporting on activities since the 13th HRD meeting in Wellington, the APEC Secretariat noted the follow-up to the first APEC HRD Ministerial Meeting and issues of relevance to the WG from the first and second Senior Officials Meetings this year (SOM I and SOM II). The APEC Secretariat reported on the new Trade and Investment Liberalisation and Facilitation (TILF) Special Account and the outcome of the Budget and Administrative Committee (BAC) meeting in March 1996, highlighting the format for reporting on all APEC projects for the BAC meeting in August 1996. A presentation was made on the newly-acquired commercial electronic publishing system, G-Book, and the APEC Secretariat Home Page on the Internet.

20. The APEC Secretariat report also noted the challenges facing the WG, including the need to establish closer collaboration with other APEC fora, to develop performance indicators for more accurate measurement of the progress of projects and to review the issue of non-member participation in the HRD WG. The report proposed that more emphasis be placed on promoting policy dialogue. The report noted the slow disbursement of APEC central funds and expressed concern over this.

21. The report of the APEC Secretariat appears as ANNEX 13.

REPORT OF THE OFFICE OF THE SOM CHAIR

22. The representative of the Office of the SOM Chair explained the format and elements for reporting progress in joint activities and procedures governing the submission of progress reports to SOM, as agreed during SOM II.

23. She also conducted a demonstration of the database (the APEC Actions Reporting and Monitoring System or ARMS) developed by the SOM Chair for this purpose.

24. The Meeting noted the report tabled on **Reporting Arrangements and Format for Joint Activities**, which appears as ANNEX 14.

REPORTS ON INFORMAL MEETINGS TO SCOPE OUT WORK ON HRD MINISTERIAL PRIORITY

25. Australia provided a report on the informal scoping-out meeting on Labour Market Information (LMI) held on April 17-18 in Tagaytay City, Philippines. The report outlined a framework for carrying forward the labour market analysis work requested by HRD Ministers at their meeting in Manila, in January 1996.

26. A key activity under the framework is an exchange of information on labour market policy and programmes, statistical information, analytical techniques and methodologies, and labour market trends and forecasts. Expected outputs under the framework are enhanced labour market information systems or frameworks in APEC member economies; databases of quantitative and qualitative information on the region's labour markets; publications such as an expanded APEC HRD Outlook; workshops, seminars and conferences; and exchanges of officials and experts.

27. The initial work program will comprise the development of an APEC database of core labour market data, the development of an APEC LMI Page on the APEC Secretariat's Home Page, a seminar in Ottawa, Canada in September 1996 on LMI Best Practices and the establishment of focal points in each member economy. An LMI initiative will be launched at the Leaders Meeting in Subic in November incorporating the APEC database, the APEC LMI Page and the establishment of focal points.

28. It was agreed by the informal meeting that in order to advance the work under the framework, an LMI group comprised of the focal points will be established. A sub-group, led by Canada, has been established to steer the formation and subsequent operation of the LMI group.

29. The WG endorsed the LMI framework, and establishment of the LMI group and a sub-group, as recommended at the informal scoping-out meeting. The NEDM project HRD 3/96, Forecasting and Strengthening the APEC Regional Labour Market, will form the platform for the development of the LMI Database.

30. The Meeting noted the report on the informal meeting on LMI, which appears as ANNEX 15.

31. The Philippines reported on the outcome of the Informal Meeting on Mutual Recognition of Skills Qualifications (MRSQ) held on April 17-18 in Tagaytay City where it hosted eleven other APEC member economies. The meeting reconfirmed the importance of the harmonisation of skills standards across APEC economies in order to achieve increased mobility of qualified labour. The project on Comparability and Disparity of Skills Testing Standards in the Asia Pacific Region as proposed by Chinese Taipei may pave the way to the mutual recognition of skills qualifications.

32. The Meeting noted the report on the informal meeting on MRSQ, which appears as ANNEX 16.

REPORT OF THE LEAD SHEPHERD

33. In his report to the WG, the Lead Shepherd acknowledged the quality and quantity of WG activities. He paid tribute to the many accomplishments of the WG and recognised that there was a solid base upon which to build the future of the HRD WG.

34. The Lead Shepherd emphasised the importance of designing and implementing successful projects that further the objectives of the WG and the principles of the Osaka Action Agenda. Attention was drawn to the various reporting requirements of BAC and SOM and the potential for using these reporting mechanisms as management tools to enhance the WG's project management.

35. He reminded the WG and the Network Co-ordinators of the requirement to submit progress reports on all projects, including those which are self-funded, via the APEC Secretariat, to the BAC by 30 June 1996. Progress reports on joint activities (through matrices) are to be submitted to the SOM via the APEC Secretariat by 30 July 1996. The Lead Shepherd also drew the WG's attention to the low rate of disbursements for HRD projects.

36. The Lead Shepherd identified several key management issues requiring both early and long term action by the WG. These four issues were:

- Non-Member Participation in Working Group Activities
- Matrix Format for Reporting of Joint Activities
- Information Requirements: Project Development, Monitoring & Reporting
- Revising the Action Program and Developing Annual Workplans

REPORTS OF THE NETWORK CO-ORDINATORS

Report of the Network for Economic Development Management (NEDM) - Philippines

37. The NEDM Co-ordinator reported on the progress of seven on-going projects in the Network and mentioned that the Labour Market Database project has been synchronised with the agreements of the Informal Meeting on Labour Market Information (LMI). The Network reviewed two new proposals and three project concept papers. It endorsed one self-funded project for FY 1997. The concept papers would be developed into project proposals. The Network also endorsed the launching of the APEC LMI System in November 1996 in Subic, Philippines.

38. The NEDM Co-ordinator reported that no Deputy Co-ordinator has been identified. The Network agreed that the search would continue and the assistance of the Lead Shepherd and the APEC Secretariat would be sought. The new NEDM Co-ordinator would be elected at the 15th HRD Working Group Meeting in Sydney in January 1997.

39. The meeting took note of the NEDM progress report and summary of discussions which appear as ANNEX 17.

Report of the Business Management Network (BMN) - Canada

40. The BMN Co-ordinator reported on the progress of seventeen projects currently underway in the Network and mentioned that the BMN priorities remained an appropriate framework in light of recent developments in APEC.

41. The BMN discussed and endorsed five new projects for inclusion in the 1996/97 work plan, of which two projects are requesting central funding, one is requesting TILF Special Account funding and two are entirely self-funded.

42. The BMN Co-ordinator introduced Dr David McClain, University of Hawaii, the United States, as the new Deputy Co-ordinator for BMN. Dr McClain will become BMN Co-ordinator at the 9th BMN meeting in Sydney, Australia.

43. The meeting took note of the BMN progress report, summary conclusions, 1996/97 work plan and project proposals, which appear as ANNEX 18.

Report of the Human Resources Development for Industrial Technology Network (HURDIT) - Chinese Taipei

44. The HURDIT Co-ordinator reported on the major proceedings of the 7th HURDIT Meeting, which was held on 10-11 June, 1996. He highlighted the Network's efforts to implement projects consistent with the HRD Ministers' priorities. These included projects on training and education of SMEs, environmental education of technologists, lifelong learning, and training in the food industry. The HURDIT Co-ordinator presented 4 project proposals for central funding in 1996, with 2 additional self-funded proposals from Japan.

45. The HURDIT Co-ordinator presented the Network's comments and ideas on the six challenges as requested by the Lead Shepherd, and noted that the Philippines has agreed to serve as the Deputy HURDIT Co-ordinator.

46. The meeting took note of the HURDIT report which appears as ANNEX 19.

Report of the Education Forum (USA)

47. The Education Forum's outgoing Co-ordinator, Dr Alan Ginsburg of the United States, reported that the Forum's Eighth Meeting had been co-chaired by the incoming Co-ordinator, Mrs Savitri Suwansathit, Deputy Permanent Secretary of the Ministry of Education of Thailand and himself. The Forum expressed gratitude to Dr. Ginsburg and Ms Lenore Garcia for their remarkable contributions to the Forum during its initial three and a half years. The Forum reviewed its progress in its three priority areas of work: Providing High-Quality Instruction in Key Subjects; Facilitating Mobility of Persons and Exchange of Information for Human Resource Development; and Developing Ways to Monitor the Performance of Education Systems.

48. After adopting guidelines for evaluating Education Forum projects to be applied to future proposals, the Forum considered five new project proposals. The Forum sent forward to the HRD WG one approved project recommended for central funding: "Improving Understanding of Culture in APEC," which is developing multi-media learning materials for use in schools in APEC member economies, with a view to deepening mutual understanding and increasing awareness of APEC's role and functions among young people. Also approved were three self-funded projects: (1) to develop an "Information Bank of Instruments to Monitor the Quality of School Processes"; (2) to develop papers and hold a conference entitled: "Twenty-First Century Challenge: Technological and Vocational Curriculum and Instruction," and (3) "Promotion of Member Co-operation in Education and Training".

49. The Forum considered a working document designed to advance the development of a long-range strategic plan for Forum work. Members approved the document in principle, and will provide comments to the Co-ordinator for the plan's refinement. Full consideration of the revised document will take place at the next Education Forum meeting.

50. The meeting took note of the Education Forum report which appears as ANNEX 20.

REPORTS ON THE CROSS-CUTTING THEMES

Report on the SMEs Co-ordinating Meeting (NEDM Co-ordinator)

51. The NEDM Co-ordinator reported on the meeting of the Small and Medium Enterprises (SMEs) Co-ordinating Committee including the progress of on-going SME projects in three Networks. He also reported on the third APEC SME Ministerial Meeting and the APEC Centre for Technology Exchange and Training for SMEs (ACTETSME), and recommended future strategies for co-ordination of APEC work on SMEs.

52. The meeting noted the report on SMEs which appears as ANNEX 21.

Report on the Environment/Sustainable Development Co-ordinating Meeting (BMN Co-ordinator)

53. The BMN Co-ordinator reported on the meeting of the Environment/Sustainable Development Co-ordinating Committee including progress made in implementing programmes currently underway in three Networks, new projects proposed for 1996/97, the potential contribution of the activities of the WG for the forthcoming meetings of Ministers and Senior Officials responsible for Sustainable Development in July, and the importance of linking other APEC fora in this area.

54. The meeting noted the report on Sustainable Development which appears as ANNEX 22.

Report on the Lifelong Learning Co-ordinating Meeting (HURDIT Co-ordinator)

55. The HURDIT Co-ordinator reported on the Network's Lifelong Learning project, which is now at the stage of collecting papers on lifelong learning and identifying members for the project database.

56. He noted that participants from Australia, Canada, Thailand, Chinese Taipei and Japan shared with the meeting their economy's experience and efforts to promote lifelong learning.

57. The meeting noted the report on Lifelong Learning which appears as ANNEX 23.

MANAGEMENT ISSUES

Matrix Format for Progress Reporting

58. The Lead Shepherd proposed adjusting the matrices of the joint activities of the WG to ensure consistency with the format recently approved by SOM. (See ANNEX 24)

59. Members expressed support for the proposed approach, and made several suggestions for improving the matrices as a management tool for the Working Group. These include incorporating performance indicators against which project progress could be assessed providing more precise information on expected outputs; including more detailed information on time-frames; and a project numbering system. It was also suggested that it would be useful to have a summary description of the WG's activities, which would help to indicate the focus and achievements of the WG.

Information Requirements: Project Development, Monitoring and Reporting

60. In a brief discussion paper distributed prior to the meeting, the Lead Shepherd addressed issues concerning increased project information and reporting requirements, and how the WG might develop its own management systems while responding to the requirements of the SOM and the BAC. (See ANNEX 25). Members expressed support for the idea of developing a comprehensive vehicle and guidelines for collecting information in a consistent manner. It was suggested that such guidelines be adapted according to the particular nature of the Networks.

61. Building on the discussion of the matrices, members offered a number of suggestions for improving WG management tools and systems. The need for performance indicators was reiterated. It was suggested that a project management system with performance indicators and milestones could also be linked to a more effective disbursement process.

62. WG members and Network representatives pointed out that the normal APEC system of disbursement-- only after completion of project activities -- requires project proponents to pay project costs up front for later reimbursement, and could cause difficulty for some project proponents. It was suggested that a system with accountable advances and periodic disbursement would be more convenient to project proponents and would facilitate speedier disbursements. The proposed performance indicators and project milestones would be an effective means of managing periodic disbursements.

63. The APEC Secretariat advised that it was examining impediments to disbursement, and that it was useful to have the WG's perspective on this issue. The Lead Shepherd agreed to transmit to the BAC the HRD WG's comments on impediments to disbursement. It was also pointed out that in order to get the BAC to consider changing its disbursement regulations , it would be useful for HRD WG members each to take up this issue with their economy's representative on the BAC.

HRD Action Program and Annual Work Plans

64. The Lead Shepherd raised the question of whether the Action Program on HRD should be updated, or whether an annual work plan should be developed for shorter term planning (See ANNEX 26). This would enable the Action Program to be maintained as a key historical document and guiding framework for the WG. Members supported the proposal to develop an annual work plan rather than revising the Action Program.

65. The representative of the Office of the SOM Chair noted that a letter would be sent shortly to Lead Shepherds to set out some of the key challenges for WGs. Reviewing and assessing progress against plans is an important aspect of these current challenges.

66. In his summary, the Lead Shepherd noted that there appeared to be consensus to leave the Action Program as a base document and to pursue development of an annual work plan. He also noted the interest of the WG and Networks in issues of communication both within and beyond the WG, and sharing of information about the activities and results of WG projects.

Non-member Participation

67. In a brief discussion paper distributed prior to the meeting, the Lead Shepherd raised issues concerning non-member participation in the Working Group. (see ANNEX 27)

68. At the invitation of the Lead Shepherd, the Deputy Executive Director of the APEC Secretariat outlined current guidelines from Ministers and SOM on participation in WGs by non-members (these guests may be other economies, international or regional organisations or private/business sector representatives not included as part of member economy delegations). Any WG decision on participation by a guest does not imply endorsement of future APEC membership and is for a specified period of time. There are two sets of Ministerial guidelines on procedures governing guest participation in WGs and decisions by WGs on guest participation must be approved by SOM. He noted the stated objective of Ministers and SOM that APEC should practice open regionalism. He also mentioned SOM's intention to discuss this subject in August to ensure quick decisions on applications for non-member participation, in preparation for which the APEC Secretariat has been asked by SOM to draft a paper.

69. The Lead Shepherd noted the need for the HRD WG to find a means to handle applications in a fair, consistent and expedient manner, and invited comments on this in general, as well as on the specific example of the Russian Federation's application to participate in the HRD WG as a guest. He welcomed comments either at this meeting or subsequently in writing.

70. An extensive discussion was held on the subject of non-member participation, which the Lead Shepherd summarised as follows: the HRD WG affirms its support of SOM and Ministerial guidelines on non-member participation, as an expression of open regionalism, and the WG plans to consider applications in light of these guidelines on a case by case basis, with sufficient advance notification for domestic consultations. With respect to the Russian Federation's application, some members expressed support, while others had indicated the need for more consideration; the Lead Shepherd therefore indicated he would follow up in the next few weeks with WG members, to reach a decision in time for SOM III.

NEW PROPOSALS

Proposals for APEC Central Funding

71. The Meeting heard presentations from proponents of the 16 new projects : 7 projects for APEC Central Funding; 8 projects for self-funding and 1 project for TILF Funding.

72. Based on the evaluation forms completed by the member economies to rank proposals, the WG endorsed the following proposals for APEC Central Funding for FY 1997:

	NETWORK	PROPOSAL	POINTS (MAX -100)
1	EDFOR (1)	Improving Understanding of Culture in APEC	82.12
2	HURDIT (1)	Comparability and Disparity of Skill Testing Standards in the Asia Pacific Region	82.06
3	BMN (2)	Cross Cultural Training for SMEs on Interactive CD-ROM	72.83
4	BMN (1)	The Business Management of Joint Implementation Projects: Challenges for APEC	72.47
5	HURDIT (2)	Global Advantage through People: HRM Policies and Practises in APEC Economies	66.65
6	HURDIT (3)	Network of Technology Practice Firms in APEC	65.53
7	HURDIT (4)	Technology Management Training for SMEs	63.53

73. The WG meeting endorsed for TILF Funding for FY 1997 the BMN project on Trade and Investment Insurance Training Program

74. The WG endorsed all proposals that are fully self-funded.

75. Australia announced the arrangements for HRD 15 to be held 20-23 January, 1996 in Sydney, Australia, and invited all WG members to attend.

76. The WG thanked the Host and the Government of Brunei Darussalam for the meticulous meeting arrangements, excellent conference facilities and generous hospitality.

77. The Lead Shepherd closed the meeting by thanking all members of the WG for their participation, the Lead Shepherd Advisory Committee for its good counsel and all the staff whose dedication helped make this meeting a success.