



**Asia-Pacific
Economic Cooperation**

2023/SOM3/CTI/014

Agenda Item: XI k

Action Plan Framework for the 4th Regional Economic Integration Capacity Building Needs Initiative

Purpose: Information

Submitted by: Korea



**Third Committee on Trade and
Investment Meeting
Seattle, United States
13-14 August 2023**

Action Plan Framework for the 4th Regional Economic Integration

Capacity Building Needs Initiative

Submitted by Korea

Background

APEC has been carrying out the Regional Economic Integration Capacity Building Needs Initiative (REI CBNI) since 2012. From the 1st REI CBNI to the 3rd, the lead economies including Australia, Chile, China, Indonesia, Japan, the Republic of Korea, New Zealand, Peru, the United States, and Viet Nam orchestrated 36 workshops covering a wide range of sectors.

In 2022, Korea proposed and conducted a survey (refer to Annex 1 for the summary of results) to assess the previous REI CBNI programs and discuss the way forward. The overall assessment was that the REI CBNI activities have contributed to narrowing the gap in the FTAs/RTAs negotiating capabilities among the APEC economies, which has been considered one of the stumbling blocks to achieving the Free Trade Area of the Asia Pacific (FTAAP), and almost all (93%) of the survey participants responded positively on launching the next round of the REI CBNI activities.

In the 2022 APEC Leader's Declaration, the Leaders committed to continue efforts in capacity building to improve trade negotiation skills of economies, and this was reaffirmed in the 2022 APEC Joint Ministerial Statement. In the 2023 APEC Ministers Responsible for Trade Statement of the Chair, the MRTs committed to enhance capacity building and technical cooperation efforts.

Noting the instruction given by the Leaders and Ministers, considering APEC economies' extensive interest in and support for the REI CBNI, and responding to the new economic environment in the post-pandemic era, Korea proposes that APEC endorse the following Action Plan Framework for the 4th Regional Economic Integration Capacity Building Needs Initiative (4th REI CBNI):

Outline of the Action Plan Framework for the 4th REI CBNI

1. Objectives:

- (i) Cover sectors that reflect the new economic environment of the post-pandemic era;
- (ii) Cover sectors that were dealt in previous REI CBNI programs but whose demands for further discussion and clarification remain;
- (iii) Continue to narrow FTAs/RTAs capacity gaps among APEC member economies; and
- (iv) Build up the FTAs/RTAs negotiation capacity of APEC member economies by providing a platform for sharing current practices and hands-on experience and by exchanging views on the emerging issues of FTAs/RTAs negotiations

2. Implementation Period:

The 4th REI CBNI is to be implemented from 2024 to 2025. Member economies will conduct an assessment at the end of 2025 if it's necessary to extend the Initiative.

3. Lead Economies (Co-sponsors or Program providers):

APEC economies are welcome to sign up as lead economies, including the ones from previous CBNI programs, to provide leadership in designing capacity building programs for particular sectors.

4. Participating Economies:

Economies wishing to participate in specific capacity building programs are welcome to sign up as participating economies.

5. Sectors to be covered:

Lead economies may select the sector for the 4th REI CBNI as they deem appropriate, and yet it is encouraged to address one of the sectors below, which were most commonly selected according to the 2022 survey (refer to Annex 1 for the summary of results) and reflect the demands arising in the new economic environment of the post-pandemic era.

- (i) Digital Economy (E-commerce)
- (ii) Supply Chains
- (iii) Trade and Environment
- (iv) Trade Facilitation
- (v) Intellectual Property Rights

6. Program Development and Implementation:

With respect to organizing the contents of workshop, lead economies are encouraged to combine both Top-down approach (speakers' presentation and/or discussions) and Bottom-up approach (speakers provide information and/or opinions based on the questions received prior to workshops from participants of APEC economies.) Lead economies are also advised to organize additional activities to complement the REI CBNI workshops such as building a website for e-learning purposes on capacity building issues, studying FTAs/RTAs cases of APEC and non-APEC economies, or sharing best practices of persuading domestic stakeholders in sensitive sectors.

In selecting sectors to be covered, lead economies are encouraged to refer to the previous REI CBNI workshops to avoid duplication as much as possible. When revisiting a sector that has been already covered, lead economies are invited to prepare their program after consulting with the economy (economies) that previously covered the sector.

Participating economies are advised to nominate the most appropriate group of participants based on their work experience and knowledge level in the relevant field, and lead economies are encouraged to notify participating economies in advance of the level of difficulty of the workshop.

7. Time Plan:

- (i) CTI3 and SOM3, 2023: APEC economies will discuss the proposed Action Plan Framework for the 4th REI CBNI submitted by Korea and preferably to be endorsed by APEC economies.
- (ii) October, 2023: Lead economies will decide the sectors to take charge of.
- (iii) CSOM, AMM and AELM, 2023: Final version of the Action Plan Framework with all the details filled out will be reported to CSOM, AMM and AELM.
- (iv) 2024-2025: Lead economies will design their own tailored capacity building programs and lead their implementation. The results of the programs will be reported to CTI and SOM.

8. Distribution of Result:

Korea proposes that presentation materials and discussion summaries of the CBNI workshops be shared on the APEC official website's CBNI page (www.apec.org/groups/committee-on-trade-and-investment/cti/cbni).

Annex

- (i) Summary Report of the 2022 Survey Results
- (ii) List of Previous REI CBNI Programs
- (iii) Lead Economies and Proposed Sectors for the 4th REI CBNI

Summary Report of the 2022 Survey Results

Purpose of the Survey

- (i) Evaluate previous CBNI activities
- (ii) Identify newly emerging sectors with capacity building needs
- (iii) Identify areas that reflect the new economic environment in the post-pandemic era
- (iv) Identify previous programs that need further discussion from a fresh angle
- (v) Identify difficulties of FTA/RTA negotiations

Structure of the Survey

- (i) Section 1: Overall Assessment of CBNI Activities
- (ii) Section 2: Challenges of FTA/RTA Negotiations
- (iii) Section 3: Proposed Areas for the 4th REI CBNI
- (iv) Section 4: Preference on Specific Modalities of the 4th REI CBNI

Summary of Survey Results

Overall Assessment of the Previous CBNI Activities

- (i) According to the survey results, the capacity building programs among the 36 programs completed under the Action Plan Frameworks for the REI CBNI Phases 1 to 3 have been helpful in negotiating and implementing FTA/RTAs.
- (ii) Of the 36 programs, the largest number of survey respondents chose e-commerce workshops led by Korea in both 2019 and 2021 as the activities that helped them in their FTA/RTAs negotiation or implementation to the greatest degree.

Challenges of FTA/RTA Negotiations

- (i) According to the survey results, the greatest shortcomings in terms of capacity of negotiating FTA/RTAs are as follows:

- ✓ Difficulties in coordinating and responding to stakeholders' requests and needs
 - ✓ Difficulties in reaching a consensus among relevant government agencies in their own government
 - ✓ Short preparing time and insufficient human resources available for negotiations
- (ii) The most-expected challenges of potential FTA/RTA negotiations are as follows:
- ✓ Consensus building among domestic stakeholders (industry, constituency)
 - ✓ Domestic structural reform
 - ✓ Ensuring that the general public enjoys the benefits of free trade

Proposed Areas for the 4th REI CBNI

- (i) Almost all survey participants responded that it is necessary to launch the 4th round of REI CBNI activities.
- (ii) Sectors most commonly selected by survey respondents include the digital economy (e-commerce), supply chains, climate change (environment), trade facilitation, and intellectual property rights.
- (iii) Sectors that have been dealt with in previous CBNI programs and widely selected by survey respondents for further discussion and clarification include trade facilitation, intellectual property rights, dispute settlement, trade in service, technical barriers to trade (TBT), rules of origin, trade remedies, labor, competition policy, and SPS.
- (iv) Three most preferred "capacity building areas" to be covered by the 4th REI CBNI activities include "increase negotiating officials' knowledge in specific FTA/RTA areas," "better understanding of the complexities of comprehensive FTA/RTAs," and "experience sharing" (e.g. learning the negotiation styles of other member economies or other non-member economies, negotiating experiences of member economies, do's and don'ts in the negotiation process).

Preference on the Specific Modalities of the 4th REI CBNI

- (i) With respect to the nature and invited speakers of the future workshops, survey respondents would like to see more invited speakers who have industrial or government backgrounds.
- (ii) With respect to the structure of the sessions in the workshops, most survey respondents responded that they either are satisfied with the current practice (approx. six sessions, 12 experts) or want to have additional break-out sessions for networking and informal discussions.
- (iii) Regarding the mode of operation for the 4th round of CBNI activities, the survey respondents preferred the following three modes equally:
 - ✓ Two days of workshop (the same mode as the 3rd REI CBNI);
 - ✓ One day of practical discussions; or
 - ✓ Extended teaching and discussion program for over a period of one week including field trips.
- (iv) With respect to organizing the contents of workshop, the survey respondents selected the combination of Top-down approach (speakers' presentation and/or discussions) and Bottom-up approach (speakers provide information and/or opinions based on the questions received prior to workshops from participants of APEC economies).
- (v) Most survey respondents responded that it is necessary to explore the following additional activities to complement CBNI workshops:
 - ✓ Building a website for e-learning purposes on capacity building issues;
 - ✓ Studying FTA/RTA cases of APEC and non-APEC economies; and
 - ✓ Sharing best practices of persuading domestic stakeholders in sensitive sectors.
- (vi) The basic principles for developing the REI CBNI (2022) are elicited from the survey
 - ✓ Avoiding duplication and optimizing synergy effects
 - ✓ Designing economy-specific programs based on APEC-wide collective action

List of the Previous REI CBNI Programs

1st CBNI

[2012] FTA Utilization (Japan), Rules of Origin (Korea), Environment (Viet Nam), SPS (Viet Nam), FTA Implementation (Korea)

[2013] E-commerce (China), Labor (US), Dispute Settlement (Korea)

[2014] Government Procurement (Viet Nam), Safeguard (Indonesia), Preparation for FTA Negotiation (Research, Analysis) (New Zealand), IPR (Viet Nam),

2nd CBNI

[2015] Rules of Origin (Korea)

[2016] Services Trade and Investment (Negotiation) (Peru), Investment (Peru), Services Trade and Investment (Scheduling) (Korea), TBT (Viet Nam), Environment (Viet Nam), IPR (Viet Nam)

[2017] MSMEs (Chile), Negotiation Techniques (Chile), Competition (Japan), Trade Remedies (Korea), E-commerce (Japan)

3rd CBNI

[2018] RTAs/FTAs Negotiation Skills (Viet Nam), Non-Tariff Measures (New Zealand), Trade and Investment (Australia), IPR (Korea), Competition Chapter (Japan)

[2019] Trade and Investment (Australia), Investment (China), Domestic Consultation (Viet Nam), Women and Trade (Chile), SMEs (Viet Nam), Tariffs (Chile), Competition Policy (Japan), E-commerce (Korea),

[2020] Competition (Japan)

[2021] E-commerce (Korea)

Lead Economies and Proposed Sectors for the 4th REI CBNI

Proposed Areas	Lead Economy	Participating Economy
Digital Economy (E-commerce)		
Supply Chains		
Climate Change (Environment)		
Trade Facilitation		
Intellectual Property Rights		
Sectors that have been dealt with in previous CBNI programs and widely selected by survey respondents for further discussion and clarification		

Note:

- (i) Economies are invited to sign up as lead economies and play a leading role in designing capacity building programs for particular topics;
- (ii) Lead economies will develop related initiatives and lead the implementation of these initiatives after approval.

/END/