



**Asia-Pacific
Economic Cooperation**

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APEC Report on Key Developments - Jan to May 2015

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APEC
PHILIPPINES
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10-12 May 2015

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1. APEC 2015 PRIORITIES

In 2015, APEC's theme is *"Building Inclusive Economies, Building a Better World"*. The priority areas will focus on inclusive growth through:

- enhancing the regional economic integration agenda;
- fostering SME's participation in regional and global markets;
- investing in human capital development; and
- building sustainable and resilient communities.

2. KEY OUTCOMES OF SENIOR OFFICIALS AND COMMITTEE MEETINGS

2.1 First Senior Officials' Meeting, 6-7 February 2013, Clark, Philippines

First Senior Officials Meeting (SOM) addressed the following priorities:

- Promoting APEC 2015 Priorities
- Implementing the Beijing Mandate
- Next Steps for the post 2015 APEC Growth Strategy.

2.2 Committee on Trade and Investment (CTI)

The CTI met in Clark, the Philippines from 3-4 February 2015 and discussed the Committee's priorities and work program for 2015. The CTI priorities and work program are aligned with the 2015 APEC priorities, and include the following:

- Support for Multilateral Trading System
- Advancing Regional Economic Integration
- Strengthening Comprehensive Connectivity and Infrastructure Development
- Expanding Regulatory Cooperation and Advancing Regulatory Convergence
- Promoting Innovative Development
- Economic Reform and Growth.

The highlights of the meeting were:

- WTO: Discussed and agreed to coordinate a standalone statement for MRT in May to Supporting the Multilateral Trading System based on the proposal by Canada (Document 2015/SOM1/CTI/039). Discussed and agreed that Senior Officials will urge member economies to notify the WTO of their acceptance of the Trade Facilitation Agreement;
- FTAAP: Agreed on establishing a Task Force comprising of all 21 member economies to undertake the *Collective Strategic Study on Issues Related to the Realization of the FTAAP*, and on the Working Paper on the *Collective Strategic Study on Issues Related to the Realization of the FTAAP*.
- Progress on the Second Regional Economic Integration Capacity Building Needs Initiative (CBNI 2).
- RTAs/FTAs information sharing: Agreed to conduct CTI-level trade policy dialogues at SOM2, and SOM level trade policy dialogue at SOM3.
- Global Value Chains Blue Print: Agreed on work plans for the 6 work streams, including streams related to promoting SMEs' participation in the GVCs and enhancing resiliency of GVCs.
- Implementation of tariff reduction 54 Environmental Goods: Technical discussions on product coverage were conducted through the CTI Friends of Chair on Environmental

Goods based on the “Draft Implementation Reference Guide”. Agreed that detailed implementation plans be submitted by economies ahead of MRT.

- Services: Progress on the development of an action plan on manufacturing related services. Discussion on the development of an action plan on trade liberalization and facilitation of environmental services.
- Supply chain performance: Members were invited to participate in projects under the APEC supply chain connectivity fund. Progress was noted on related initiatives including pilot projects on Global Data Standards and the Ad-hoc joint working group for APEC Model E-port Network.
- Cross-cutting issues: Update on projects such as SMEs` integration to the GVCs, study on infrastructure investment, peer review and capacity building to advance cross-sectoral issues on physical connectivity.

The CTI will next meet in Boracay, the Philippines from 15-16 May 2015.

2.3 Economic Committee (EC)

The first EC meeting, held in Clark, the Philippines, in February, 2015 included two policy dialogues 1) State of the Regional Economy and its Policy Implications; and 2) Improving the Quality of Public Service.

Australia presented on the outcomes of the ANSSR workshop held on 2 February 2015, and reported an emerging view that while the five pillars of ANSSR were still relevant, they could be streamlined and reduced in number. The EC agreed that Australia would circulate a short paper intersessionally on next steps for ANSSR.

The U.S. proposed a process for taking forward the Ease of Doing Business program post-2015. The EC agreed that economies would review and discuss the process intersessionally, with the aim of endorsing a “roadmap” for recommendation to Ministers.

The Philippines identified objectives for the upcoming Structural Reform Ministerial Meeting: 1) to review progress made on ANSSR since 2010; 2) to set the direction for post-2015 structural reform. The Philippines also notified the EC that it would hold a one-day meeting of EC representatives on the margins of SOM2 to discuss the SRMM. The EC also agreed that the Competition Policy and Law Group and the Competition Policy FOTC will be combined.

The EC agreed that a new FOTC on Strengthening Economic and Legal Infrastructure would be created on a two-year trial basis, with HKC as the convener. EC members considered a draft framework for development of the 2015 AEPR topic, Structural Reform and Innovation.

On the margins of the second EC meeting, two workshops were held:

- Progress under APEC New Strategy for Structural Reform and Future Direction of APEC’s Structural Reform Agenda; and
- UNCITRAL Instruments and the Ease of Doing Business Initiative.

In addition, a joint EC-GOS-PECC Meeting on Regulatory Reform and Services was also held on the margins.

2.4 SOM Steering Committee on ECOTECH (SCE)

The SOM Steering Committee on ECOTECH (SCE) met in Clark, Philippines on 5 February 2015. At the meeting, the SCE commenced discussion on a capacity building policy that aims to provide clear direction and guidance on the implementation of capacity building activities in APEC.

The SCE agreed on its 2015 work plan and took a number of decisions on the sub-fora administration, including the following;

- extending the mandate of the TFI Steering Council until 2017;
- forming review groups to help improve sub-fora’ strategic plans;
- amending the Fora Report template to reflect the revised ECOTECH Medium-term Priorities;

- approving PPWE's request to hold two meetings per year.

SCE took note of the APEC Secretariat Executive Director's report on the Alignment of SCE Fora Work Plans with APEC's Overall Vision and Objectives, and the submission of twelve work plans of twelve sub-fora which were approved by SCE-COW held on 4 February 2015.

2.5 Budget and Management Committee (BMC)

The BMC held its first meeting of 2015 on 3 February, the outcomes of which were set out in the BMC Chair's Report to SOM1. The key matters included:

- Agreed on an aspirational target for voluntary contributions among member economies to untied APEC project funding, and to transfer a portion of reserve from the Secretariat Account to the General Project Account;
- Noted four new sub-funds to be established under the APEC Support Fund in 2015; and
- Approved a new edition (10) of the Guidebook on APEC Projects, which incorporates recent changes to project systems and processes, including caps on the amount of funding available for each TILF and ASF General project.

BMC agreed to a request from SCE to incorporate their Capacity Building Guidelines into APEC Project Materials. They also accepted the invitation from the Chair of SCE to participate in the development of an APEC Capacity Building Policy.

The next BMC meeting will be held in the margins of SOM3 in Cebu, Philippines.

2.6 APEC Business Advisory Council (ABAC)

Second ABAC Meeting (Mexico City, Mexico, 20-23 April 2015)

During its second meeting of the year, ABAC members were briefed by Undersecretary Adrian Cristobal, the Philippine APEC Senior Official, on the outcomes of the First APEC Senior Officials' Meeting (SOM I). The ABAC Chair, Ms Doris Ho, reviewed the work program for 2015, as well as on the SME Summit to be held in Manila, Philippines on 17 November 2015.

As a main outcome, ABAC Members finalized a letter to be sent to APEC Ministers Responsible for Trade (MRT). Additionally, ABAC members discussed a proposed work program to carry the ABAC study on FTAAP, as well as a proposal for a new strategy on communications and advocacy.

ABAC has held so far, two out of four meetings programmed for this year:

First ABAC Meeting	27 - 30 January 2015	Hong Kong, China
Second ABAC Meeting	20 - 23 April 2015	Mexico City, Mexico
Third ABAC Meeting	10 - 13 August 2015	Melbourne, Australia
Fourth ABAC Meeting	13 – 16 November 2015	Manila, Philippines

APEC-CEO Summit will be held on the 16-18 November, and the ABAC Dialogue with Leaders will take place on 18 November in Manila.

More information on ABAC can be found at: <http://www.apec.org/Groups/Other-Groups/APEC-Business-Advisory-Council.aspx>.

3. DEVELOPMENTS WITHIN THE SECRETARIAT AND POLICY SUPPORT UNIT

3.1 Key Staff Movements and Appointments

Departures – since February 2015

Name	Designation	Economy
Mr Jaehoon Jeong	Director (Information Technology)	Korea
Mr Andrew O'Sullivan	Director (Program)	Australia
Mr Peter Logan	Online Communications Manager	-
Ms Dai Yuwen	Analyst	-

Arrivals – since February 2015

Name	Designation	Economy
Penelope Howarth	Director (Program)	Australia

3.2 Project Management Unit (PMU)

The first project session for 2015 commenced on 27 February. A total of 112 concept notes were received. BMC has to date approved 25 concept notes to progress to the project approval stage. BMC will approve further concept notes once they have been assessed by principal decision makers.

Concept Note Prioritization and Ranking

With BMC approval, a full pilot of a new system to prioritize concept notes was implemented during Project Session 1, 2015. Based on an assessment of the pilot, including member feedback, BMC will decide inter-sessionally before Project Session 2 whether and how the new scoring system will continue.

Multi Year Projects

The outcomes of a mid-term review of the multi-year project (MYP) pilot was considered at BMC 1. BMC decided that, once the MYP pilot projects are completed they should be evaluated for effectiveness before a decision is made whether to continue with MYPs into the future. The evaluation is scheduled to occur at the end of 2016

3.3 Policy Support Unit (PSU)

The PSU Annual Report 2014, complete with the audited financial accounts, is published in April 2015. The PSU's deliverables in the first quarter of the year consist of (1) a policy brief on SME internationalization and measurement; (2) an issues paper on services, manufacturing and productivity; (3) a synthesis report of value chain resilience in the Asia Pacific; and (4) 2014 update on IFAP implementation.

The following deliverables are expected by the second quarter:

- For CTI, a study on Promoting Products which Contribute to Sustainable and Inclusive Growth through Rural Development and Poverty Alleviation.
- For EC, the report on APEC Economic Trends Analysis
- For MRT, the report on Key Trends and Developments Relating to Trade and Investment Measures and Their Impact on the APEC Region
- For PPWE, the APEC Women and the Economy Dashboard

To view the latest PSU monthly work program, please go to: <http://www.apec.org/About-Us/Policy-Support-Unit/PSU-Research-Focus>.

3.4 Communications and Public Affairs

The Communications and Public Affairs Unit (CPAU) continues to execute the APEC's Strategic Communications Plan 2014-2016.

In February, the APEC Secretariat engaged a contractor to develop and implement a social media strategy and plan, including editorial content and campaigns, in order to significantly increase APEC's social media presence. Progress is also being made on plans to build communications capacity for host economies.

News Releases and Media

Between 1 January 2015 and 1 May, 15 news releases were published, 4 media advisories were distributed and 20 interviews with media organizations were completed for APEC officials, 16 of which were done by the Executive Director.

APEC Secretariat Outreach with Leaders, Ministers and Officials (rolling initiative)

Four current and former Leaders participated in Secretariat outreach, including print and video interviews and news releases between 1 January and 1 May 2015. Video interviews were also conducted with the APEC SCCP Chair on trade facilitation and Dr Mari Pangestu, former Trade Minister of Indonesia

Thematic Outreach Campaigns

To build greater awareness and understanding of work on the APEC 2015 agenda, new outreach campaigns have been developed and implemented on women's economic empowerment, and the 2015 ASPIRE Prize theme of climate change resilience. The campaigns consist of a series of news releases, social media output, video interviews and outreach events throughout the year.

Speeches

Between 1 January and 1 May 2015, Dr Alan Bollard delivered 14 speeches at events, including APEC, OECD and ASEAN meetings.

APEC Bulletin Articles

Between 1 January and 5 May 2015, five in-depth APEC Bulletin have been issued on a monthly basis highlighting APEC success stories and concrete benefits.

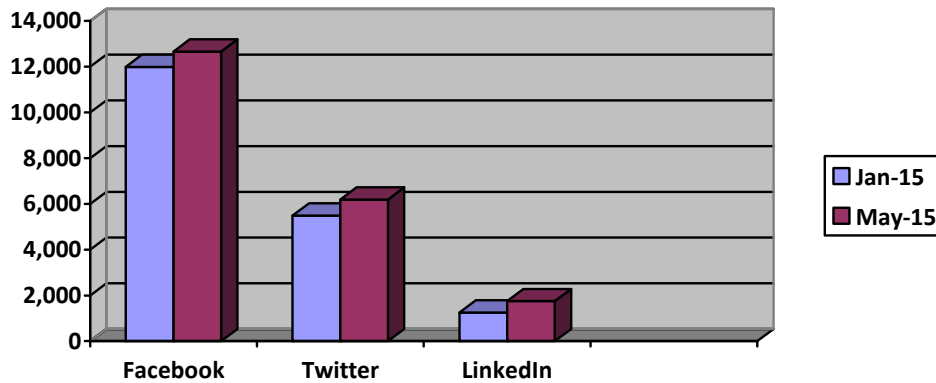
Feature Article	Month	Forum
Skills Training Boosts Livelihoods in the Asia-Pacific (Published in Manila Bulletin)	January 2015	HRD
50 Leading Companies for Women in the Asia-Pacific (Published in Manila Bulletin)	February 2015	PPWE
Bringing Telecom Innovations to Market Faster	March 2015	TELMIN
Helping Farmers Adapt to Climate Change (pending)	April/May 2015	ATCWG

Social Media and Infographics

From 1 January and 5 May 2015, CPAU created the following infographics for use in social media, brochures, the website and presentations:

- APEC in Charts (completed)
- Interactive APEC Environmental Infographic (almost completed)
- Interactive APEC Connectivity Blueprint (almost completed)

APEC's social media has been increasing steadily since 1 January 2015.



CPAU provided support for members and stakeholders:

- Supported host media and communications arrangements for SOM1, TELMIN, PPWE meeting (ongoing), High Level Policy Dialogue on Human Capacity Building (on-going) and SOM2/MRT (on-going).
- Facilitated media interviews for ABAC1 in Hong Kong, China
- Processed a total of 55 publications from all working groups and PSU.
- CPAU continues to work with the Host Economy to manage operations of the Host Documentation Centers for all SOM and related meetings.
- CPAU is planning to hold communications capacity building workshops in Peru in June and the Philippines in May.

3.5 US-APEC Technical Assistance to Advance Regional Integration (US-ATAARI)

US-ATAARI works closely with the APEC Secretariat to implement a range of activities designed to strengthen the APEC Secretariat as a customer-driven institution. From January 2015, US-ATAARI's activities include:

- Organized host year capacity building program for Papua New Guinea (April), which focused on issues related to the APEC Economic Committee, in coordination with the PSU, Australia and New Zealand; planning additional host year capacity building programs in Peru (June) and Viet Nam (August) in coordination with the PSU and CPAU.
- Planning is underway to organize the APEC Secretariat's annual retreat in July, which will focus on examining APEC's CORE values through a multicultural lens.