



**Asia-Pacific
Economic Cooperation**

2020/SOM1/PSU/BM35/003

Agenda Item: 2.1

Policy Support Unit Half-Year Evaluation Report (6 Months Ending 31 December 2019)

Purpose: Consideration

Submitted by: Policy Support Unit, APEC Secretariat



**35th Policy Support Unit Board Meeting
Putrajaya, Malaysia
17 February 2020**

APEC POLICY SUPPORT UNIT
HALF YEAR EVALUATION REPORT
6 MONTHS ENDING 31 DECEMBER 2019

Introduction

The APEC Policy Support Unit Governance Arrangements requires that:

The PSU Director will prepare a concise half-year evaluation report for the Board on work undertaken and expenditure and commitments.

This report is presented to the PSU Board to meet that obligation.

Work undertaken

Current and Long-term Projects

In the period between July and December 2019, PSU had been working on these projects:

1. [SOM] Assessment of APEC Strategy for Strengthening Quality Growth (ASSQG) – a review of APEC’s progress – at APEC-wide and economy- and fora-levels – in implementing ASSQG, and a discussion on achievements, challenges and opportunities for regional cooperation.
2. [SOM] APEC Connectivity Blueprint: Mid-term Review – a mid-term review of the implementation of APEC Connectivity Blueprint 2015-2025.
3. [SOM-CTI] APEC’s Bogor Goals Dashboard 2019 – an update to the dashboard on indicators, showing the evolution of certain aspects of trade and investment liberalization and facilitation over time.
4. [SOM-CTI] APEC’s Bogor Goals: Final Assessment – a final assessment on APEC’s progress toward Bogor Goals by evaluating economies’ individual action plans and preparing individual economy and APEC-wide progress reports and dashboards.
5. [CTI] Taking Forward the Lima Declaration on the Free Trade Area of the Asia-Pacific (FTAAP): Study on Tariffs – a study on the impact of possibly lowering tariffs and market access commitments under potential FTAAP pathways to find areas of convergence and divergence.
6. [CTI] Peer Review and Capacity Building on APEC Infrastructure Development and Investment – support to the peer review mechanism as an ad-hoc review team secretariat, including setting up a review team to conduct peer review, participating as a review team member, and identifying capacity building needs of the reviewed economy (Indonesia).
7. [CTI] Annual Report on Trends and Developments in Provisions and Outcomes of RTA/FTAs Implemented by APEC Economies – an analysis of elements in RTA/FTAs concluded by APEC economies in the preceding year.
8. [CTI] APEC Supply-Chain Connectivity Framework Action Plan 2017-2022 (SCFAP II): Interim Review of External Indicators – an assessment of APEC’s progress in the mid-way mark of implementing SCFAP II based on an analysis of external indicators.
9. [CTI] Assessment of Capacity Building Needs on Trade Related Aspects of E-commerce – a review of existing regulatory frameworks related to cross-border e-commerce in APEC economies, and identification of capacity building needs.

10. [\[CTI/IEG\] Facilitating Investment in APEC: Improving the Investment Climate through Good Governance](#) – a review of the Investment Facilitation Action Plan implementation during the period 2017-2018, distilling lessons learned and possible way forward from the findings.
11. [\[EC\] APEC's Ease of Doing Business \(EoDB\): Final Assessment 2015-2018](#) – a final assessment of progress within APEC in the five priority areas of the Second APEC EoDB Action Plan.
12. [\[EC\] Renewed APEC Agenda for Structural Reform \(RAASR\) 2016-2020: Final Review](#) – a final review of RAASR, including progress at the APEC-wide level and individual economy level.
13. [\[EC\] Technical Support to RAASR Action Team](#) – provision of technical support in the preparation of input papers for the 2020 Structural Reform Ministers' Meeting.
14. [\[EC\] Assessment Group for RAASR Sub-Fund](#) – provision of advice and feedback on concept notes, as a member of the RAASR Sub-Fund assessment group.
15. [\[EC-FMP\] APEC Economic Policy Report 2019: Structural Reform and the Digital Economy](#) – a study on structural policies contributing to the development of digital economy in APEC.
16. [\[EC-PPWE\] Structural Reform Measures to Improve Women's Access to Labor Markets, Finance, and Capital](#) – a study on structural reform measures that have improved women's access to labor markets, finance and capital, with a focus on behind-the-border legislative, regulatory and policy barriers.
17. [\[SCE\] APEC Case Studies on Inclusive Policies](#) – a study involving a compilation of case studies that will offer references for APEC economies when establishing and implementing inclusive policies, mainly on social and economic inclusion.
18. [\[SCE/OFWG\] Compendium of Policies and Preventive Measures to Reduce Land-based Marine Debris in APEC Economies](#) – a compilation of existing instruments in APEC economies that monitor, evaluate and control sources of waste contributing to marine debris.
19. [\[SCE/PPWE\] The APEC Women and the Economy Dashboard 2019](#) – an update to the dashboard on indicators, providing a snapshot of progress on women's participation in economic-related activities and women's inclusion in society within APEC.
20. [\[SCE/SMEWG\] Overview of the SME Sector in the APEC Region: Key Issues on Market Access and Internationalization](#) – an update of the 2010 PSU report to provide current understanding of the SME sector and identify economic policies or reforms to advance their participation.
21. [\[FMP\] APEC Financial Inclusion Capacity Building Package](#) – technical support to the development of a capacity package to help APEC economies adopt measures to advance financial inclusion.
22. [\[PPFS\] Insights on the Regulatory Environment within APEC Economies and Its Impact on Trade in Services in Food Value Chains](#) – a study on the regulatory environment of services in food value chains, identifying challenges that impact as well as potential building blocks that support services trade and contribute to increased food security.
23. [APEC Regional Trends Analysis](#) – a report examining recent economic, trade and investment trends in the region.
24. [PSU Policy Brief Series](#) – a concise analytical document covering pertinent policy relevant issues in the Asia-Pacific region.
25. [APEC in Charts](#) – a graphical overview of the APEC region's economic, trade, investment, and policy-related performance.
26. [StatsAPEC](#) – biannual updates of data in APEC's statistics portal consisting of the Key Indicators Database and the Bilateral Linkages Database.

Outputs

In the period between July and December 2019, PSU completed the following projects and activities:

1. Reports:

- [SOM-CTI] [APEC's Bogor Goals Dashboard 2019](#)
- [CTI] [Taking Forward the Lima Declaration on the Free Trade Area of the Asia-Pacific \(FTAAP\) - Study on Tariffs](#)
- [CTI] [Peer Review and Capacity Building on APEC Infrastructure Development and Investment \(Reviewed Economy: Indonesia\)](#)
- [CTI] [APEC Supply-Chain Connectivity Framework Action Plan 2017-2020: Interim Review of External Indicators](#)
- [CTI/IEG] [Facilitating Investment in APEC: Improving the Investment Climate through Good Governance](#)
- [EC] [APEC's Ease of Doing Business: Final Assessment 2015-2018](#)
- [EC-FMP] [APEC Economic Policy Report 2019: Structural Reform and the Digital Economy](#) (flagship report of EC)
- [EC-PPWE] [Structural Reform Measures to Improve Women's Access to Labor Markets, Finance, and Capital](#)
- [SCE/OFWG] [Compendium of Policies and Preventive Measures to Reduce Land-based Marine Debris in APEC Economies](#)
- [SCE/PPWE] [The APEC Women and the Economy Dashboard 2019](#)
- [FMP] [APEC Financial Inclusion Capacity Building Package - Synthesis Report](#)
- [PPFS] [Insights on the Regulatory Environment within APEC Economies and Its Impact on Trade in Services in Food Value Chains](#)
- [APEC Regional Trends Analysis: Counting What Counts, November 2019](#)

2. Policy Briefs:

- [Customs Cooperation in APEC: Strengthening Regional Cooperation \(Policy Brief No. 27\)](#)
- [ISDS as an Instrument for Investment Promotion and Facilitation \(Policy Brief No. 28\)](#)

3. Publication:

- [APEC in Charts 2019](#)

4. Statistics Portal:

- [StatsAPEC](#): Updated in December

5. Technical Support:

- Provided technical support, in the form of providing an overview of regional economic outlook and inputs on economic and trade-related data, to the APEC Vision Group.
- Provided feedback on concept notes as part of the assessment group for RAASR Sub-Fund.

6. Outreach: In addition to speaking and presenting in events internal and external to APEC, other forms of outreach by the PSU included:

- For APEC Regional Trends Analysis (November 2019), a media teleconference to launch the report, interviews with Singapore 938 radio and Nikkei, and accompanied by [news release](#), [infographic 1](#), [infographic 2](#), and [blog article](#)).
- For the other 2019 reports:
 - Fostering an Enabling Policy and Regulatory Environment in APEC for Data-Utilizing Businesses ([infographic](#) and [blog article](#))
 - APEC's Ease of Doing Business: Final Assessment 2015-2018 ([infographic](#) and [blog article](#))
 - The APEC Women and the Economy Dashboard 2019 ([infographic](#), [news release](#), [video 1](#), [video 2](#), and [blog article](#))

Meetings and events participated

PSU Director and staff participated in SOM3 and Related Meetings (Puerto Varas, 15-30 August); CSOM (Singapore, 7 December); Symposium on APEC 2020 Priorities and ISOM (Langkawi, 9-11 December). Besides these, there were invitations to present at and participate in other meetings and events.

Presentations at:

- American Chamber of Commerce Singapore, Roundtable Discussion on “Essentials of APEC”, Singapore, 18 July
- ASEAN Cosmetic Association, Executive Conference, Singapore, 24 July
- APEC Group on Services, Workshop on “Advancing the Services Agenda in APEC: A Focus on Implementing the APEC Index Pilot Program”, Ha Noi, 23-24 July
- OECD, Mekong Institute, ADBI Joint Seminar on “Water Infrastructure Challenges in the Mekong Region”, Khon Kaen, 25 July
- APEC Secretariat, Policy Forum on “Thirty Years of Fostering Growth”, Singapore, 29 July
- APEC Tourism Working Group, Workshop on “Economic Study on Impact of Cruise Tourism: Fostering MSME’s Growth and Creating Sustainable Communities”, Singapore, 5-6 August
- APMEN Operational Center, 5th APEC Public-Private Dialogue on “Advancing Trade Facilitation & Supply Chain Connectivity through APMEN”, Santiago, 30 August
- Australia, Australian Aid, RMIT University and APEC Chile, Pathways to Gender Inclusion Workshop “How Can Technology Close the Gender Gap and Deliver Economic Gains for Women?”, Concepcion, 2-3 September
- APEC SME Working Group Meeting, Concepcion, 3 September
- ESCAP and ADB, Regional Organizations Cooperation Mechanism for Trade Facilitation (ROCTF) Meeting, New Delhi, 16 September
- ESCAP and ADB, Asia-Pacific Trade Facilitation Forum (APTFF) 2019, New Delhi, 17-18 September
- ESCAP and ADB, APTFF 2019 Capacity Building Workshop on Cross-border Paperless Trade Facilitation, New Delhi, 19 September
- American Chamber of Commerce Singapore, PwC Singapore Event on “Business Mobility – Staying Agile in Today’s Volatile, Uncertain, Complex and Ambiguous World”, Singapore, 20 September
- APEC Policy Partnership on Women and the Economy Meeting, La Serena, 30 September - 1 October
- Public Private Dialogue on Women and the Economy, La Serena, 3 October
- High Level Policy Dialogue on Women and the Economy, La Serena, 4 October
- APEC Senior Finance Officials’ Meeting, Santiago, 13 October
- APEC Finance and Central Bank Deputies’ Meeting, Santiago, 14 October
- APEC Finance Ministers’ Meeting, Santiago, 14-15 October
- ESCAP, UN-Habitat and Urbanice Malaysia, Seventh Asia-Pacific Urban Forum, Penang, 16 October
- Thammasat University, 4th Thammasat Annual Academics and Postgraduate Conference in Asia-Pacific Studies - “Pacific Rim in the Next Decade”, Chiang Mai, 12-13 December

Attendance at:

- ISEAS-Yusof Ishak Institute and Centre for Strategic and International Studies (CSIS), Symposium on “Future of Indonesian Politics: Analyzing the Outcomes and Implications of the 2019 Elections”, Singapore, 11-12 July
- Singapore Institute of Policy Studies, Workshop on “Human Capital Needs in Industry 4.0”, Singapore, 17 July
- ISEAS-Yusof Ishak Institute, ASEAN Lecture Series on “The 20th ASEAN Lecture: How to Think about the Indo-Pacific?”, Singapore, 16 August
- ISEAS-Yusof Ishak Institute, ASEAN Studies Centre Seminar on “Non-Tariff Measures in ASEAN: Is Protectionism on the Rise?”, Singapore, 27 August

- CSIS and PECC, 2019 CSIS Global Dialogue on “Harnessing Frontier Technologies: Redesigning National, Regional and Global Architecture”, Jakarta, 16-17 September
- Lee Kuan Yew School of Public Policy, Book Launch by Prof. Richard Baldwin on “The Globotics Upheaval: Globalization, Robotics, and the Future of Work in Asia”, Singapore, 17 September
- Acronis, Cyber Protection Forum, Singapore, 20 September
- Asia House, The Asia House Global Trade Dialogue, Singapore, 7 November
- IMF Singapore Resident Representative Office, The IMF’s Global Financial Stability Report 2019, Singapore, 18 November
- Lee Kuan Yew School of Public Policy, Festival of Ideas, Singapore, 20-23 November
- ISEAS-Yusof Ishak Institute, ASEAN Studies Centre Seminar on “Facilitation of Investment for ASEAN Participation in Global Value Chains”, Singapore, 27 November

PSU staff briefed the following student delegations who visited the APEC Secretariat:

- Students from Tsinghua University (China), 9 July
- Students from Chonbuk National University (Korea), 23 August
- Students from Aoyama Gakuin University (Japan), 9 September
- Students from Beyond Millennials (Indonesia), 27 September
- Students from Global Sejong High School (Korea), 18 October

Collaboration

During this period:

- With OECD under the Memorandum of Understanding on Cooperative Activities (2018-2021), the PSU received the following support: article on OECD’s approach to measuring wellbeing for APEC Regional Trends Analysis (November 2019), source data on OECD charts, and clarification on OECD PISA indicator.
- With Cities Alliance, the PSU co-organized a side event at the Seventh Asia-Pacific Urban Forum (October, Penang) to disseminate the PSU’s earlier research on sustainable cities development.
- With World Economic Forum, the PSU signed a data use agreement for the use of WEF Executive Survey Opinion Data in the PSU reports.
- With APEC Study Centers, the PSU organized an informal roundtable in the APEC Secretariat for Thailand APEC Study Center at Thammasat University (August, Singapore), and had discussions with Singapore APEC Study Center following the informal brainstorming session in Vina del Mar about how the APEC Study Centers Consortium can better contribute to the APEC process. The PSU will also be involved in an “international economic policy laboratory” course offered by the Brandeis University, the U.S. APEC Study Center, to their masters’ students in 2020, providing advisory support to research on topics relevant to APEC.

In addition to the above, there were interactions with representatives from a number of organizations such as the ASEAN Secretariat, Economic Research Institute for ASEAN and East Asia (ERIA), and the China Institute of International Studies.

Institutional Matters

The PSU’s financial sustainability remained an issue of deliberation by the PSU Board and Senior Officials. Among the suggestions raised were to discuss the issue at the Budget and Management Committee (BMC) meeting and in relation to members’ contributions formula. The Report of the APEC Vision Group titled “People and Prosperity: An APEC Vision to 2040” (December 2019) also included a recommendation to address the long-term funding for the PSU to handle the post-2020 workload.

HR Matters

- Interns: The fourth intern was recruited - Mr Arief Rizky Bakhtiar of Indonesia (August-September) from the Lee Kuan Yew School of Public Policy in Singapore. Recruitment for 2020 interns commenced in November 2019.

Expenditure and Commitments

Expenditure and commitments from the PSU funds during the six months ending 31 December 2019 are presented below. The amount shown is in Singapore Dollars.

APEC Policy Support Unit

Balance Sheet as at 31st December 2019

	Cumulative YTD
ASSETS	
Non-current asset	
Computer	23,016.66
Furniture & Fittings	506.67
Office Equipment	74.74
Softwares	0.00
	23,598.07
Current assets	
Cash At Bank - DBS S\$ a/c	730,507.56
Cash At Bank - DBS US\$ a/c	1,494,950.93
Deposits	0.00
Fixed Deposits - S\$	3,657,341.17
Fixed Deposits - US\$	4,195,696.85
Goods & Services Tax	6,367.64
Receivables	92,976.22
Prepayments	14,588.59
	10,192,428.96
Total assets	10,216,027.03
LIABILITIES	
Current liabilities	
Accruals	65,727.22
Finance leases	0.00
Other payables	0.00
	65,727.22
Net assets	10,150,299.81
REPRESENTING	
Accumulated APEC-PSU Funds	
At 1st January 2019	10,023,346.60
Surplus/(deficit) for the period	126,953.21
	10,150,299.81

APEC Policy Support Unit

Income and Expenditure Account

for the financial period ended 31st December 2019

	Cumulative YTD
Income	
Members' Contributions - General	2,047,572.67
Members' Contributions - Projects	577,209.00
Interest Income	161,746.59
Other Revenue	269.90
	<u>2,786,798.16</u>
Expenditure	
Staff	1,874,438.71
Travel	341,870.67
Consultants and research	250,190.02
Office supplies and expenses	106,400.12
Communications	5,007.71
Professional fees	16,270.00
Depreciation	12,116.09
	<u>2,606,293.32</u>
Other Operating Expenses / (Income)	
Other Income	0.00
Disposal of Assets	0.00
Loss/(Gain) on Foreign Exchange	53,551.63
	<u>126,953.21</u>

Prepared by:
Denis Hew
Director, PSU

Dated:
3 February 2020