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Agenda Item: 16

**Summary Report - Capacity Building Network
Meeting, 8 May 2016, Arequipa, Peru**

Purpose: Information
Submitted by: CBN Coordinator



**Human Resources Development Working
Group Plenary Meeting
Arequipa, Peru
7-10 May 2016**

38th APEC HRDWG CAPACITY BUILDING NETWORK (CBN) MEETING

08 May 2016

*Cerro Juli Convention Center
Arequipa, Peru*

SUMMARY REPORT

The 38th APEC HRDWG Capacity Building Network (CBN) Meeting was held in Arequipa, Peru on May 08th, 2016.

Delegates from: Australia; Chile; China; Japan, Republic of Korea; Mexico; Papua New Guinea, Peru; Philippines; Russian Federation; Chinese Taipei; Thailand, United States and Viet Nam participated in the meeting.

Mr. Meng-Liang Tsai, CBN Coordinator; Ms. Kuei-Yen Liao, CBN Deputy Coordinator; and Mr. Alberto Aquino, CBN Peru Co-Chair, chaired the meeting.

Representatives from APEC Business Advisory Council (ABAC), HRDWG Education Network (EDNET) Coordinator, as well as the HRDWG Acting Lead Shepherd were present.

MAY 08 SESSION

1. CBN Coordinator (Chinese Taipei) and CBN Peru Co-Chair

CBN Coordinator: Thanked host economy and all delegates and participants of the meeting. After, he referred to the several projects initiated and conducted by the CBN to satisfy the 2015 Leader's Declaration. In that vein, he reminded that the session will focus on the following aspects:

- Promoting skills development to bridge schools to work.
- Enhancing labor productivity and narrow talent gap by Industry-VET-Academia cooperation.
- Developing competency standardization and training quality to promote skills mobility and Strengthening HRM and HRD capacity building for SMEs and entrepreneurs.
- Cross-fora collaboration.

For other purposes, he shared CBN's commitment and contribution of member economies for taking part in a series of events last year. On that regard, addressed the following events:

- The 38th APEC-HRDWG Capacity Building Network Meeting.
- International Symposium and Workshop on Strategies for Strengthening Employability (Soft) Skills to Facilitate Quality Growth through Upskilling.

Finally, he encouraged all delegates to contribute and share comments or suggestions regarding the 6th AEMM Join Statement and Action Plan.

Co-Chair: On behalf of Peru, Mr. Aquino welcomed all delegates. As well, he expressed his desire to listen to and share opinions from all member economies.

2. Introduction of the participant economies (AIII)

The following delegations were present on the floor and offered introductory remarks:

- Australia
- Chile
- China
- Japan
- Republic of Korea
- Mexico
- Papua New Guinea
- Peru
- Philippines
- Russia
- Chinese Taipei
- Thailand
- United States
- Viet Nam

As well, Deputy Coordinator, Coordinator and Co -Chair introduced themselves.

3. Adoption of the agenda

The agenda was put under consideration. Sixth point of the agenda was placed above the fourth point in due regard of the presence of HRDWG Acting Lead Shepherd in the meeting. As well, a place for the eight point of the agenda remained open in due regard to the China Delegation. Without any other objection, agenda was adopted and the meeting continued.

4. Terms of Reference, Work Plan (Medium-term), Work Plan of 2016, 6th AEMM Joint Statement, 6th AEMM Action Plan (2017-2020) (CBN Economies)

Copies of the Discussion on the Annual Work Plan 2016, Discussion on the Strategic Plan (2016-2020) and Discussion on the adopted Revised Terms of Reference (Endorsed at SOM1-2016) were handled to all delegates. The floor was opened by Deputy Coordinator of CBN to discuss the following documents: Terms of Reference, Work Plan (Medium-term), Work Plan of 2016, 6th AEMM Joint Statement, 6th AEMM Action Plan (2017-2020).

Delegation of Chile: Reminded that all member economies have a time period of two weeks to submit suggestions or updates regarding the aforementioned documents.

Deputy Coordinator: Supported Chile statement and informed that documents will be sent to delegations to provide comments or updated on the mentioned period of time.

5. Promoting the development and strengthening of soft skills, for employability enhancement among APEC economies – Delegation of Peru

Co-Chair: On behalf of Peru, Mr. Alberto Aquino, presented the project entitled “*Promoting the development and strengthening of soft skills, for employability enhancement among APEC economies*”. This presentation shares the following information:

- Skills beyond traditional cognitive skills, namely soft skills, are also important and are part of employability foundations, and so are deemed to be the basis of a well-prepared workforce meant to meet the challenges of the labor market of the 21st century.
- Soft skills, here, is an umbrella term, to refer to intra-personal and inter-personal skills, that also includes include socio-emotional components and non-cognitive skills.
- There is evidence that the lack of development of these particular competencies is a factor that explains people's vulnerability at work. Several studies show that lack of soft skills may be translated into serious restrictions in the labor market, even stronger than the lack of technical skills.
- APEC should put focus in this topic, since there is evidence of labor market imbalances related to it in many APEC economies in the form of skills shortages.
- "Report on the APEC Region Labour Market" points out that employers are increasingly demanding both specific technical skills and knowledge as well as soft skills, pointing out soft skills shortages for 15 economies.
- There is evidence that the development of socio-emotional skills can be achieved through training programs, not limited to basic education: so, while more feasible to be developed during childhood, are not necessary fixed once in adulthood. Consequently, adults can benefit from programs especially devoted to strengthen their soft skills in order to underpin their performance at work.
- Discussion, now, are about to elucidate the most effective methods for the provision of soft skills training programs.
- There is a need to focus the discussion and efforts related to HRD, not only on the technical aspects of job competencies, but also on the importance of strengthening soft skills in order to improve the employability of the workforce, and so the APEC member economies should consider incorporate active policies to promote it, not only because the subject is important but for it is aligned to APEC' Leaders' Declarations and subfora recommendation on HRD, among others official APEC statements.

To contribute to it, Co-Chair proposed, on behalf of Peru, to hold an "International Symposium and Workshop on Strategies for Strengthening Employability (Soft) Skills to facilitate Quality Growth throughout Upskilling" to be held on October 3th, 2016, in order to share experiences to devise better strategies to improve the human capital of the workforce. Also, he proposed the creation of an "APEC Regional Knowledge Network on Best Practices for Employability Soft-Skills Development" This Symposium would be co-organized by Chinese Taipei.

After the proposal was presented, the following economies expressed their suggestions and opinions:

- Australia
- Chile
- Philippines
- Thailand
- United States

All economies shared their support to the proposal. In particular, Australia supported the proposal, and offered to participate in the symposium; Thailand expressed their desired to contribute with their experience on the topic too, while Mexico would still define how to contribute with an item.

6. APEC Skills Development Capacity Building Alliance: Facilitating Quality Growth through Upskilling – Delegation of Chinese Taipei

Delegation of Chinese Taipei: Presented the project called “*APEC Skills Development Capacity Building Alliance (ASD-CBA)*.” Regarding of which apprised all delegations of the following information:

- The Project aims to connect people, projects and institutions. In particular, the following objectives of the program can be highlighted:
 - o Promote institute-to-institute connectivity and skillsets mobility through a study camp for APEC training institute managers.
 - o Identify and develop best practice models to enhance youth employability through cross-cutting collaborative research.
 - o The alliance facilitates networking and collaboration between VT providers and key stakeholders within the APEC community.
 - o Strengthen cross-border interaction and information sharing.
- The Project will be enhanced through cross fora collaboration.
- Regarding the Work Plan, Delegate of Chinese Taipei expressed that The Project will work on the basis of cross-forum and workshops which will take place between May to November of this year and more to come in 2017.
- Regarding the timetable, Delegate of Chinese Taipei presented a thorough overview of events which are part of The Project.

In consequence, Delegate of Chinese Taipei highlighted the necessity of collaboration from industry sector. And for that, emphasized The Project linkage to ABAC, SMEWG and PPWE. Finally, announced the establishment of an ASD-CBA Development Institute in Chinese Taipei.

A video explaining The Project was projected later. After the projection, the following delegations offered comments on it:

- Australia
- China
- Chinese Taipei

All delegations aforementioned manifested their support for initiatives that support collaboration and experience sharing between APEC economies. The Delegation of Chinese Taipei shared with all member economies an invitation to attend the open ceremony of the Development Institute, in margins of which an open dialogue on cross-fora collaboration will be held to increase people-to-people and institute-to-institute connectivity. The invitation was reiterated by Deputy Coordinator of CBN.

7. CBN 2015 Reflections and 2016 Outlook (CBN) – Delegation of Chinese Taipei

Delegation of Chinese Taipei: Presented *CBN 2015 Reflection and 2016 Outlook*. For that purposed, displayed the following information:

Regarding CBN 2015 Reflections:

- CBN met their objectives through four approaches: Promoting skills development and network training providers, developing competency standardization and training quality,

strengthening HRM and HRD capacity building for SMEs and entrepreneurs and narrowing the talent gap by industry - VET-academia cooperation.

- CBN participated in APEC HRDWG Meetings and hosted in total seven workshops in 2015.

Regarding 2016 Outlook:

- Numerous projects have been proposed by member economies.
- CBN encourages and anticipates more cross-forum cooperation.

Finally, a video was projected in which 2015 Reflections were displayed.

8. Remarks by HRDWG Acting Lead Shepherd

Ms. Acting Lead Shepherd welcomed all delegates and manifested her appreciation to host economy. Also, highlighted the need for human skills to be equipped with technical and soft skills as well. In doing so, as stated young and vulnerable people should be taken care of. She mentioned that one way of achieving it is through skill training and labor mobility. On that regard, CBN should enhance the relation with business and education providers, and to develop education and training programs. Ms. Acting Lead Shepherd mentioned that APEC Ministers welcomed efforts to facilitate mobility whereas CBN is developing diverse projects to do so. Finally, she drew attention upon the 5th HRD action plan 2015-2020, of which an updated version is expected.

9. View from the Private Sector: Wiley – Delegation of the United States

Delegation of the United States: offered a presentation under the title: “*Solving the Talent Crisis. From Education through Employment*”:

- Delegate of the United States introduced Wiley role as one of the largest US companies in higher education and workforce development. Wiley has been active in APEC since 2011, advancing initiatives in the PPSTI to support young scientists.
- Delegate of the United States drew attention to the rapid changes over the last five years in private sector, who are facing an urgent talent crisis characterized by a mismatch between education and the employment needs.
- Wiley works with three communities, all of whom are confronting different kinds of challenges within the talent crisis: (1) higher education: students, faculty and research institutions; (2) companies and employees; and (3) researchers and research institutions.
- According to the three communities, the talent crisis is based on three recent dynamics: (1) Degree programs are not producing graduates with skill set required for successful employment; (2) Employers need diverse skills mix from existing employees; (3) Government/Corporate return on investment in R&D workforce is declining.
- Delegate of the United States presented some case studies of how industry, academia and other partners are innovatively addressing the education to employment mismatch.

After the presentation the following delegations offered comments and questions:

- Australia
- Chile
- Japan
- Mexico
- Peru

- Chinese Taipei

Delegation of Mexico showed interest on the assessment procedures related to digital credentials. Delegation of Peru posed a question regarding the methodology used to link education to employment. The delegation of United States mentioned that they work through a sectoral approach which allows them to be more specific and concrete. Australia noted the presentation provided a strong example of how linking education and training to the needs of industry can produce strong skills outcomes, asked how the program can facilitate a more informed choice by consumers. The delegation of the United States noted the challenge in meeting diverse information needs, but that the strong links with stakeholders has been very useful in designing learning products and models that meet student needs. The delegation of United States also addressed the raising political support at university level in order to redesign what students are getting of their professional choices. Finally, Japan stressed the relevance of cooperation among key stakeholders.

Deputy CBN Coordinator: Asked Delegation of the United States to provide a deeper insight on the presentation to be presented at the AEMM6, side events and the October Workshop.

10. The way forward for competency standardization and recognition in TVE, T&L, IRF and Tourism – Delegation of Australia

Delegation of Australia: Presented the following Project “*Activities to Progress Competency Standardization and Skills Recognition in TVET.*” On which provided the following information:

- The project has a triple focus: Logistics and Transport, Occupational Standards Framework; and Integrated Referencing Framework.
- The Delegate of Australia accounted that the project started with a pilot in Logistic and Transport under the name of *Developing occupation standards for the transport and logistics sector*. The project was designed to support increased understanding of the skills development needs for five occupations in the transport and logistics sector across APEC economies, and provide businesses operating in these economies with greater confidence in the core skills required and held by skilled workers. The project involved government and industry representatives from Australia, China, Indonesia, the Philippines and Viet Nam.
- The Delegate of Australia accounted that due to the success of the aforementioned project, it has led to the development of a model for developing, validating and benchmarking regional occupational standards at a regional level, for consideration by APEC economies. This model will be piloted in the Tourism industry. This complements work being undertaken by the Tourism Working Group.
- Besides, Delegate of Australia informed that Australia has been determining how the relevance, level and quality of an individual skill and knowledge of the TVET sector can be better understood across borders and systems. For that, he reminded all delegates that the development of an APEC Integrated Referencing Framework for Skills Recognition and Mobility (IRF) has been established to draw together the diverse approaches of APEC economies to skills recognition into a cohesive architecture. Finally, he informed that an APEC-wide consultation phase on the concept is planned for 2016–2017.
- A possible outcome from the referencing work would be to combine the findings of the benchmarking on relevance, quality and level through an online portal, or a diploma supplement that provides additional information on the skills and knowledge held by the individual.

After the presentation the following delegations offered comments:

- Mexico
- Peru
- Philippines
- Chinese Taipei
- Thailand
- United States

All delegations expressed their support to the project. Mexico manifested their interest on the processes used in the selection of the industry sector and the economies that take part of the project, on which Australia offered some insight regarding some principles that may support that selection. United States highlighted that the portal created may provide some information that could guide training and skills development.

Deputy CBN Coordinator: Asked Delegation of Australia to provide a deeper insight on the presentation to be presented at HRDWG or CBN events.

11. Promoting Cooperation between APEC Member Vocational Training Institutions – Delegation of China

Delegation of China: Congratulated previous projects and offered a brief presentation of the project called “*APEC Skills Training Material Development Program*”, regarding of which offered the following data:

- The 2014 APEC Labor and Employment Minister statement outlines the priority of developing employability and skills for work; strengthen science and technology skills for careers, facilitate mobility of highly skilled human capital.
- The project aims to improve vocational skills, starting at CNC training materials development with the participation of private sector and training providers.
- The project intends to build up a platform for vocation training providers and the private sector for peer exchanges and cooperation.
- Delegate of China informed that economies may work with their TVET department in identifying representative vocational training providers.
- Delegate of China presented a comprehensive timetable of the program.

After the presentation the following delegations offered comments;

- Chinese Taipei
- Papua New Guinea
- United States

The delegations manifested their support for the project. In particular, Papua New Guinea manifested their interest on enhancing the network among private trainer providers. In that vein, United States remarked the importance of involving employers in the redesign of training materials.

The official photo was taken and the meeting was adjourned for lunch.

12. Case Studies of Mutual Recognition and International Cooperation for Skills and Job Qualification in the APEC Region – Delegation of Japan

Delegation of Japan: Presented the project called “*Case Studies on Mutual Recognition and International Cooperation for Skills and Job Qualifications in the APEC region*” and offered the following information:

- The Delegate of Japan explained the outline and context of the project.
- The Delegate of Japan noted that number of valuable precedent projects was implemented in the relevant area by the leading economies.
- The Delegate of Japan emphasized the needs to grasp the overall picture of the progress and current status of the existing mutual recognitions in APEC.
- The Delegate of Japan explained the project aim to obtain essences to enhance the recognition systems through the selected case studies.
- The Delegate of Japan explained the focus of the studies and the alignment with APEC priorities.
- The Delegate of Japan noted that the output of the studies could impact the existing mutual recognition systems to expand and make step forward.

After the presentation the following delegations offered comments:

- Australia
- Chinese Taipei
- Mexico
- Japan
- Viet Nam

All delegations showed their appreciation for the project to be conducted by Japan. Mexico expresses their concern over the fast changing high and low skill workers' criteria and thus questioned how this would be integrated into the project. Australia agreed that the question of ensuring any standards kept pace with the rapid change in industry is extremely relevant and is a challenge that must be addressed. Australia suggested that knowledge of previous actions will help inform the debate on future initiatives. Finally, Japan welcomed to invite any possible input or suggestion to further consolidate the project.

13. Technical Consultation for Capacity Building in Technical Vocational Training – Delegation of the Republic of Korea

Delegation of the Republic of Korea: Presented the project called “*APEC Technical Consultation for Capacity Building in Technical Vocational Training*” and gave the following information:

- The Delegate of the Republic of Korea offered a brief background of the project.
- The project aims to: enhance the capacity of experts (competitors) in skills competition through share their knowledge of Korea; contribute to the development of human resources development by helping them acquire up-to-date techniques.
- Finally, the Delegate of the Republic of Korea presented the Plan for 2016.

14. Completion Report of the 2nd High Level Policy Dialogue on Human Capacity Building – Delegation of Philippines and Papua New Guinea

Delegation of Philippines was in charge of presenting the *Completion Report of the High Level Policy Dialogue on Human Building Capacity*, regarding of which offered the following info:

- The Delegate of the Philippines offered comments on the participation of the 13 economies and ABAC. Also, informed the developing of the Plenary Sessions. Besides, a particular emphasized was given to the Economy Key Policy Initiatives

- The Delegate of the Philippines called upon the adoption of the Port Moresby Joint Statement on the 2015 High Level Policy Dialogue on Human Capacity Building which aims to enhance strategic cooperation in human capital development towards developing 21st century skills that are aligned to global and industry standards.
- Finally, the Delegate of Philippines mentioned some projects pursued and to be pursued in support of the aforementioned statement.

After the presentation, delegation of Papua New Guinea expressed their gratitude towards Philippines for giving them an opportunity to host the meeting in preparation for the hosting of the 2018. APEC Leaders' Summit. On the same note, the Chinese Taipei delegation expressed their appreciation to Papua New Guinea for the very good hospitality provided to them.

15. Completion Report of Strengthening Mobility and Promoting Regional Integration of Professional Engineers in APEC Economies – Delegation of Chinese Taipei

Delegation of Chinese Taipei offered the *Completion Report of Strengthening Mobility and Promoting Regional Integration of Professional Engineers in APEC Economies*. Regarding this, offered the following information:

- The Delegate of Chinese Taipei recalled the objectives of the Project and gave a brief summary of the process.
- The Delegate of Chinese Taipei elaborated on the Workshop on Feasibility and Implementation of a Centralized Data Bank of APEC Engineers.
- Finally, the delegate of Chinese Taipei offered some recommendations and expressed their appreciation to the participating economies.

16. Enhancing SME Employability: APEC O2O Project (CBN-SMEWG) – Delegation of Chinese Taipei

Moving to the presentations on Cross-for a collaboration, **the Delegation of Chinese Taipei** made a presentation of the APEC O2O Project under the title of: “*Enhancing SME Employability: APEC O2O Project*”. On that regard, informed:

- O2O is rapidly becoming a new business mode with huge market potential in the APEC region.
- Initiative will assist SME in using O2O to scale up their business through collaboration with top e-commerce platforms such as Amazon, Alibaba, eBay, Lazazda, among others. On doing that, the project will also select SMEs from member economies that are best practices of O2O application.

After the presentation the Deputy CBN Coordinator reminded all member economies that the project was already approved and received funding. As well as, invited delegations to attend July meeting.

17. Innovation for Women and Economic Development: Building Human Capital for Women Entrepreneurs through Innovative Learning Tools (CBN-PPWE) – Delegation of Chinese Taipei

Delegation of Chinese Taipei made a presentation of the project named “*Innovation for Women and Economic Development: Building Human Capital for Women Entrepreneurs through Innovative Learning Tools (CBN-PPWE)*” On this subject, offered the following information:

- According to the study by the World Bank, nearly one billion women do not have adequate human capital that in turn limited them to access business information, training, and opportunities to grow their micro enterprises.
- Gaming Learning tools specially designed for women compound the project. These are: overcoming challenge, self-learning, entertainment to make learning fun, failure simulation to create a friendly environment for trial and error and easier access for a user friendly design.
- Also, the Delegated mentioned the “Female and the Digital Economy Workshop” to be cohosted by CBN and PPWE in July 2016, and invites member economies’ participation.

After the representation, the delegate of Japan expressed their interest in and support for this project.

18. ABAC’ insight on previous projects

ABAC Representative offered a brief insight on the projects presented. Specially, ABAC remarked the job currently being done by CBN to broaden skills of certain working populations. Also, highlighted the relevance of identifying pilot areas – Tourism, Allied Health, Pilots and Air Traffic Controllers, and potentially also Engineering, and using these pilots to inform further actions. Finally, called upon a certain number of initiatives that will allow CBN to advance on its particular agenda.

19. Discussion of the Preparatory Conference of the 6th APEC Education Ministerial Meeting (CBN-EDNET)

EDNET Coordinator, offered a briefing on the Preparatory Conference of the 6th APEC Education Ministerial Meeting. She drew attention upon the progress made during the two days preparatory meeting. Specially, she referred to the Logic Model and to the Strategy Plan both of which were discussed during the meeting and that will properly serve HRDWG. Finally, stressed the importance of integration to reinforce education investment in APEC region.

20. The Discussion for International Symposium and Workshop on Strategies for Strengthening Employability (Soft) Skills: Facilitating Quality Growth through Upskilling (Peru and Chinese Taipei)

Delegation of Peru presented again the “International Symposium and Workshop on Strategies for Strengthening Employability (Soft) Skills to facilitate Quality Growth throughout Upskilling” to be held on October 3th, 2016. The symposium seeks to share experiences and so to contribute to devise better strategies to improve the human capital of the workforce. This Symposium would be co-organized by Chinese Taipei who in turn expressed its strong support to the proposal. Delegate of Peru stressed that the symposium’ goal is to advance an agenda on APEC regional network for employability and training in soft skills with a properly understood gender perspective.

A tentative program of the Symposium was handled to all delegates after of which the floor was opened for a discussion on it. The following delegations offered comments:

- Australia
- Chile
- Chinese Taipei
- Mexico
- Papua New Guinea
- United States

All delegations welcomed the proposal. Particularly, Mexico and United States expressed their interest on attending the event, with Australia also offering to provide a presentation. Deputy CBN Coordinator clarified that the event would welcome governmental official as well as practitioners of the private sector, education and training providers and academics or researchers.

Finally, Co-Chair offered some closing remarks on **Peru' Drafting Proposal of the Declaration to be promoted at the end of the CBN meeting**. A discussion was opened on this regard. The following delegations offered comments:

- Australia
- Chinese Taipei
- Mexico

All delegations agreed on the content of the Declaration. However, Mexico stated that the paragraph was too long, and suggested breaking it into two or more shorter paragraphs. For that purpose, Australia agreed to work with Peru in order to obtain a shorter and concise version of the Draft proposal.

Later, Australia presented a shorter version including certain clarifications. Mexico, Chile and United States offered formal comments which were taken into consideration. Finally, the following final version was approved by consensus of all member economies:

“[The Capacity Building Network] will pursue the skills development of the workforce in cooperation with industry by focusing on the development and strengthening of soft skills (e.g., generic, non-cognitive, and socio-emotional skills) in addition to work-relevant technical skills. A focus on soft skills will enhance employability and labor productivity, and lead to the enrichment of human capital. This will in turn facilitate quality growth through upskilling, with special emphasis of the socially vulnerable, including youth and women.”

21. Closing Session

The floor was moved to the selection of CBN Coordinatorship. All member economies agreed on proceed to the selection through e-mail coordination in the coming months. Deputy CBN Coordinator highlighted that the selected procedure will allow ample participation of all member economies.

CBN Coordinator offered closing remarks. He expressed his gratitude to all member economies for their dedicated efforts on the comprehensive presentation and debate of projects. In that order, he remarked the importance of the development of upskilling modules and trainings. Finally, called upon the proposed project by Chinese Taipei, APEC Skills Development Capacity Building Alliance as it will serve the need to promote skill development and network trainings along with bridge the gap between school and industry needs.

As well, **Co-Chair** offered closing remarks. He expressed the gratitude for the collaboration of all member economies. And highlighted the relevance of the job done during CBN meeting.

Finally, Viet Nam announced that the upcoming CBN Meeting will be held in Viet Nam. All information regarding this will be made available later this year.

The Summary Report was adopted by CBN on May 9th. CBN Coordinator appreciates contribution and engagement of all CBN delegates and encourages your continued support and active participation for all CBN activities.