

EXECUTIVE SUMMARY

SCE Chair's Report to SOM

Background Information

The SCE and SCE-COW met on 17 January 2007.

The SOM Chair provided introductory remarks to both meetings, highlighting the importance of capacity-building in APEC's work and the need to take a strategic approach. He emphasized the need to continue the reform process initiated last year and to implement the Ministerially-endorsed recommendations of the fora review. He noted that delivering projects more efficiently resulted in an effective increase in funding for ECOTECH activities.

The SCE Chair reiterated the importance of continuing to move forward on the reform agenda and stated that the SCE will try to contribute to the ongoing work in APEC Reform.

The SCE endorsed the 2007 workplan and policy criteria (Annexes A and B).

The SCE endorsed the Secretariat workplan for the implementation of Recommendation 12. The SCE also endorsed in principle the draft project proposal for the three Independent Assessments called for this year, including support for the APEC Secretariat acting as project overseer on its behalf. SCE members will further consider the proposals intersessionally and provide comments to the Secretariat by 15 February 2007 so that it can be submitted to BMC1.

The SCE-COW discussed the implementation of the fora review recommendations and endorsed the proposed strategy for the merger of the SMEWG and the WGTP. A matrix of the progress in implementing the fora review recommendations is at Annex C.

Recommendations

It is recommended that SOM:

1. Take note of the SCE Chair's Report to SOM
2. Endorse the SCE Policy criteria and workplan
3. Endorse the proposed next steps in the Fora Review

SCE Chair's Report
SCE1 Meeting
11am-1pm, 17 January 2007
Canberra, Australia

The SOM Steering Committee on ECOTECH (SCE) meeting was held in Canberra, Australia on 17 January, 2007. It was attended by representatives from Australia; Brunei, 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. Pacific Islands Forum, ABAC and the APEC Secretariat also attended.

Ambassador Juan Carlos Capunay of Peru chaired the meeting.

1. Welcome by SOM Chair, David Spencer

The SCE Chair welcomed members to the SCE1 meeting and invited the SOM Chair, David Spencer, to provide his welcome and introductory remarks.

The SOM Chair highlighted the need to take a more strategic approach to ECOTECH in APEC. He emphasized the need for ongoing work to continue the reform process, including much greater exchanges with chairs of fora. Recommendations endorsed by Ministers last year will bring a greater efficiency to fora. The SCE now has the task of implementing these reforms. The SOM Chair wished Peru well in taking forward the reform agenda and hoped they could bring a strategic approach to the Committee.

2. Welcome by SCE Chair, Ambassador Juan Carlos Capuñay

The SCE Chair thanked Mr Spencer for his Chairmanship. He reiterated the importance of continuing to move forward on the reform agenda and stated that the SCE would continue to contribute to ongoing APEC reform work.

The SCE Chair introduced Luis Quesada as the SOM-designate and SCE Chair from February 2007.

3. Adoption of the Agenda

The SCE adopted the agenda.

4. SCE Fora Review: implementation and further reform measures

The SCE Chair stated that the SCE now faced the challenge of combining macro and micro reform at the working group and taskforce level. He stressed that members could not change the recommendations on streamlining fora because they had already been endorsed by Ministers and that the role of the SCE was now to manage the implementation of these recommendations. He invited comments on a strategic approach to the implementation of the endorsed recommendations (2007/SOM1/SCE1/002). Members commented that implementation should be carried out quickly and effectively. Members also recognized that reviewing the fora was a continuous process and that it was necessary to have a positive approach to the implementation.

Members thanked the Secretariat for preparing a response to Recommendation 12 on working arrangements (2007/SOM1/SCE1/007). The SCE endorsed the Secretariat workplan for the implementation of Recommendation 12, adding an item for standardizing the Independent Assessments. The SCE also endorsed in principle the draft project proposal for the Independent Assessments, including support for the APEC Secretariat acting as project overseer on the SCE's behalf. The SCE agreed to provide comments on the Annexes by 15 February and noted that the Secretariat would submit final guidelines to BMC1 and SCE2.

5. SCE 2007 Policy Criteria

The APEC Secretariat updated members on progress of the policy criteria at BMC2 2006 (2007/SOM1/SCE/003ii) indicating that BMC found the process extremely useful. The SCE agreed to continue to monitor progress, particularly with regard to CTI and SCE TILF projects.

SCE members endorsed the 2007/8 policy criteria, including the Finance Ministers Process under Category 3.

6. SCE 2007 Workplan

The SCE endorsed the 2007 workplan (2007/SOM1/SCE/004), including a reference to human security and consideration of where implementation of the APEC Invasive Alien Species Strategy was to be handled in the future.

Australia reinforced the importance of SCE focusing on strong strategic direction, noting their intention to provide additional resources for the Secretariat's project management unit. The SCE Chair stated that he would also start to consider a mid-term workplan.

7. Other business

The SCE agreed to continue the core group.

China tabled a progress report on the APEC Finance and Development Center (AFDC) (2007/SOM1/SCE/006).

SCE Chair's Report
SOM Steering Committee on ECOTECH - Committee of the Whole
Meeting (SCE-COW)
Second Meeting
14:30 - 18:00 17 January 2007

Canberra, Australia

The second SCE – Committee of the Whole (SCE-COW) meeting was held in Canberra, Australia on 17 January, 2007. It was attended by representatives from Australia; Brunei, 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. It was also attended by representatives from the Agricultural Technical Working Group (ATCWG), the working groups on Energy (EWG), Fisheries Working Group (FWG), Human Resource Development (HRDWG), Industrial Science and Technology, Marine Resource Conservation (MRCWG), Small & Medium Enterprises (SMEWG), Telecommunications and information (TELWG), Tourism (TWG), and Trade Promotion (WGTP); the Anti-Corruption Taskforce (ACT), the Social Safety Net Capacity Building Network (SSN_CBN), the Health Taskforce (HTF), the Gender Focal Point Network (GFPN), the Taskforce on Emergency Preparedness (TFEP), and the Counter-terrorism Taskforce (CTTF). Representatives from the Economic Committee (EC), Finance Ministers Process (FMP), High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB), ABAC and the APEC Secretariat also attended.

1. Welcome by SOM Chair, David Spencer

The SOM Chair looked forward to a productive year ahead. In 2007, APEC reform would continue across a wide range of issues. The review of for a structures last year had simplified ECOTECH activities and made them more efficient. The Ministerially endorsed plan now had to be implemented. The SOM Chair looked forward to suggestions from Chairs to implement the recommendations and welcomed new ideas to further progress and improve efficiencies within APEC.

2. Welcome by SCE Chair, Ambassador Juan Carlos Capuñay

The SCE Chair welcomed all members, Lead Shepherds and Chairs to the second SCE-COW meeting. He reiterated the importance of good coordination among APEC fora to achieve APEC's ECOTECH goals. He also expressed the desire to work to both short and long term priorities through the policy criteria and consider the development of the mid term workplan.

3. Adoption of Agenda

The SCE-COW adopted the agenda.

4. SCE Fora Review: implementation and further reform measures

The SCE discussed the implementation of the fora review recommendations as identified at Annex C. The SCE endorsed the SMEWG/WGTP proposed strategy for the implementation of the review recommendation.

5. Outcomes of the SCE Meeting: SCE 2007 Workplan and Policy Criteria

The SCE updated members about the outcomes of the SCE meeting, including the endorsed Workplan and policy criteria (Annexes A and B).

6. Working Groups/Task Force 2007 Program

The SCE Chair advised Lead Shepherds and Chairs that the deadline for submission of their workplan was 15 March. New Zealand noted the importance of incorporating Leaders priorities such as reporting to leaders by the end of 2007 on initiatives to promote regional economic integration.

The FWG updated members about some of its activities.

Korea tabled a progress report on the SSN-CBN (2007/SOM1/SCE-COW/004)

7. Other Business

a) APEC Education Foundation

The APEC Education Foundation (AEF) provided a report to SCE members (2007/SOM1/SCE-COW/009). The SCE Chair and several members indicated their support for, and appreciation of, the AEF. The HRDWG Chair noted his discussions with the AEF about developing joint activities.

b) The second One Village One Product seminar

Japan tabled a report on the One Village One Product seminar (2007/SOM1/SCE-COW/010). The SCE Chair said that he recognized the project as one of the most important tools to develop SMEs. Peru expressed its support for the project.

c) APEC Secretariat Report

The APEC Secretariat provided its report to the SCE (2007/SOM1/SCE-COW/007). The Secretariat highlighted the due date for projects for BMC1 (31 January) and updated members about the contributions from China and the USD to the APEC Support Fund.

The Secretariat made presentations regarding the new Project Database and Communications.

ANNEX A

SCE Policy Criteria for 2007-08 projects

In assessing ECOTECH 2007 – 08 projects, priority will be given for capacity building activities for developing economies under the Manila Framework in accordance with the following categories:

High
Category 1: Leaders Key ECOTECH Priorities*
<p>Advancing Freer Trade: the Doha Development Agenda; regional integration, FTAs/RTAs, Hanoi Action Plan, Structural Reform, investment facilitation</p> <p>Enhancing Human Security: counter-terrorism; health security; avian influenza and emergency preparedness; energy security and anti-corruption</p> <p>Building Stronger Societies and a More Dynamic and Harmonious Community: Education, SMEs, ICT, Tourism cooperation, APEC reform</p>
Medium
Category 2: Ministers ECOTECH Priorities (additional to above)
Private sector development; sustainable development; human resource development; marine and coastal resources, fisheries and aquaculture; socio-economic disparities
Category 3: Sectoral Ministers priorities*
Avian Influenza Ministers(2006); Tourism Ministers (2006), SME Ministers(2006), Finance Ministers (2006)
Low
Category 4
Other capacity building activities that fall within the Manila Framework.

* To be updated following 2007 sectoral ministerial meetings.

ANNEX B

**SOM Steering Committee on ECOTECH
Draft 2007 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 strategic policy guidance on ways to contribute to APEC's ECOTECH goals and objectives.

1. Proposed Work Plan and Concrete Deliverables for 2007 in Response to Leaders/ Ministers/SOM Decisions and SCE Priorities

Continue efforts to improve the operations and work of working groups, task forces and networks to ensure ECOTECH activities are targeted, effective and efficient to make the best use of scarce resources in 2007 and beyond.

- Implement the recommendations of the SCE Fora review
- Identify policy criteria to guide the evaluation and ranking of all ECOTECH related project proposals ahead of presentation to the Budget Management Committee (BMC).

Coordinate and supervise all ECOTECH-related Working Groups and SOM Special Task Groups and provide strategic policy guidance to these groups on the ECOTECH agenda, particularly for capacity building in areas including human resource development, SMEs, knowledge and information technology, private sector development, human, health and energy security and emergency preparedness.

- Coordinate and oversee activities related to Sustainable Development in working groups, committees, taskforces and networks;
- Identify a forum to coordinate and monitor the implementation of the Invasive Alien Species Strategy;
- Work with the HRDWG to help coordinate the Strategic Action Plan on English and other Languages.

Provide policy recommendations on APEC ECOTECH-related issues to SOM

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

Undertake outreach to the broader community including:

- 2007 SOM Report on Economic and Technical Cooperation.
- Publicizing key outcomes of ECOTECH activities.
- Collaboration with the ABAC.

Continue implementation of 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.

3. Expected Outcomes/Deliverables For 2007

1. Successful implementation of the outcomes of the SCE Fora Review and to further strengthen, streamline and make more effective economic and technical cooperation in APEC.
2. Development of strategic direction for reform initiatives economic and technical cooperation in APEC into 2008 and beyond.
3. Identification of policy criteria for 2007-08 and further streamlining of APEC project management and funding allocation.

ANNEX C

Recommendations of the Review of Fora Outcomes and Implementation

Inputs based on the discussion on the document: Review of Fora Outcomes Recommendation 12 (2007/SOM1/SCE-COW/005)

Recommendation	Progress in the implementation	Expected timeline
<p>Recommendation 1 The Social Safety Nets Capacity Building Network (SSNCBN) be merged into the Human Resource Development Working Group (HRDWG).</p>	<ul style="list-style-type: none"> - HRD updated members about discussions with SSN-CBN regarding merge and proposed schedule (2007/SOM1/SCE-COW/011). - The merged organization would be name the Labour and Social Safety Net (LSSN) - Coordinator of SSNCBN and LSPN will prepare new TOR. -Present new TOR to SCE and SOM for approval 	<p>New ToRs to be discussed at the HRDWG meeting in April, and the SSNCBN meeting in May/June. Chairs of each for a will attend each meeting. Final ToR expected to be submitted to SCE by SCE3. Expected completion: September 2007</p>
<p>Recommendation 2 Further consideration be given to merging the High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB) with the Agricultural Technical Cooperation Working Group (ACTWG).</p>	<ul style="list-style-type: none"> - An independent assessment will be undertaken in 2007 (annex D). - SCE members to decide whether the scope should be narrow (ATCWG and HLPDAB) or broader (Agriculture in APEC). 	<p>SCE members to submit comments on scope by 15 Feb.</p> <p>Project proposal to be submitted to BMC1 in March 2007.</p>
<p>Recommendation 3 The Non-Ferrous Metals Dialogue (NFMD) be incorporated into the EWG sub-fora Expert Group on Mining, Exploration and Energy Development</p>	<ul style="list-style-type: none"> - NFMD and GEMEED are expected to meet to discuss the merger following internal discussion. - Proposal to establish a new working group on 	<p>Discussion at Mining Ministerial in February and respective fora meetings.</p>

(GEMEED).	mining being considered by both fora and will be discussed at the Mining Ministerial meeting in February. SOM approval required for the establishment of any new fora.	SCEII and SOMII Proposed new fora requires SOM approval. Update to be provided to SCE2.
<p>Recommendation 4</p> <p>The Fisheries Working Group (FWG) and the Marine Resource Conservation Working Groups (MRCWG) continue to collaborate and consult closely, including through annual joint meetings from 2007 onwards. The SCE also recommends that the fora revise their TORs in consultation to identify how they will collaborate on areas of mutual interest and to indicate a clearer link with broader APEC priorities.</p>	<p>MRC agreed in the implementation of the recommendation 4, the assessment (scheduled in annex D) and the review of its terms of reference.</p> <p>FWG and MRCWG meetings are being held concurrently in 2007.</p>	<p>Project proposal to be submitted to BMC1 in March 2007.</p>
<p>Recommendation 5</p> <p>The Gender Focal Point Network (GFPN) work with the Executive Director to establish the level of Secretariat support available to support the network's work program and to ensure that the support given leads to substantive outcomes related to gender integration in APEC.</p>	<p>GFPN welcomed the assessment as a means to strengthen the work of the network.</p> <p>GFPN to commence discussions with ED.</p>	<p>Project proposal to be submitted to BMC1 in March 2007</p>
<p>Recommendation 6</p> <p>The Cultural Focal Point Network</p>	<p>- TWG agreed on the integration of cultural issues</p>	<p>Members to keep SCE updated.</p>

(CFPN) be disbanded.	<p>within its work.</p> <ul style="list-style-type: none"> - HRD is currently considering cultural issues as part of its agenda and fully agreed with including this topic in its TOR. 	
<p>Recommendation 7 The SCE recommends that further consideration be given to the suggestions for improving the operations of the Telecommunications and Information Working Group (TELWG) and Electronic Commerce Steering Group (ECSG) in 2007.</p>	<ul style="list-style-type: none"> - ECSG is already in an internal consultation about the recommendation, favouring a move to become a CTI sub-for a (2007/SOM1/SCE-COW012). - The ECSG expressed its intention to meet the TEL, CTI and EC chairs. - The TEL Chair welcomed the idea of incorporating relevant activities into TEL and is willing and happy to meet with ECSG, CTI, and the EC, and any other fora to further discuss this matter. 	<p>Members to update SCE2</p> <p>Secretariat to assist with the coordination of this meeting</p>
<p>Recommendation 8 The SCE recommends that the Trade Promotion Working Group (WGTP) be incorporated into the Small and Medium Enterprises Working Group (SMEWG).</p>	<ul style="list-style-type: none"> - SMEWG presented a strategy for the incorporation of the WGTP into the SMEWG -SCE1 endorsed the proposed strategy to incorporate the WGTP into the SMEWG. 	<p>Incorporation will be completed in time for the September working group meeting</p>

<p>Recommendation 9 The SCE recommends that the Tourism Working Group (TWG) remain an independent working group at this stage, but be subject to further review in 2008.</p>	<ul style="list-style-type: none"> - TWG expressed its firm resolve to continue to be a separate group and advised that the Group is currently undergoing an Independent assessment. - TWG will report back to SCE once the assessment is finished. - TWG will integrate culture once they had the confirmation of its independent status. 	<p>TWG to report back to SCE2</p>
<p>Recommendation 10 The SCE recommends that further consideration be given to possibilities for improving the synergies between the Anti-Corruption and Transparency Experts Task Force (ACT) and the Economic Committee (EC), taking account of related work being conducted in CTI sub-fora such as Strengthening Economic Legal Infrastructure (SELI) and the Competition Policy and Deregulation Group (CPDG).</p>	<ul style="list-style-type: none"> -ACT supported the recommendation to explore the possibility of improving the synergies between the ACT and the other groups. - FMP supported the structural reform and stressed the importance of working closer with EC, SELI and CPDG. EC agreed with exploring the opportunities of developing joint activities. Secretariat to coordinate the meetings between the fora. 	<p>Members to report back to SCE2.</p>
<p>Recommendation 11 The SCE recommends that further consideration be given to transforming the Health Task Force (HTF) to a</p>	<p>HTF drafted an internal discussion paper in response to this recommendation which will be discussed at the HTF meeting before its intersessional submission to SCE / SOM.</p>	<p>SCE and SOM II 2007</p>

Working Group during the review of its mandate in 2007.		
<p>Recommendation 12 The SCE recommends that the list of suggestions for improving working arrangements (at Annex A) be endorsed and implemented in 2007.</p>	Secretariat workplan endorsed by SCE1.	<p>SCE members to provide comments by 15 Feb. Guidelines to be submitted to BMC for consideration. Secretariat to report back to SCE2</p>