

SCE Chair's Report
14 September 2006
Danang, Vietnam

The 3rd meeting of the SOM Steering Committee on ECOTECH was held in Danang, Vietnam on 14 September 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; Russia, Singapore; Chinese Taipei; Thailand; the United States, and Viet Nam. Representatives from ABAC and the APEC Secretariat also attended.

Ambassador Spencer of Australia chaired the meeting. He said he was pleased with the Committee's achievements during the year including: a review of the Manila Framework; improved project management processes; a streamlined SOM Report; improved reporting for Working Groups and SOM Taskforces; and streamlined agenda and meeting processes. The review of Fora is still to be completed. The Chair also flagged the possibility of holding a SCE meeting in the margins of CSOM.

1. Adoption of the Agenda

The Draft Annotated Agenda was adopted.

2. Review of Working Groups, Task Forces and Networks

The SCE Chair tabled a discussion paper providing members with draft suggestions for improving the structure and working processes of APEC Fora (2006/SOM3/SCE/02). The SCE Chair highlighted the importance of the review and the need to address the resource constraints in APEC. He expressed disappointment at the limited response from members and Fora to the survey distributed by the Secretariat as part of the review. The report identified options for rationalizing the number of Fora and proposed a series of recommendations for standardizing and improving work practices across Fora.

Members thanked the SCE Chair and the Secretariat for the report and expressed strong support for the need to refocus and rationalize the number of Fora. Members agreed that there was a need to consult further with domestic agencies and Fora Chairs and Lead Shepherds. The Chair encouraged members to give serious consideration to the review and to challenge assumptions of the value of individual Fora in APEC. He agreed to take stock of the discussion, encouraged additional input and advised that an amended paper would be distributed for further consideration. A final paper will be prepared by the Chair for consideration immediately before CSOM.

3. 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 and at SCEII instructed the APEC Secretariat to prepare a report. The APEC Secretariat tabled a paper (2006/SOM2/SCE/03) which reviewed the framework.

The SCE re-affirmed its commitment to the Manila Framework as a living document that provides the basis for implementation of economic and technical cooperation in APEC, outlined in the Osaka Action Agenda.

Recognising emerging priorities, the SCE endorsed an updated list of ECOTECH priorities, removing any distinction between medium and long-term priorities as follows:

- Developing human capital
- Developing stable and efficient markets through structural reform.
- Strengthening economic infrastructure
- Facilitating technology flows and harnessing technologies for the future
- Safeguarding the quality of life through environmentally sound growth
- Developing and strengthening the dynamism of small and medium enterprises (SMEs)
- Integration into the Global Economy;
- Human Security and Counter-terrorism Capacity Building
- Promoting the Development of Knowledge-Based Economies; and
- Addressing Social Dimension of Globalization.

4. Policy Discussions

a. Report and recommendations from the APEC High Level Meeting on Sustainable Development

Sustainable Development

Chile updated the SCE on the outcomes of the High-Level Meeting on Sustainable Development ((2006/SOM3/SCE/004a,b,c), held on 20-21 July in Santiago, Chile.

The SCE noted the recommendations and invited members to bring the recommendations to the attention of relevant domestic agencies.

b. Report on the study on uneven growth in APEC

A paper was tabled for information by Australia providing the outcomes of a study on uneven growth in APEC (2006/SOM3/SCE/008).

c. Private Sector Development Workplan, Report and Project proposal

Canada and New Zealand submitted a workplan and project proposal on the Ease of Doing Business in APEC (2006/SOM3/SCE/006a,b,c). The SCE endorsed the project proposal and workplan and agreed the project and work plan should be implemented through the Small Medium Enterprise Working Group (SMEWG), in consultation with other relevant Fora.

d. Concept Paper on Possible Next Steps for Implementation of the APEC Invasive Alien Species Strategy Framework (USA)

The United States tabled a paper on Invasive Alien Species (2006/SOM3/SCE/009). It was agreed the strategy needed to be further developed and implemented through a forum. The US agreed to discuss this with the Marine Resources Conservation Working Group (MRCWG) and the Agricultural Technical Cooperation Working Group (ATCWG) and to report back for endorsement.

5. APEC Secretariat Report

a. Project assessment and endorsement

The APEC Secretariat tabled a paper updating members about the assessment of ECOTECH projects (2006/SOM3/SCE/012). The paper outlined the assessment of projects using the priority criteria developed by the SCE and quality considerations. The process was found to be beneficial in categorizing projects but also could be further strengthened by focusing the criteria in the future. The SCE noted the report and requested the Secretariat report back to SCE1 following the Budget Management Committee meeting.

b. Quality Assessment, Monitoring and Evaluation and Independent Assessments

The Secretariat updated the SCE about the status of the Independent Assessment of the SMEWG and the Tourism Working Group (TWG). The TWG assessment is due to be completed by October 2006 and will be submitted to the SCEI in 2007. Australia tabled the SMEWG assessment (2006/SOM3/SCE/007) and highlighted the key recommendations. Australia agreed with the United States' suggestion that the issue (recommendation 5.5) about allocating funds from the Operational Account for the enhanced training of PSMs should be discussed in the context of the broader reform.

c. SCE ACS site.

A training session on the APEC Collaboration Site was held after the meeting.

6. 2006 Fora Report

The APEC Secretariat tabled the draft SCE Fora Report (2006/SOM3/SCE/10). The SCE endorsed the report.

7. Review of SCE's work and future directions; 2006 SOM Report on Economic and Technical Cooperation

The APEC Secretariat tabled the draft 2006 SOM Report on ECOTECH (2006/SOM3/SCE/011). The SCE endorsed the draft for submission to SOM3 and requested further comments from members by 22 September.

8. Other Business

The SCE noted for information items:

- Korea tabled a paper updating members about the APEC Education Foundation (2006/SOM3/SCE/14) and advised that it could no longer support the Foundation, which would be closed next year without monetary commitments from other economies.
- China tabled a paper for information on the Asia-Pacific Finance and Development Center 2006 Biennial Forum (2006/SOM3/SCE/13).
- Japan tabled papers on two projects on Support for the Local and Cottage Industries and Capacity Building for Investment Liberalisation and Facilitation (2006/SOM3/SCE/005a,b)

The SCE Chair informed members of plans for 2007, including holding the SCE-COW after the Informal SOM in January. He sought suggestions to improve the format to promote a more interactive meeting suggesting as a possibility holding a thematic discussion rather than having Fora present workplans.