

Executive Summary

SCE Chair's Report to SOM

The meeting of the SOM Steering Committee on ECOTECH (SCE) was held in Ho Chi Minh City, Vietnam on 27 May 2006.

The SCE Chair highlighted the synergies between SCE reform and broader APEC reform. He stressed the importance of the attendance of Senior Officials.

The SCE endorsed a 2006 workplan, including future cooperation with the IFIs and other international organizations. Key elements include: reviewing Working Groups and SOM Taskforces and the 1996 Framework for Strengthening Economic Cooperation and Development; coordinating and providing oversight of the work of APEC fora; and providing policy guidance on ways to contribute to APEC's ECOTECH goals and objectives.

The SCE Chair also updated the SCE about the progress on reviewing Working Groups and SOM Taskforces. Further work will be undertaken intersessionally by the SCE. The SCE Chair will submit a report to SCEIII.

With regard to the assessment and endorsement of ECOTECH projects, the SCE agreed to develop policy criteria which would guide the BMC and the Secretariat in approving funding. It agreed that it would focus on all projects other than those undertaken by the CTI, EC and FMP.

A draft workplan template to guide Working Groups and SOM Taskforces was endorsed by members.

The SCE also considered and endorsed the EWG Terms of Reference.

The Minutes from the 2nd SCE meeting and the agreed 2006 Workplan are attached.

Recommendations

It is recommended that SOM:

1. Take note of the SCE Chair's Report to SOM.
2. Endorse the SCE Workplan, including the proposed cooperation with IFIs and other international organizations.
3. Endorse the draft workplan template.
4. Endorse the draft EWG Terms of Reference
5. Endorse the proposed focus of ECOTECH projects (all projects other than CTI and EC projects)

SCE Chair's Report
27 May 2006
Ho Chi Minh, Vietnam

The 2nd meeting of the SOM Steering Committee on ECOTECH was held in Ho Chi Minh, Vietnam on 27 May 2006. It was attended by representatives from Australia; Brunei, Darussalam, Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Singapore; Chinese Taipei; Thailand; the United States, and Viet Nam. Representatives from ABAC, and the APEC Secretariat also attended.

Ambassador David Spencer of Australia chaired the meeting.

1. Opening Remarks by the Chair

The Chair welcomed all delegates and highlighted the synergies between SCE reform and broader APEC reform. He stressed the importance of the attendance of Senior Officials if the SCE is to bring a more strategic approach to APEC's technical assistance and capacity building measures.

2. Adoption of the Agenda

The Draft Annotated Agenda was adopted.

3. 2006 SCE Work Program

The Draft 2006 Work program (2006/SOM2/SCE/002rev1) was endorsed. In 2006, the SCE will adopt a more strategic approach to capacity building and be guided in its work by the agreed priorities. Key elements include: review of the implementation of the 1996 Manila Declaration, the ECOTECH provisions of 1995 OAA and the ECOTECH wide priorities, stocktaking progress we have made towards the goals and priorities, coordinating and providing oversight of the work of APEC fora and provide policy guidance on ways to contribute to APEC's ECOTECH goals and objectives

A paper on Implementing the Way Forward for APEC's cooperation with IFIs and other international organizations (2006/SOM2/SCE/013) was endorsed. The SCE Chair reiterated the need to also remain strategic and to work with the Finance Minister's process.

4. Review of Working Groups, Task Forces and Networks.

The SCE Chair tabled a paper providing members with an update on the progress of the review of APEC Fora (2006/SOM2/SCE/012). It was also suggested that a qualitative analysis should be included in reviewing the progress of APEC Fora. The SCE took note of the report and agreed that further consultation and work will be undertaken intersessionally. The SCE Chair will report back to SCEIII.

5. Review of APEC's ECOTECH Framework and Future Directions

The SCE agreed, at SCE I, to a review of the 1996 *APEC Framework for Strengthening Economic Cooperation and Development* and related 2003 ECOTECH priorities. The Chair tabled a paper (2006/SOM2/SCE/004) outlining a proposed way forward to review the framework, including a survey of members and a background paper prepared by a consultant. The SCE noted the importance of undertaking a stocktake of the activities and progress towards the goals and priorities set in the framework. The Secretariat was instructed to prepare a report for submission to SCEIII.

6. Implementation of Key Directives from the 16th AMM Joint Statement

2005 Work Program

a. Project assessment and endorsement

The SCE considered a paper tabled by the Secretariat (2006/SOM2/SCE/08a and b) on the process to undertake project assessments within the SCE. The SCE agreed that the SCE would concentrate on all projects other than those within the CTI and EC (and the FMP). The SCE also agreed that to ensure the SCE remains high level and strategically focused, they would develop policy criteria against which ECOTECH projects would be ranked by the Secretariat and BMC. It's also agreed that the SCE will revisit the ways ECOTECH projects are ranked if necessary. Policy criteria will be developed in consultation with members intersessionally and submitted to SCEIII for endorsement.

b. Working group and SOM Taskforce programs

SCEI agreed that a workplan template would be developed to help guide the Working Groups and Taskforces. A draft template was tabled (2006/SOM2/SCE/005rev1) and endorsed by SCEII.

c. Strengthening the implementation of ECOTECH Activities

The Secretariat updated the SCE about the status of the Independent Assessment of the SMEWG and the TWG. The SMEWG draft report was presented to the SMEWG meeting and is subsequently being further developed. The TWG report is still being prepared. Both reports are expected to be submitted to the SCE by SCEIII.

The SCE was updated about the APEC Information Management Portal (AIMP) and Project Database and the status of the implementation of the Evaluation Frameworks.

d. ECOTECH's Cross Cutting Issues

1) Strategic Action Plan on English and Other Languages.

This item was withdrawn.

2) Sustainable Development

Chile updated the SCE on the preparations of the High-Level Meeting on Sustainable Development ((2006/SOM2/SCE/003a,b,c,d, e), to be held on 20-21 July in Santiago, Chile.

3) Private Sector Development

New Zealand updated the SCE on the outcomes of the Private Sector Development conference.

7. Disseminating the Benefits of ECOTECH

2006 SOM Report on Economic and Technical Cooperation

The APEC Secretariat sought members' assistance to develop the 2006 SOM Report and Fora Report. A draft will be developed and distributed to members prior to SCEIII.

8. Coordination with relevant stakeholders

ABAC

The APEC Business Advisory Council (ABAC) Chair welcomed the close working relationship between ABAC and the SCE and briefed the SCE on the outcomes of its Montreal meeting.

9. Other Business

The SCE was updated about the APEC Future Education Consortium and the APEC e-Learning Training Program (Korea: 2006/SOM2/SCE/007); the APEC Digital Opportunity Center(ADOC) (Chinese Taipei: 2006/SOM2/SCE/006); the 4th APEC Small & Medium Enterprises Technology Conference and Fair (China: 2006/SOM2/SCE/009); the 2nd APEC E-Commerce Business Alliance Forum & Exhibition (China: 006/SOM2/SCE/010); the Seminar on Support for Local and Cottage Industries (Japan: 2006/SOM2/SCE/014); and the draft proposal on Capacity Building for Trade Liberalisation and Facilitation (Japan: 2006/SOM2/SCE/015).

The SCE endorsed the EWG Terms of Reference (2006/SOM2/SCE/011) and recommended they be endorsed by SOM.

10. Meeting Documents

The meeting agreed to the public release of the documents as indicated in the Final Document List (2006/SOM2/SCE/000), excluding all draft documents.

11. Next Meeting

The SCE Chair confirmed that the next meeting will be held in the margins of SOMIII.

SOM Steering Committee on ECOTECH Draft 2006 Work Program

The SOM Steering Committee on ECOTECH (SCE) will strengthen implementation of the APEC's ECOTECH activities by prioritising in accordance with Leaders and Ministers commitments, coordinating and providing oversight of the work of APEC fora and provide policy guidance on ways to contribute to APEC's ECOTECH goals and objectives.

In 2006, the SCE will adopt a more strategic approach to capacity building and be guided in its work by the following priorities and work program:

- 1. Strengthening ECOTECH, through the improved implementation of activities, ongoing reform and outreach to the broader community.**
 - Review the role and operation of working groups, Taskforces and Networks, with a view to making recommendations to the SOM on establishing, merging, disbanding or reorienting these bodies.
 - Encourage the continuation of independent assessments and internal reviews of Working Groups, Taskforces and Networks.
 - Launch a review of the implementation of the 1996 Manila Declaration, the ECOTECH provisions of 1995 OAA and the ECOTECH wide priorities, stocktaking progress we have made towards the goals and priorities set in those documents and make an interim report, with recommendations for improving the future ECOTECH activities.
 - Identify policy criteria as a guideline for the evaluation and ranking of all ECOTECH related project proposals ahead of presentation to the Budget Management Committee (BMC).
 - Improve the quality of APEC's ECOTECH projects through effective implementation of the Quality Assessment, Monitoring and Evaluation Framework.
 - Undertake outreach to the broader community including:
 - 2005 SOM Report on Economic and Technical Cooperation.
 - Publicizing key outcomes of ECOTECH activities.
 - Collaboration with the ABAC's Capacity Building Working Group.
 - Implement a program for collaboration with International Financial Institutions (IFIs), drawing on the recommendations of the second APEC/IFIs Policy Dialogue and encourage linkage between IFIs and APEC to facilitate identified capacity building needs of member economies.
- 2. Bridging the development gap by promoting sustainable development, SME competitiveness, human resource development, knowledge based and information technology and private sector development.**
 - Coordinate and supervise all ECOTECH-related Working Groups and SOM Special Task Groups and provide policy guidance to these groups on the ECOTECH agenda particularly for capacity building in areas including sustainable development, human resource development, SMEs, knowledge and information technology and private sector development.

- Coordinate and oversee activities related to Sustainable Development in working groups, committees, taskforces and networks with focus on raising awareness of environmental protection, and linkage between structural reform and sustainable development;
- Coordinate and monitor the implementation of the Invasive Alien Species Strategy;
- Accelerate capacity building initiatives related to the implementation of recommendations from SMEs Ministerial Meeting on Enhancing competitiveness for SMEs and the Daegu Innovation Initiative for SMEs
- Work with the HRDWG to help coordinate the Strategic Action Plan on English and other Languages, and other initiatives related to the innovative use of new communication technology.

3. Enhancing Human Security.

- Coordinate and supervise all ECOTECH-related Working Groups and SOM Special Task Groups and provide policy guidance to these groups on the ECOTECH agenda particularly for capacity building in areas including counter-terrorism capacity building, health and energy security and emergency preparedness.

SCE-IFIs collaboration 2006 **Implementing the Way Forward**

The Second Policy Dialogue between APEC, IFIs and the OECD was held in Gyeongju in September 2005. The dialogue made recommendations on ‘The Way Forward’ for collaboration with the IFIs and other international organisations. At Busan, 1 November 2005, Ministers noted the recommendations and agreed that the Financial Ministers’ Process should be closely consulted in any future dialogues.

‘The Way Forward’ identified several strategies for greater collaboration. These are listed below. Many of the approaches to implement the strategies are underway, but would benefit from further development through APEC processes.

1. *Invite the IFIs, other international organizations, relevant APEC fora, ABAC and FMP to participate in SCE policy dialogues:*

Identify policy discussions fora for participation/collaboration, such as the Private Sector Development Symposium, the Sustainable Development Symposium and the research and discussion on bridging the gap and uneven development.

Encourage participation in the informal Committee of the Whole meeting proposed for early 2007 and invite participation in the 2007 SCE-COW meeting, which will consider the work plans of working groups and task forces.

SCE Chair to write to Lead Shepherds and Chairs to encourage greater participation in relevant Fora meetings, particularly SMEs and HRD.

2. *Improve the exchange of information by sharing the SCE 2006 work plan with the IFIs and the OECD to help identify areas of possible cooperation.*

3. *Participate, as invited in IFI and other international organizations events.*

Upon receipt of invitations, encourage APEC representation (SMEWG) at OECD conferences on SMEs – in the last quarter of 2006 in Greece.

The SCE Chair to initiate discussions with the FMP chair, the CTI Chair, Economic Committee Chair and the APEC Secretariat to consider how APEC could capitalize on the World Bank Annual meetings in Singapore in 2006 (as invited by the World Bank), such as through the hosting of symposia or seminars or an ‘APEC (Secretariat) Open house’.

4. *Invite all APEC working groups and SOM Task forces to identify liaison members to handle outreach with IFIs and other international organisations.*

The APEC Secretariat IFI coordinator will assist to facilitate these liaisons. Please submit details of liaison members to Michelle Lowe ml@apc.org by 20 June 2006.

5. Encourage participation and collaboration in projects in 2006.

The SCE will continue to encourage participation and collaboration in projects in 2006. The Secretariat will liaise with the IFIs and the OECD to finalise their consideration on 19 APEC projects approved for 2006 implementation that may incorporate participation by IFIs or other international organizations (as identified in 2005/SOM3/IFI/006).

6. APEC will continue to collaborate with the GDLN in 2006. The Secretariat will work with groups to identify possible projects that could benefit from the use of GDLN.

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7. SCE to continue to update the Finance Ministers process on areas of collaboration.

8. SCE Chair to provide key points of contacts for IFIs and international organisations to other working groups and lead shepherds.

The Secretariat to compile a list of key contact points for distribution to working groups and lead shepherds by 30 June 2006. The Secretariat to continue to work with relevant contacts in IFIs and international organisations to identify further measures for implementing *The Way Forward*.

Working Groups and SOM Taskforces Draft Workplan Template

1. Proposed Work Plan and Concrete Deliverables for 2007 in Response to Leaders/ Ministers/SOM Decisions and SCE Priorities.
2. Anticipated Activities and/or Proposed Work Plan with outside organisations in response to Ministers' call for greater engagement with:
 - A) Business Sector; and
 - B) Other Organisations/Stakeholders, including the IFIs and other International Organisations
3. Identify cross cutting issues and explain how they will be coordinated across Fora.
4. Expected Outcomes/Deliverables For 2007.