ASIA-PACIFIC ECONOMIC COOPERATION
INFORMAL SENIOR OFFICIALS’ MEETING
IN PREPARATION FOR THE APEC 2015 YEAR
Manila, Philippines
9 December 2014

CHAIR’s SUMMARY CONCLUSIONS

1. The Informal SOM (ISOM), in preparation for the APEC 2015 Year, was convened by the incoming SOM Chair in Manila, Philippines on 9 December 2014. SOM from Australia; Brunei Darussalam; Canada; Chile; the People’s Republic of China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam participated in the Meeting. The Chairs of the Committee on Trade and Investment (CTI), Economic Committee (EC), and incoming Chairs of the SOM Steering Committee on Economic and Technical Cooperation (SCE) and APEC Business Advisory Council (ABAC) were present. The APEC Secretariat was in attendance.

PRIORITY AREAS FOR 2015

2. The SOM expressed full support for the Philippines’ APEC 2015 priorities under the theme “Building Inclusive Economies, Building a Better World,” as presented by the SOM Chair. They likewise emphasized the need to ensure the continuity of APEC’s work as mandated by the Ministers and Leaders in previous declarations and statements, without prejudice to fresh and new initiatives.

3. The SOM shared possible future areas of collaboration as initial inputs to the APEC 2015 priorities and expressed resonating comments on the following: (1) private sector participation, corporate social responsibility (CSR), public-private partnership (PPP), and, the possibility of joint APEC-ABAC projects; (2) carrying out APEC 2015 priorities at the level of working groups and sub-fora with emphasis on complementation with SOM’s work; (3) funding priority for projects that aim to reduce or eliminate the development gap between and among APEC Economies; (4) importance of planning the elements of the Leaders’ Statement and working on the initial version as a basis.

Enhancing the Regional Economic Integration Agenda

4. The Philippines would carry on the agenda of Connectivity, taken up during Indonesia’s and China’s host years, through Services. The Philippines would work with other economies in formulating an action plan on based on the discussions at the two Public-Private Dialogues on services during SOM1 and SOM2. The SOM recognized that along these lines, social mobility in the long-term must be considered in ensuring access to education and training. The SOM also discussed Connectivity in terms of infrastructure and resilience and its relationship to the mobility of emergency responders. Maritime and Air Connectivity were also raised with respect to Supply Chain issues and Tourism.

5. The SOM also underscored that anti-corruption initiatives should support efforts to promote inclusive growth. In line with this, the post-ANSSR agenda will be given priority during the Philippines’ host year and will be given prominence through the 2nd Structural Reform Ministerial Meeting.
6. The SOM also highlighted APEC’s continued strong support for the Multilateral Trading System and resolve to guard against protectionism. There was a common sentiment that APEC can show leadership and manifest this support initially through: (1) domestic ratification of the TFA; (2) reduction of tariffs on environmental goods and services; (3) simplification of Rules of Origin (ROO); (4) continuing work on information sharing on RTAs/FTAs.

7. The SOM cited the role that SMEs would play in linking Global Value Chains and Supply Chains between Asia and Latin America.

*Fostering SMEs’ Participation in Regional and Global Markets*

8. On SMEs, one significant take-away from the Symposium held on Day 1 of the ISOM was the importance of Big Data in enhancing SMEs’ access to finance. The SOM recognized that Big Data could help expand SMEs’ participation in global markets.

9. Discussions also revolved around SMEs’ access to GVCs in terms of food and agricultural products and processing (i.e. cold chain management), access to healthcare products in the GVCs, participation of women in the economy, and the GVC benefits to small scale fisheries in the maritime economy.

10. The SOM discussed that SMEs may require the formulation of different sets of policies for SMEs on measures supporting start-ups, access to finance, and product research and development.

11. The SOM agreed to give priority to projects that enhance scientific capacity, education mobility, and emergency response, and to look at mainstreaming the role of Chief Science Advisors and their equivalents.

12. The SOM discussed the need to enhance cross-fora collaboration on SME-related work, including establishing synergy among APEC, ABAC, and PECC on SME and HRD issues.

*Investing in Human Capital Development*

13. The SOM had resonating views on the promotion of quality education and skills training programs. The SOM recognized that industry needs must be matched with training delivery systems. To address this, the SOM indicated that common occupational standards must be arrived at through monitoring and identification of the needs of businesses and through industry feedback. Also, issues regarding worker shortage, the advantages of labor market monitoring, and the assistance for Persons With Disabilities (PWD) for them to gain access to labor markets were discussed.

14. The SOM reiterated the importance of a scholarship database to contribute to the cross-border education initiative. ABAC also offered to advise APEC on emerging trends and new skills for 21st century business.

*Building Sustainable and Resilient Communities*

15. In the light of the global health situation brought about by the Ebola outbreak, the SOM emphasized the need to focus on health security to prepare for and prevent the occurrence of pandemics and to ensure universal access to healthcare. The SOM encouraged health emergency preparedness programs with primacy on surveillance and information sharing.
16. The SOM suggested that APEC move towards establishing a single platform/harmonized network for emergency preparedness through coordination of crisis management centers.

17. The SOM welcomed the introduction of day-after contingency plans, as well as the building of anticipatory capabilities, i.e. identifying man-made disasters, cyber security, and pandemics, in support of business continuity plans and information systems.

18. The SOM welcomed the conduct of economy peer reviews on fuel subsidy which would recommend measures to eliminate wasteful subsidies relative to the consumption of fossil fuels.

19. The SOM welcomed the introduction of initiatives on water issues such as shortage and pollution, setting water safety standards, and ensuring fair pricing for farmers.

**APEC 2015 Notional Calendar**

20. The SOM took note of the APEC 2015 Notional Calendar (*Document 2014/ISOM/002*). The Chair would coordinate with the G20 Summit Chair and the ASEAN Summit Chair on the adjustments in the AELM schedule in the light of the back-to-back-to-back high level meetings in November 2015: the 10th G20 Summit on 15-16 November 2015 in Turkey, the 23rd APEC Economic Leaders’ Meeting (AELM) on 17-18 November 2015 in the Philippines and the 26th ASEAN Summit on 19-20 November 2015 in Malaysia.

**APEC Business Advisory Council (ABAC) Updates**

21. The incoming APEC 2015 ABAC Chair invited Senior Officials to attend the ABAC-SOM Dialogue on 27-29 January 2015 in Hong Kong, China. The incoming ABAC Chair also shared ABAC’s 2015 theme and priorities, which are parallel to those of APEC 2015.

**IMPLEMENTING THE BEIJING MANDATE**

22. The SOM discussed ways to implement the key outcomes of 2014 and to provide direction for work in 2015, particularly on Regional Economic Integration (REI) and the Free Trade Area of the Asia-Pacific (FTAAP); Connectivity and Infrastructure Development; Innovative Development, Economic Reform, and Growth (IEG).

**Free Trade Area of the Asia-Pacific**

23. The SOM noted that the CTI-level FoTC on Strengthening REI and Advancing FTAAP, jointly chaired by China and the United States, will develop, as mandated by Leaders and Ministers, the Terms of Reference of the Task Force to undertake the collective strategic study.

24. The SOM agreed that the composition of the Task Force would be discussed inter-sessionally and should be in place by SOM1. The Task Force would report the results of the collective strategic study to Leaders by end of 2016.

**Connectivity and Infrastructure Development**
25. The SOM agreed that the FoTC on Connectivity would discuss at SOM1 the arrangements for monitoring the implementation of the APEC Connectivity Blueprint, guided by the Report to Implement the Connectivity Blueprint. The primary responsibility for implementation at the level of individual initiatives would lie with the subfora and initiating economies. SOM would oversee the progress of the Blueprint’s implementation annually, reviewing targets and objectives. This would be monitored at the level of the standing SOM. The meeting also underscored the importance of the participation of the Finance Ministers’ Process (FMP) in the monitoring and the implementation of the Blueprint.

Innovative Development, Economic Reform and Growth

26. The SOM agreed on the establishment of an Ad Hoc Steering Group to guide the discussion on internet economy issues. The Chair would lead the drafting of the Terms of Reference (TOR) which would be presented at SOM1 for consideration.

27. The Philippines, as host of both the Structural Reform Ministerial Meeting (SRMM) and Finance Ministers’ Meeting (FMM), took note of the suggestion to hold the SRMM before the FMM. The 2nd Structural Reform Ministerial Meeting (SRMM) would give strategic direction for a post-ANSSR agenda.

PLANS FOR APEC 2015 AND BEYOND

APEC Growth Strategy


29. Guided by the Background Paper prepared by the APEC Secretariat which outlined the process of assessment and indicative timelines, the SOM tasked the APEC Policy Support Unit (PSU) to conduct the assessment of the APEC fora implementation of the Growth Strategy and the five desired attributes for economic growth, namely, Balanced, Inclusive, Sustainable, Innovative, and Secure Growth.

30. The SOM noted that the assessment report would be structured according to two complementing pillars: (1) growth-related indicators based on the five growth attributes; and (2) information on the individual initiatives undertaken by APEC fora or member-economies.

31. The SOM also agreed to draft a forward-looking document on the next steps of the APEC Growth Strategy, which would be based on PSU’s assessment. The SOM would recommend the forward-looking document to Leaders, for endorsement at the 2015 APEC Economic Leaders’ Meeting.

32. The SOM noted that the 2014 Accord on Innovation, Economic Reform and Growth supplements the review of the implementation of the APEC Growth Strategy. The Accord, which takes into account new developments in the five growth attributes, presents options for the ongoing implementation of the Growth Strategy.

33. The SOM noted the timeline of the 2015 review of the Growth Strategy, which would begin with the SOM1 discussion and agreement on the process of assessment.

APEC 2014 Tasking Statement (for APEC 2015)
34. The Chair noted the increase in innovative growth-related work programs in recent APEC years, particularly in 2014.

35. The Chair took note of proposed amendments and additions to the Tasking Statement (2014/ISOM/003rev3), such as in the following topics: (1) Business mobility: the implementation of the APEC Business Travel Card (ABTC) scheme; (2) Education cooperation: the APEC Scholarship Initiative; (3) Human resource development: the outcomes of the 6th Human Resource Development Ministerial Meeting.

36. A revised Tasking Statement, incorporating the proposed amendments would be circulated inter-sessionally, for consideration and approval of APEC economies.

APEC Key Targets for 2015 and Beyond

37. The SOM noted the APEC Key Targets for 2015 and Beyond (2014/ISOM/004), which the APEC Secretariat prepared, to guide APEC fora’s work for 2015 and beyond.

Funding Criteria

38. The SOM generally endorsed the Funding Criteria for APEC Projects in 2015 (2014/ISOM/005rev1) with additional comments that activities in achieving the Bogor Goals should be categorized as Rank 1.

39. The Chair noted that the existing funding criteria might not strategically capture the capacity building needs of APEC.

40. The SOM agreed to reassess the mechanism for ranking and prioritizing projects vis-à-vis the available funding for any given year. In the interest of time, however, the SOM agreed that the current funding criteria would apply to Session 1 projects and possibly Session 2 projects in 2015 until such time that a new set of funding criteria is adopted.

Closing Remarks

41. The Chair thanked the Senior Officials for their suggestions and proposed initiatives to make 2015 a productive year for APEC.