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# **APEC Technical Assistance and Training Facility**

**Annual Report  
October 2010–September 2011**

November 2011

This publication was produced by Nathan Associates Inc. for review by the United States Agency for International Development.



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October 2010–September 2011

**Produced for**  
USAID/RDMA

**Under Contract**  
EEM-I-00-07-00009-00  
Task Order 03

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# Introduction

The APEC Technical Assistance and Training Facility (APEC TATF) is a four-and-a-half-year project managed by the USAID Regional Development Mission Asia (USAID/RDMA) with funding from the U.S. State Department's Bureau of East Asian and Pacific Affairs, Office of Economic Policy (State EAP/EP). The purpose of the project is to help the APEC Secretariat become a strategically managed institution that achieves policy objectives more effectively and efficiently. The project also provides capacity building assistance to APEC member economies so they can contribute to strategic goals for regional economic integration and meet the Bogor Goals of free and open trade and investment in the Asia-Pacific region by 2010 for developed economies and 2020 for developing economies. Capacity building falls into the categories of APEC's Three Pillars: (1) trade and investment liberalization, (2) business facilitation, and (3) economic and technical cooperation.

APEC TATF began operation in September 2008 and has a projected end date of March 1, 2013. The project office is housed in the APEC Secretariat in Singapore.



# 1. Observations and Comments

## **APEC 2011 US HOST YEAR**

As host economy for 2011, the United States wanted to tackle a wide range of economic issues critical to long-term prosperity and pursue concrete initiatives that accelerate growth and create jobs. The United States sought to use APEC as a platform for improving the region's trade and investment environment and therefore sought results in three areas: (1) strengthening regional economic integration and expanding trade; (2) promoting green growth; and (3) expanding regulatory cooperation and advancing regulatory convergence. With US Government assistance, APEC TATF implemented a dynamic work plan in FY 2011 to support APEC's work in these three areas while also building the capacity of the APEC Secretariat and supporting initiatives in other program areas.

## **APEC TATF THIRD AND FOURTH WORK PLAN**

The third work plan was implemented in the latter half of 2010. The fourth work plan covered the period from January 1, 2011 to December 31, 2011, but was not approved until April 2011. Prior to that, APEC TATF conducted activities on the basis of USAID RDMA's approval of each individual activity.

During the remaining months of 2011 in this reporting cycle, APEC TATF implemented the fourth work plan, which proposed a range of programs, including capacity building and training for the APEC Secretariat and activities to advance APEC policy and programmatic objectives. It also involved a significant increase in activities to support the US APEC host year. In developing its 2011 work plan, APEC TATF first consulted with staff from USAID/RDMA and State EAP/EP, then refined the plan in consultation with State EAP/EP, USTR, Commerce, and other US Government agencies. Agreement was reached on the distribution and approach for priority and secondary activities. The majority of the priority activities addressed one of the three areas identified by the United States (above). The plan also covered the continuation of work in 2010 areas such as financial inclusion, ease of doing business, disaster management, and food security and safety.

## **J-1 VISAS**

In accordance with the ADS 252, APEC TATF was responsible for facilitating the acquisition of J-1 visas for people attending USAID-funded workshops and training events in the United States. As early as November 2009 APEC TATF began planning how to manage the J-1 visa process for a significant number of APEC TATF-funded participants. Facility staff were trained in J-1 visa management and additional home office resources were devoted to managing various processes, including collection of documentation, approval and updates, and close-out.

## **STAFFING**

In March 2011, Mr. David Katz resigned as Chief of Party (COP) of APEC TATF and was replaced by the Deputy Chief of Party (DCOP), Ms. Victoria Waite. In March 2011, Ms. Heather Grell, a senior global trade policy expert, joined APEC TATF as DCOP.

After extensive needs analysis and consultation with colleagues at State EAP/EP and USAID RDMA, APEC TATF revised its staffing plan to respond to the demands of the US host year. The revised plan substantially increased the role of Nathan's home office project director and trade specialist, Ms. Ann Katsiak, as well as home office administrative staff, in keeping with the pace of activities in the US host year. APEC TATF also hired Ms. Yvonne Pang, who joined the Singapore team as an administrative assistant in February 2011.

## 2. Summary of Results

Highlights for this 12-month period include capacity building and training for the APEC Secretariat and programmatic activities under APEC'S three pillars. Activity results are summarized below.

### **WORK AIMED AT THE APEC SECRETARIAT**

- Supported the APEC Secretariat's efforts to improve IT operations and management, by conducting a strategic review of IT activities and providing recommendations on how to realign current and future resources efficiently.
- Trained 71 APEC Secretariat staff and delegates from APEC economies on improving project quality.
- Implemented a team building program for APEC Secretariat staff to share strategies on planning and communication in a team environment.
- Supported efforts to enhance the APEC Secretariat's monitoring and reporting capacity by directing an ongoing upgrade to the project database and digitization of the Guidebook on APEC Projects.
- Developed a strategic planning process guide for various sub-fora to build the capacity of the APEC SOM Steering Committee on Economic and Technical Cooperation.
- Sponsored the visit of an APEC delegation to the ASEAN Secretariat to facilitate collaboration and understanding between APEC and ASEAN and then documented seven overlapping priority areas for future technical collaboration.
- Supported participation of two non-APEC economies, Laos and Cambodia, in several APEC TATF workshops.

### **APEC'S THREE PILLARS**

#### **Trade and Investment Liberalization**

- Evaluated the extent to which APEC economies' innovation policies are open and market-driven and allow for access to new technologies in a report presented to APEC Committee on Trade and Investment.
- Implemented a workshop that discussed SME business constraints and the use of service sectors to support new export opportunities.
- Provided support to speakers to attend a policy dialogue to identify possible Group on Services (GOS) initiatives to address barriers to trade in environmental services.

## Business Facilitation

- Prepared a diagnostic report on Indonesia and draft reports on Peru and Thailand on Ease of Doing Business (EoDB) that included policy-level recommendations for making it easier to start a business.
- Organized a workshop to help APEC member economies identify and use qualitative and quantitative measures to measure and evaluate domestic progress while implementing their APEC New Strategy for Structural Reform (ANSSR) plans.
- Organized a seminar on the margins of the Women in the Economy Summit that shared lessons learned on how women can overcome barriers associated with starting a business and access to credit in APEC economies.
- Provided a draft template and working guidelines for the 2012 APEC Economic Policy Report.

## Economic and Technical Cooperation

- Supported efforts to improve air cargo supply chain security by organizing a workshop on best practices in low-cost security measures, such as canine teams.
- Organized a working group meeting of the APEC Financial Inclusion Initiative to identify how APEC economies can pilot measures for tracking and assessing the impact of financial inclusion policies.
- With the World Bank, organized a workshop that examined forms of financing available for infrastructure investment in APEC economies.
- Organized a workshop that examined the impact of the financial crisis on corporate governance in the public and private sectors in APEC economies.
- To showcase best practices in commercially sustainable microfinance, prepared a case study on Vietnam and conducted a workshop for 100+ microfinance policymakers and practitioners.
- Prepared a baseline study on APEC economies' progress in implementing the principles in the APEC-OECD Integrated Checklist on Regulatory Reform, including the internal coordination of regulatory work, the use of regulatory impact analysis, and the use of public consultation mechanisms.
- Prepared a study that examined the link between good regulatory practices and trade as it relates to implementing the WTO Technical Barriers to Trade (TBT) Agreement in the 21 APEC economies.
- Supported expert speakers participating in the APEC Regulatory Cooperation Advancement Mechanism Dialogue (ARCAM) on developing smart grid interoperability standards to improve energy efficiency.
- Building on previous APEC TATF work, organized a workshop on using regulatory impact analysis to develop effective and transparent regulations.
- Supported experts from developing economies in attending the 6<sup>th</sup> Good Regulatory Practices Conference and participating in Trans-Pacific Partnership TBT negotiations.
- Supported experts from developing economies in participating in a workshop on aligning APEC economies' product safety regulations for toys.
- Shared strategies for using drug detection technologies to promote drug safety and to stop the spread of counterfeit medicines.

- Published online toolkits describing strategies for replicating promising practices in mathematics education among APEC economies.
- Raised awareness of and conducted outreach regarding the potential of the “open education resources” concept for APEC technical and vocational education and training (TVET) institutions.
- Supported the 2011 APEC Study Center Consortium Conference at which academics from across the region shared the findings of policy studies on topics related to the US host year priority areas.
- Supported the first intergovernmental meeting in Japan after the March 2011 earthquake where APEC government officials and private sector representatives discussed how business continuity planning could improve preparedness for natural disasters.
- Supported the 5<sup>th</sup> Senior Disaster Officials Management Forum, which endorsed the APEC Principles on Public-Private Partnerships and Disaster Resilience.
- Supported a high-level policy dialogue on the environmental and economic benefits of reducing fossil fuel subsidies.
- Supported a policy dialogue and a follow-on workshop on best practices regarding treatment of remanufactured products for customs, safety, and import policy purposes.
- Produced economy-level case studies on Malaysia, Mexico, Chile, and Vietnam to deepen understanding of opportunities and challenges in promoting trade and investment in environmental goods and services.
- Supported travel of attendees and expert speakers for two workshops on the use of standards and conformity assessment procedures in renewable energy technologies related to photovoltaic solar panels.
- Implemented an APEC-ASEAN workshop that examined how APEC economies can cooperate in developing standards, conformity assessments, and codes on green buildings to facilitate trade and avoid technical barriers.
- Completed two case studies on the state of play for standards and conformity assessment on green commercial buildings in APEC economies.
- Organized a workshop on how to improve statistical collection of agricultural data to support policymakers in areas such as food security, domestic planning, and trade.



# 3. Status of Work Plan Activities

## **WORK AIMED AT THE APEC SECRETARIAT**

APEC TATF aims to make the APEC Secretariat more effective, efficient, and sustainable by strengthening the capacity of its professional staff, enriching outreach activities, improving operations, and broadening its cooperation with regional organizations. Accordingly, APEC TATF's third and fourth work plans had strategic activities to address the APEC Secretariat's unique needs. This section provides an overview of progress in addressing the capacity building and technical assistance needs of the APEC Secretariat.

## **IT Activity Stream**

### ***Strategic IT Implementation and Assistance***

APEC TATF prepared a report that assessed alignment of IT activities with long-term plans and proposed recommendations to improve IT operations and management. The report was accompanied by a briefing note outlining a strategy for using cloud services to improve APEC Secretariat operations. The report and note were released to the Executive Director (ED), APEC Secretariat senior management, and the APEC Secretariat's IT and communications units. The deliverables were presented at a meeting of the ED and IT staff and were well-received by all parties.

### ***Deliverables***

- IT expert to advise the APEC Secretariat on aligning IT projects as it implements its IT strategic plan.

### ***Next Steps***

- APEC TATF will work with the IT Unit to quantify savings attributable to implementing recommendations and provide assistance as needed with the development of an IT board to guide implementation of new IT measures. This activity is timely as an IT director seconded from Korea will join the APEC Secretariat full time in November 2011. APEC TATF deliverables will provide a useful stock take and strategic planning guide for the new IT director.

### ***Upgrading Accounting System to Manage Multiyear, Strategic Projects***

APEC TATF supported an upgrade of the APEC Secretariat's accounting systems to reflect changes to the project cycle, including the introduction of multiyear projects, and to strengthen the APEC Secretariat Finance Unit's (AFU) monitoring and reporting capabilities. The current accounting system was upgraded from SAGE's Accpac 5.5A to Accpac ERP 500

5.6A. New customized accounting modules and reports will now better suit the APEC Secretariat's unique requirements and interoperability needs.

***Deliverables***

- Customized upgrade to version 5.6A of SAGE Accpac ERP 500.

***Next Steps***

- APEC TATF will monitor AFU's progress in migrating to the new system in January 2012 and identify any areas for potential APEC TATF assistance.

***APEC Project Database Upgrade***

The purpose of this activity was to strengthen the APEC Project Management Unit's (PMU) capacity to manage, monitor and report project data, provide an electronic project proposal submission option for project proponents, and enhance the search and view functions to better meet the needs of APEC member economies.

APEC TATF consulted with APEC Secretariat stakeholders to determine the scope of an activity to upgrade the project database. These discussions led to the design of a request for proposals (led by APEC TATF). The RFP was released and APEC TATF then organized an evaluation team review to select a vendor. Requirements gathering and development are now occurring. User acceptance test (UAT) and deployment will be completed by January 2012.

***Deliverables***

- RFP for the project database upgrade was released, and a vendor was selected.

***Next Steps***

- Requirements gathering and development (ongoing).
- UAT and deployment (January 2012).

***Development of Business Intelligence System***

APEC TATF did not begin work on this activity during this reporting period.

***Next steps***

- Recommendations as appropriate with cost justification for any direct assistance that APEC TATF may provide for development of the BIS.

***IT Training for Secretariat Staff***

APEC TATF did not support any IT training for APEC Secretariat staff during this reporting cycle. The APEC Secretariat decided to tap a funding mechanism with the Singapore government to pay for IT training.

***Next Steps***

- Additional training programs as requested and jointly agreed on between APEC TATF and the APEC Secretariat.

***APEC Secretariat Hosting of Sub-fora Websites***

APEC TATF has sponsored an offsite website hosting service that permits the APEC Secretariat to host sub-fora websites under the APEC Internet domain name. Currently, there are six sub-fora websites hosted on this service with additional sites in various stages of

planning. APEC TATF's current support for a renewal and enhancement of the service will run through mid-October 2011.

#### ***Deliverables***

- Implementation of renewal and upgrade of the APEC Secretariat's web hosting service to include moving to cloud computing model.

#### ***Next Steps***

- As the 2011 expiration date for the cloud-hosting service nears, APEC TATF will consult with the APEC Secretariat on the need for and potential costs of continuing and/or upgrading this service.

## **Project Management Unit Support Activity Stream**

### ***Digitization of the Guidebook on APEC Projects***

APEC TATF is supporting the digitization of the *Guidebook on APEC Projects* to enhance project proponents' understanding of the project proposal cycle and implementation process and to provide an online reference tool that is integrated into an electronic project proposal submission system and an upgraded project database.

APEC TATF consulted with APEC Secretariat stakeholders to determine the scope of the activity and a RFP was released. APEC TATF then led an evaluation team review of the proposals and selected a vendor. APEC TATF is working with the vendor and the APEC Secretariat to gather requirements for the digitization process.

#### ***Deliverables***

- Assistance in preparing a RFP and selecting a vendor to conduct the customization work for the project database.

#### ***Next Steps***

- Requirements gathering and development (November 2011)
- UAT and deployment (December 2011)

### ***Examine Post-project Evaluation Process***

APEC TATF did not implement this activity during this reporting period.

#### ***Next Steps***

- APEC TATF will discuss next steps with the APEC Secretariat to determine if it remains an activity in the 2012 work plan.

## **Linkages between APEC Secretariat and Member Economies Activity Stream**

### ***Training Program on Project Quality for APEC Secretariat Staff***

In February-March 2011, on the margins of SOM 1, APEC TATF designed and implemented a modular training program on improving project quality for delegates, particularly targeting developing economy representatives. Over the course of five days, APEC TATF delivered ten one-hour modules. Forty-seven APEC delegates from 16 economies attended. They were provided an overview of the new project proposal process, criteria used in assessing the quality of projects, and customized tools to help project proponents develop their ideas. It is

envisioned that the materials shared may help delegates organize training in their home economies. The need for additional modular training will be explored with the APEC Secretariat. The project will also discuss with the PMU the possibility of APEC PMU staff implementing future training sessions.

#### *Deliverables*

- Modular training sessions during SOM 1 to 47 participants.

#### *Next Steps*

- The need for additional modular training will be explored with the APEC Secretariat. The project will also discuss with the PMU the possibility of APEC PMU staff implementing future training sessions.

### ***Train-the-Trainer Program for Developing Economies on Project Quality***

In April 2011, on the margins of BMC 2 in Singapore, APEC TATF implemented the train-the-trainers program on improving project quality. The 1.5 day program was attended by 24 people from 16 APEC economies. The program examined evaluation criteria, tools, and methodologies with consultations with PMU to achieve more meaningful outcomes and impact from APEC project, in line with APEC goals. These individuals are now tasked with training colleagues in their home economy on how to develop project proposals that follow APEC guidelines and APEC priorities. As of September 2011, representatives from four developing economies had reported using what they had learned during the training to design and conduct training in their home economies.

#### *Deliverables*

- Train-the-Trainers Program in April 2011.

#### *Next Steps*

- APEC TATF will follow up with trainees to see how training is being applied in home economies and will propose additional training in 2012 based on this feedback.

## **APEC Institutional Support Activity Stream**

### ***Development of APEC Secretariat Annual Training Plan and Improved Process and Materials for Induction of New Program Directors***

APEC Senior Officials have been reforming how the APEC Secretariat does business for a number of years, with a goal of making the institution more professional, efficient and effective. One important change was the appointment in 2009 of the first-ever three-year, fixed-term Executive Director, Ambassador Noor, who has been charged with bringing a more consistent multiyear management approach to operations. Shortly after his arrival in January 2010, Ambassador Noor noted that the APEC Secretariat needed a formal annual training plan to help those new to the organization understand its structure and processes. To assist with this project, an APEC TATF consultant spent two weeks developing a robust annual training plan to identify practical staff training needs and maximize scarce training resources. APEC TATF also recommended improving the induction process for Program Directors and other staff and streamlining the information and tools given to new staff.

#### *Deliverables*

- Training Plan for the APEC Secretariat.

- Brief document on induction process for Program Directors.

#### *Next Steps*

- The APEC Secretariat will implement the annual training plan for 2011 and follow induction plan recommendations.
- APEC TATF will work with the APEC Secretariat to support the development of a 2012 training plan if appropriate.

#### ***Team Building Program for APEC Secretariat Staff***

On May 31, 2011, 43 APEC Secretariat staff were trained on tools and strategies that can improve individual behaviors and overall team performance. Feedback from Ambassador Noor and secretariat staff was overwhelmingly positive, as staff felt the interactive training exercises reinforced the importance of planning and communication in a team environment. The activity complemented the Executive Director's initiatives to make the secretariat a more efficient and effective institution through teamwork and a focus on customer satisfaction.

#### *Deliverables*

- Teambuilding program for 43 APEC Secretariat staff.

#### *Next Steps*

- The Executive Director would like to make the teambuilding exercise an annual event as secondments from APEC member economies tend to turnover by approximately one third each year. APEC TATF will discuss the feasibility of having another exercise in its 2012 work plan.

#### ***Training Program on Implementation and Use of APEC Secretariat Performance Appraisal Process for Secretariat Staff***

APEC TATF did not work on this activity during this reporting period.

#### *Next Steps*

- APEC TATF will discuss next steps with the APEC Secretariat to determine if it remains an activity in the 2012 work plan.

#### ***Training Program on Identifying and Meeting KPIs***

APEC TATF did not commence work on this activity during this reporting period.

#### *Next Steps*

- APEC TATF will discuss next steps with the APEC Secretariat to determine if it remains an activity in the 2012 work plan.

#### ***Follow -on Training Program on Management of U.S. Grants***

APEC TATF did not commence work on this activity during this reporting period.

#### *Next Steps*

- APEC TATF will discuss next steps with the APEC Secretariat to determine if it remains an activity in the 2012 work plan.

### ***Strategic Plan Development for APEC Sub-Fora***

Sub-fora of the SOM Steering Committee on Economic and Technical Cooperation (SCE) are to develop strategic plans to ensure that their medium-term plans support APEC's objectives of trade and investment liberalization, business facilitation, and economic and technical cooperation. In 2010, an expert noted that the quality of strategic plans varied greatly and that sub-fora with strong plans had more productive meetings and activities than those with weak plans.

To instill structure and consistency in medium-term planning, APEC TATF developed a strategic planning guide and template for sub-fora and delivered a short training session on their use to APEC Secretariat Program Directors (PDs) in August 2011. On the basis of PD feedback, the guide and template were then revised to focus more on the APEC working groups of the SCE, rather than the SCE itself, which has little input into strategic planning of sub-fora.

On September 20, 2011, an APEC TATF expert made presentations on the five basic components of medium-term planning at the SOM in San Francisco. The presentations were well-received and stimulated conversation on strategic planning.

#### ***Deliverables***

- Draft SCE strategic planning guide and template and a revised guide.
- Training for APEC Secretariat PDs on draft guide and template.
- Presentations at SOM 3 to the Industrial Science and Technology Working Group, the Counterterrorism Task Force, and the Tourism Working Group on the medium-term strategic planning process.

#### ***Next Steps***

- On the basis of comments of working groups and the ED, APEC TATF would like to extend the opportunity to make similar presentations at SOM 1 in Moscow to interested APEC fora to raise awareness of the planning guide tool.
- The APEC ED would like to offer the strategic planning process guide to sub-fora outside the SCE (i.e., the Committee on Trade and Investment sub-fora and the Economic Committee).

### ***APEC Logo Lapel Pins***

Given the current stock of logo lapel pins, APEC TATF did not order pins during this reporting cycle.

## **APEC and ASEAN Coordination Activity Stream**

### ***Support for Participation of Laos and Cambodia in APEC Programs***

APEC TATF received approval to support participation of Laos and Cambodia in three workshops: Microfinance Best Practices, Hanoi, Vietnam; Anti-Counterfeiting in Pharmaceuticals, Beijing, China; Private Sector Emergency Preparedness, Sendai, Japan. These activities benefited from perspectives from non-APEC economies and the participants themselves benefited from learning about experiences from other APEC economies.

#### ***Deliverables***

- Funded participants from Laos and Cambodia to attend APEC programs.

### *Next Steps*

- APEC TATF will continue to assess opportunities for Laos and Cambodia to benefit from APEC activities in the region.

### ***Facilitate Collaboration and Understanding between APEC and ASEAN***

APEC TATF supported a two-day visit to the ASEAN Secretariat in Jakarta in June 2011. In 2008, APEC TATF had supported a similar visit by an APEC delegation to enhance cooperation with ASEAN. This recent visit was attended by the ED, the APEC Policy Support Unit (PSU) Director, and PDs responsible for next-generation trade issues, green growth, regulatory convergence and cooperation, structural reform, and disaster management. The ED and ASEAN Secretary-General agreed that it is important for the two Secretariats to collaborate better on key issues, and agreed to meet again early next year and bring together more stakeholders.

In August 2011, APEC TATF completed a draft mapping exercise that examined seven priority areas for APEC and ASEAN (trade facilitation, supply chain connectivity, investment facilitation, structural and regulatory reform, food security, disaster management, emergency preparedness). The objective of the exercise was to have a working document that both secretariats can use for coordination.

### *Deliverables*

- A draft document on overlapping areas of coordination.

### *Next Steps*

- APEC TATF will share the draft with the ED and key APEC Secretariat staff and will incorporate review comments into a final version, which will also be vetted with the ASEAN Secretariat to include its inputs.

### ***Support for APEC Secretariat Staff Participation in ASEAN and Other Regional Programs***

The fourth work plan envisioned funding travel for APEC Secretariat PDs to meet other regional bodies, such as ASEAN. The purpose of this activity was to share information among regional organizations and improve coordination on specific policies. In consultation with the APEC Secretariat, APEC TATF determined that travel was not feasible this reporting period given the number of APEC meetings scheduled. However, APEC TATF did support PDs in participating APEC TATF events that strengthened their ability to remain engaged in sub-fora agendas and coordinate with sub-fora members throughout the year. APEC TATF provided support for PDs to attend three workshops: Microfinance Best Practices, Hanoi, Vietnam; Anti-Counterfeiting in Pharmaceuticals, Beijing, China; Private Sector Emergency Preparedness, Sendai, Japan.

### *Deliverables*

- Participation of PDs in sub-fora workshops and meetings.

### *Next Steps*

- In coordination with the APEC Secretariat, APEC TATF will search for future activities to fund PDs' participation in APEC events or other regional bodies.

## **WORK UNDER APEC'S THREE PILLARS**

APEC TATF is designed to support APEC and the APEC Secretariat in furthering regional economic integration by delivering capacity building assistance to support APEC's three pillars. This includes support for the Bogor Goals of free and open trade and a possible free trade agreement of the Asia-Pacific as a long-term prospect. Leading into its 2011 host year, the United States developed an ambitious agenda for its priority themes of next-generation trade issues (trade and investment liberalization), green growth, and regulatory cooperation and convergence. The work accomplished during this reporting period reflects the U.S. commitment to achieving progress in those three areas.

## **PILLAR 1: TRADE AND INVESTMENT LIBERALIZATION**

### **Next-generation Trade Issues Activity Stream**

In Yokohama last November, APEC Leaders agreed that APEC would “make an important meaningful contribution as an Incubator of a Free Trade Area of the Asia Pacific (FTAAP) by playing a critical role in defining, shaping and addressing the next generation trade and investment issues that FTAAP should contain.” The United States prioritized doing work in this area by engaging APEC economies in discussions that identified topics as next-generation trade issues. As such, APEC TATF's work plan needed to remain as flexible as possible to support new topical areas that might fall under next-generation trade issues.

### ***Innovation and Trade in Technology Study***

To promote policies that facilitate trade in technology, APEC TATF, through the Innovation Technology and Innovation Forum (ITIF), conducted a study to evaluate the extent to which APEC member economies' innovation policies are open and market-driven and allow for access to technologies. The study includes recommendations for capacity building, and will provide the necessary information to develop a plan for work in this area.

#### ***Deliverables***

- Draft innovation study.
- The draft study was presented to APEC's Committee on Trade and Investment at SOM3 in San Francisco.

#### ***Next Steps***

- Comments from APEC member economies on the draft will be submitted by the middle of October 2011 and the study will be finalized in time for the SOM in November 2011.

### ***Air Cargo Liberalization***

During SOM 3, APEC TATF in coordination with the USG, implemented a half day APEC workshop on air cargo, trade and economic growth. The workshop focused on the significance of liberalizing air cargo services to support trade flows in the region. Approximately 50 representatives from APEC economies attended, and panels included a mix of government officials, international organizations, academics, multinationals, and users (i.e., SMEs) of air cargo services. Discussion emphasized access to affordable services and reducing paperwork for all companies, particularly SMEs, in APEC economies.

***Deliverables***

- Implementation of a half day workshop.

***Next Steps***

- Recommendation for future work in APEC is expected in the November 2011 APEC Leaders statement. APEC TATF will confer with US Government colleagues to discuss future work in its 2012 work plan.

***Study of APEC-wide De Minimis Threshold Value***

The United States identified de minimis threshold value as an issue to be addressed in 2011. In its 2011 work plan, APEC TATF had scope to undertake work that would seek APEC agreement to adopt a commercially useful baseline APEC-wide de minimis value. However, it was noted that the Peterson Institute of International Economics (PIIE) was already doing a de minimis study. Rather than reinvent the work, APEC TATF paid to have one of the authors travel to the CTI at SOM 2 in Big Sky to present PIIE study findings. The objective was to deepen understanding of the benefit of establishing a baseline de minimis value for APEC.

***Deliverables***

- Travel support for expert to present PIIE study findings.

***Next Steps***

- Depending on the outcome of discussion at CSOM in November 2011, there may be scope for APEC TATF to undertake capacity building activities in 2012.

**APEC Investment Activity Stream*****Investment Dispute Capacity Building Activity***

APEC TATF worked with USTR to design a follow-on project to the 2010 Investment Experts Group (IEG) project, "Capacity-Building for Dispute Prevention and Preparedness," which consisted of a five-day workshop on strategies and mechanisms for preventing and resolving disputes between governments and foreign investors. The findings of the workshop would be presented in a handbook to (1) present lessons in a tangible, easily distributable format; (2) elaborate on subjects introduced at the workshop; and (3) present the perspectives of various experts on aspects of a topic. A one-day seminar was planned for the sidelines of the SOM 3 meetings in September 2011 to discuss a draft of the handbook. The concept note for the handbook and workshop were not endorsed at SOM 1. After discussions with USTR, it was decided that APEC TATF could move ahead with a self-funded project on the handbook only.

***Deliverables***

- APEC concept note was submitted for IEG consideration.

***Next Steps***

- Submit a self-funded concept note for the proposed handbook only for IEG endorsement.

## Trade in Services Capacity Building Activity Stream

### ***Workshop on Addressing SME Business Constraints through Services***

In July 2010, APEC TATF and USTR were invited to submit a project proposal under the APEC Group on Services to organize a Group on Services (GOS) workshop on addressing SME business constraints through services. Co-funding was approved in August 2010. Implemented in March 2011 on the margins of SOM 1, the workshop examined how services support the development of SMEs and how SMEs can take advantage of export opportunities focusing on three “backbone” services– information and communication, logistics, and financial services. The workshop was well-attended with approximately 71 participants representing all 21 APEC member economies, ABAC, and the APEC Secretariat. It highlighted how these services help SMEs develop, produce, market, and distribute products throughout the region.

#### *Deliverables*

- Implemented one-day workshop at SOM 1 in Washington, D.C.

#### *Next Steps*

- Chile proposed to implement two GOS workshops in 2011 that built off of the above objectives.

### ***Support GOS 2 Dialogue on Environmental Services***

APEC TATF supported implementation of a half-day policy dialogue on environmental services in APEC’s GOS at SOM 2 in Big Sky, Montana. The dialogue supported the U.S. 2011 theme, “Green Growth” and its primary objective was determining how the GOS can best contribute to APEC’s environmental goods and services agenda by allowing GOS members to address longstanding issues, such as identification of relevant service sectors, identification and prioritization of barriers to environmental services trade, and determination of GOS initiatives to address them. APEC TATF expert Grant Ferrier presented on the environmental goods and services industry, and highlighted the work done on the APEC TATF case studies.

#### *Deliverables*

- Travel support to speakers at GOS 2 Dialogue.

#### *Next Steps*

- None. This activity was implemented in support of the U.S. 2011 Host Year.

## **PILLAR 2: BUSINESS FACILITATION**

### **Web Portal to Help Protect Intellectual Property**

This activity was delayed so that other U.S. priorities could be addressed during the host year.

#### *Next Steps*

- APEC TATF will discuss next steps with the relevant US Government agency to determine if it remains an activity in the 2012 work plan.

## **Support to WebTR**

This activity was delayed so that other U.S. priorities could be addressed during the host year.

### *Next Steps*

- APEC TATF will discuss next steps with the relevant USG agency to determine if it remains an activity in the 2012 work plan.

## **Business Enabling Environment Activity Stream**

### ***Ease of Doing Business—Starting a Business, Phase 2***

The Ease of Doing Business (EODB) Starting a Business Phase 2 is led by United States and New Zealand's Starting a Business work stream. It conducts detailed diagnostics in volunteer APEC member economies that will (1) identify problems related to starting businesses, and (2) assist in developing customized and implementable solutions that address those problems. This year, APEC TATF undertook two diagnostics focused on Thailand and Peru. We also worked with an Indonesian translator and government officials to translate text from the final Indonesian starting a business diagnostic into Bahasa Indonesia. The goal was to disseminate the diagnostic results to a broader audience of Indonesian stakeholders.

### *Deliverables*

- Finalized Indonesia diagnostic study.
- Draft diagnostic studies for Thailand and Peru.

### *Next Steps*

- Incorporate any last comments from stakeholders on Thailand and Peru studies and submit for finalization.
- Launch at least two more economy level diagnostics next year.

### ***Ease of Doing Business—Starting a Business, Phase 3***

Phase 3 of the EODB work was not accessed during 2011. Phase 3 is meant to provide capacity building and technical assistance support to an economy that has participated in the Phase 2 diagnostic, should they request it. During this reporting period, APEC TATF was in the midst of finalizing two diagnostics with Peru and Chile, so they were not eligible for Phase 3 support. APEC TATF has held brief conversations with Indonesia about Phase 3 opportunities and will follow up again in early 2012. APEC TATF, with EAP/EP, submitted and received, in principal, approval for a multiyear project on EODB. This will enable APEC TATF and other champion economies to provide assistance to more APEC economies.

## ***APEC New Strategy for Structural Reform Implementation: Workshop on Assessing Progress on Structural Reform***

The APEC New Strategy for Structural Reform (ANSSR) recognized that structural reform work in APEC needed to extend beyond Leaders' Agenda to Implement Structural Reform (LAISR) five priority work streams to identify other areas that APEC member economies could pursue. As such, APEC members identified that APEC's agenda for structural reform should expand to become a shared APEC-wide objective.

APEC TATF worked with EAP/EP to design and implement a two-day workshop at SOM 3. Approximately 90 people representing policy, regulatory and advisory authorities from 20 APEC member economies participated. This workshop built directly on the May Symposium

in Big Sky as well as a residential training program on structural reform that was held in August 2011 in Singapore. APEC TATF Workshop on Approaches to Assessing Progress on Structural Reform was the final in the series of capacity building events planned for the 2011 year to help economies prepare their ANSSR plans in time for Leaders Week in Honolulu in November 2011.

#### *Deliverables*

- Development of APEC concept note and project proposal.
- Design and implementation of two-day workshop at SOM 3.

#### *Next Steps*

- APEC member economies will submit their ANSSR plans to Ministers and Leaders in November 2011.
- APEC TATF will support the implementation of the ANSSR plans from 2012-2015 including, as appropriate, economy-level capacity building related to implementation and/or the implementation of an additional workshop in 2012.

### ***Ease of Doing Business Seminar on Women's Entrepreneurship***

APEC TATF worked with U.S. Department of Commerce colleagues to implement a seminar that brought together experts on women's issues and officials from the private sector, government, and civil society from across APEC's 21 member economies to explore policies that enhance women's entrepreneurship. The seminar was part of the Women and the Economy Summit in San Francisco, and focused on barriers women face when starting and doing business in APEC economies and areas that APEC can work in to improve the business environment across genders. More than 130 experts attended the one-day event.

#### *Deliverables*

- Development of APEC concept note and project proposal.
- Implementation of one-day Seminar in San Francisco.

#### *Next Steps*

- APEC TATF will explore possible opportunities for future activities in its 2012 work plan.

### ***Support for 2012 AEPR on Ease of Doing Business***

Published annually, the APEC Economic Policy Report (AEPR) is a valued resource on economic issues for ministers and officials from APEC member economies. The APEC Economic Committee (EC) leads report review and approval and the APEC Secretariat disseminates it. Normally each year two APEC member economies are responsible for researching and drafting the report and each year the report focuses on one of the five themes of the LAISR: regulatory reform, competition policy, public sector governance, corporate governance, and strengthening economic and legal infrastructure. In September, APEC TATF prepared an outline for developing the 2012 AEPR, which will focus on EODB. This entailed participating in the September APEC Economic Committee meeting, at which the project provided an update on the Phase 2 EODB Starting a Business diagnostics and an introduction and overview of the 2012 AEPR

#### *Deliverables*

- Draft template and guidelines for AEPRs.

*Next Steps*

- Work with EAP/EP to develop templates for the AEPR and assist in managing the drafting process in 2012.

***SME Sustainability Workshop***

As part of its SME suite of events organized at SOM 2 in Big Sky, the U.S. Department of Commerce hosted a workshop on SME sustainability (i.e., how SMEs can operate in a sustainable green environment). The University of Pennsylvania's Lauder Institute conducted research that examined the ability of government officials and private sector SME participants from APEC member economies to evaluate sustainability against international standards. Workshop attendees identified challenges to sustainability and developed recommendations to improve SME sustainability across member economies. APEC TATF provided an expert to bring a more rounded understanding of the challenges SME's face in developing economies where resources are more limited.

*Deliverables*

- Travel support for expert speakers.

*Next Steps*

- None. This activity was implemented in support of the U.S. 2011 Host Year.

**PILLAR 3: ECONOMIC AND TECHNICAL COOPERATION****Support of Counterterrorism Task Force Activity Stream*****Workshop on Use of Canine Units as an Aviation Security Measure***

APEC TATF implemented the Canine Aviation Security Workshop in Canberra, Australia, June 9-10, 2011. Developing APEC economies face the continual challenge of securing their cargo systems with only very limited resources. Canine teams are effective and inexpensive in screening and inspecting cargo and mail. They can be an integral part of a multilayered risk-based approach to air cargo targeting and screening. By sharing best practices on air cargo security measures, this activity built capacity of APEC developing economies to implement low-cost security measures such as canine teams. Approximately 44 participants attended from 12 APEC economies.

*Deliverables*

- Implemented canine aviation security workshop.

*Next Steps*

- APEC TATF will discuss the possibility of follow on work with EAP/EP and USAID.

***Counterterrorism Finance and the Nonprofit Organization Sector: Investigations and Enforcement***

At the request of the project overseers and with the consent of APEC Counterterrorism Task Force (CTTF), APEC TATF delayed this program until early 2012.

*Next Steps*

- APEC TATF will work with the State Department and the Government of Malaysia to find an alternative date to implement the workshop.

**Financial Inclusion Activity Stream*****Financial Inclusion Initiative***

APEC TATF worked with counterparts to draft a concept note and project proposal that was approved for implementation in 2011. This project comprises two workshops drawing on the experiences of financial policymakers across APEC to promote the Inclusive Growth element of the APEC Leaders' Growth Strategy and advance priorities of the Finance Ministers Process, specifically the APEC Financial Inclusion Initiative (FII). A working group meeting was held in July 2011 to share best practices on FII priority areas, namely the challenge of designing comprehensive financial inclusion strategies, the potential role of government-to-person (G2P) payments as gateway products, and piloting new methods to develop and track financial inclusion measures. An outreach workshop to engage a broad audience of stakeholders was scheduled for October but will likely be delayed at the request of the Treasury Department.

*Deliverables*

- Development of APEC concept note and project proposal.
- Organized working group meeting in Bangkok.

*Next Steps*

- APEC TATF will organize and implement a larger workshop in early 2012 that will be a broader public outreach event.

***Infrastructure Financing: Public Investment Management to Public-Private Partnership***

APEC TATF worked with U.S. Treasury counterparts to submit a full project proposal that was approved for APEC co-funding. APEC TATF then implemented a two-day workshop on the margins of the 2011 Senior Finance Officials Meeting and in collaboration with the World Bank. The workshop examined different forms of financing available for infrastructure investment and provided an opportunity for infrastructure experts in APEC economies to increase cooperation and coordination. *Framework and Options for Public and Private Financing of Infrastructure* highlighted challenges such as mobilizing adequate financing, assessing the pros and cons of public vs. private investment, and putting in place effective and appropriate mechanisms for promoting public-private partnerships.

*Deliverables*

- Development of APEC concept note and project proposal.
- Workshop in Washington, D.C. in cooperation with World Bank and U.S. Treasury.

*Next Steps*

- None. This activity was implemented in support of the U.S. 2011 Host Year.

### ***Advancing LAISR Objective of Improved Corporate Governance by Promoting Implementation of OECD Principles of Corporate Governance***

Building on an APEC TATF workshop in 2009 and the 2010 AEPR on Corporate Governance in the region, APEC TATF held a workshop on March 2, 2011 on the margins of SOM 1 in Washington, D.C. The program examined the impact of the financial crisis on corporate governance in the public and private sectors. The workshop was attended by approximately 50 representatives of 15 APEC economies. Participants discussed issues that emerged from the AEPR, including the effectiveness of corporate governance codes and shared responsibilities of the public and private sector. In addition, case studies were given from several APEC member economies demonstrating the range of corporate governance issues across APEC.

#### ***Deliverables***

- Implemented workshop in Washington, D.C.

#### ***Next steps***

- APEC TATF does not foresee any follow up activities in corporate governance for 2012.

### ***Market-based Models for Delivery of Microfinance***

As part of a multicomponent APEC project aimed at showcasing microfinance best practices, APEC TATF completed a case study on Vietnam's microfinance environment. The report identified the steps that Vietnam policymakers could take to make microfinance for the poor commercially viable. It also informed discussion among policymakers and practitioners of microfinance throughout the APEC region about best practices in market-based models in microfinance targeting the underserved, including women entrepreneurs.

APEC TATF then implemented a workshop in Hanoi to present the case study, and share best practices in commercially sustainable microfinance. Topics included harnessing mobile banking to increase financial services, diversifying products and services, risk management, and consumer protection. Recommendations and capacity building needs were shared with APEC stakeholders to inform APEC's financial inclusion policy agenda in 2011. This included collaborating on financial education and literacy programming, developing tools to monitor the social impact of microfinance, implementing strategies to improve financial performance and transparency, implementing mobile banking pilot programs in remote areas, and customizing business development support services for women entrepreneurs. A total of 85 people from 9 developing economies and Lao PDR and Cambodia attended.

#### ***Deliverables***

- Case study on Vietnam's microfinance environment, recommendations to make microfinance for the poor commercially viable and broad lessons learned from Vietnam's experience for other APEC developing economies. Available on APEC Publications Database.
- APEC workshop aimed at showcasing best practices in commercial microfinance.
- Final report published on key recommendations and capacity building needs identified during the workshop. Available on APEC Publications Database.

#### ***Next steps***

- APEC TATF will explore follow-on opportunities in its 2012 work plan.

## Regulatory Convergence Activity Stream

### ***Support for APEC Good Regulatory Practices Principles and Analysis***

The United States made advancing regulatory cooperation a top priority for 2011. A key outcome will be agreement on implementation of good regulatory practices as reflected in the APEC-OECD Integrated Checklist on Regulatory Reform and other agreed guidelines. APEC TATF drafted two studies to advance this goal. The first, Good Regulatory Practices (GRP) Baseline Study, analyzes how well each APEC economy has implemented principles of good regulatory practices. It identifies what work is necessary to meet the commitment sought for economies to fully implement certain practices and provides input for a capacity-building program to assist economies in meeting that commitment. The second study, Technical Barriers to Trade (TBT) Linkages to Good Regulatory Practices Study, examines the link between good regulatory practices and trade, particularly as it relates to strengthening implementation of the WTO TBT Agreement in all 21 APEC economies. This study examines the presence and use of standards and conformance infrastructure at the national, regional, and international levels across APEC economies.

The TBT linkages study was presented to the Sub-Committee on Standards and Conformance (SCSC). APEC economies will review and provide feedback by mid-October 2011. In September 2011, the United States presented an APEC TATF funded GRP baseline study to APEC Senior Officials. Once comments are received, it is hoped that the GRP study will be finalized and presented at the final SOM in November.

#### ***Deliverables***

- Draft GRP Baseline study.
- Draft TBT Linkages study.
- Draft powerpoint presentations, which was delivered to CTI and Senior Officials at SOM 3.

#### ***Next Steps***

- Finalize the two studies, incorporating feedback from APEC fora.
- Present GRP baseline study at CSOM in November 2011.

### ***Support for the APEC Regulatory Cooperation Advancement Mechanism (ARCAM) Dialogue***

The ARCAM Dialogue is an initiative approved by APEC Ministers in November 2010 to prevent and address unnecessary technical barriers to trade by creating an institutionalized process for early dialogue among APEC economies. APEC TATF worked with USTR to develop and implement the first dialogue on smart grid interoperability standards held on the margins of SOM 2. A comprehensive discussion was held on the benefits and challenges faced by APEC economies with the emergence of new smart grids standards to optimize the use of energy in the region. The SOM 2 discussion resulted in draft recommendations on smart grid interoperability standards that were finalized at SOM 3.

#### ***Deliverables***

- Development of APEC concept note and project proposal.
- Supported speaker travel to participate in SOM 2 dialogue.

### *Next Steps*

- Follow-up APEC project proposal on Smart Grid Interoperability will be submitted for implementation May 2012.

### **Workshop on Regulatory Impact Analysis**

APEC TATF led implementation of a two-day APEC workshop on using regulatory impact analysis (RIA) to improve the rulemaking process. The workshop was held in March 2011 on the margins of SOM 1. This was a follow on workshop to a 2009 program held in Jakarta that addressed issues related to public consultation in the rulemaking process. More than 80 people attended the workshop, whose interactive nature facilitated discussion between experts and participants on adapting the RIA framework to an economy's level of economic development.

### *Deliverables*

- Full project proposal submitted and approved for co-funding.
- Workshop on the margins of SOM 1.

### *Next Steps*

- GRP and ANSSR activities have been natural and related follow up work to the RIA workshop. APEC TATF will explore additional work in its 2012 work plan.

### **6th Conference on Good Regulatory Practice**

APEC TATF supported speakers and participants for the APEC Sub-Committee on Standards and Conformance's (SCSC) 6th Conference on GRPs held on the margins of SOM 1 in Washington, D.C. Support included funding the attendance of three negotiators from Chile, Peru, and Malaysia at the GRP Conference as well as the RIA workshop and the Trans-Pacific Partnership TBT discussions, also held on the margins of SOM 1. The conference built on past work that promoted international standards and conformance. APEC economies talked about the impact of regulatory practices on trade flows and promoted the use of international standards and conformance practices to meet changing trade and regulatory needs.

### *Deliverables*

- Travel support to APEC member economy participants.

### *Next Steps*

- The GRP Baseline Study and the TBT linkages study are both next steps to the GRP Conference discussions. APEC TATF will explore additional work in its 2012 work plan.

### **APEC Toy Safety Initiative**

In February 2011, APEC TATF provided administrative and logistical support to speakers and participants from APEC's developing member economies to attend the APEC Toy Safety Initiative Stakeholders Meeting and the International Consumer Product Safety Caucus (ICPSC) held in Orlando, Florida. The event engaged regulators, including those from APEC travel-eligible economies, in international discussions on product safety issues in a variety of consumer product sectors. This workshop also supported APEC's commitment to promoting greater alignment among APEC member economies' regulations with international standards. As a result of APEC TATF support, APEC regulators had the opportunity to engage in

international discussions on product safety issues, including but going beyond the issue of toy safety.

#### *Deliverables*

- Speaker and participant travel support.

#### *Next Steps*

- APEC TATF does not foresee any follow up work to this activity.

## **Life Science Innovation Activity Stream**

### ***Anti-Counterfeit Pharmaceuticals Workshop***

APEC TATF implemented the APEC Drug Safety and Detection Technology workshop in Beijing on September 27-28, 2011. Eighty-five people from 15 APEC economies attended. Regulators, customs officials, law enforcement officials, pharmacopeia officials, industry representatives, consumer organizations, and detection technology industry representatives learned about drug safety detection technology best practices and worked together on strategies for using drug safety detection technologies to promote safe medicine. The workshop builds on previous efforts in APEC to promote safe medicines, which have focused on cooperation and strategies to combat counterfeiting and promote the quality of medicines.

During the final session, participants agreed on the following future activities: (1) the development of a detection technologies guidance document, based on member inputs, to guide economies on making the technologies part of a comprehensive program to improve drug safety and stop the spread of counterfeit medicine; and (2) possible future APEC drug safety and detection technology projects and workshops for 2011 and 2012, in implementation of the APEC LSIF Anti-counterfeit Medicines Action Plan, such as public awareness, strategies to stop internet sales of falsified/counterfeit medicines and drug safety good distribution practices.

#### *Deliverables*

- Implemented Drug Safety and Detection Technology Workshop.

#### *Next Steps*

- APEC TATF will distribute guidance document to LSIF members.
- APEC TATF will coordinate with U.S. Department of Commerce, USAID and State EAP/EP on programming needs for 2012.

### ***Understanding Returns on, and Promoting Investment in, Innovation in Health Sector***

APEC TATF did not commence work on this activity during this reporting period.

#### *Next Steps*

- APEC TATF will discuss next steps with the relevant USG agency to determine if it remains an activity in the 2012 work plan.

## Education Activity Stream

### ***APEC International Benchmarking in Mathematics Education***

APEC TATF progressed with the toolkits and online learning modules describing promising practices in mathematics education with tips on how to replicate these programs and practices in APEC economies, particularly developing APEC economies. During this reporting period, APEC TATF completed preliminary drafts of three online toolkits covering (1) exemplary practices in promoting curriculum standards, (2) teaching strategies and effective assessments, and (3) assessment systems in primary and secondary mathematics education. APEC TATF reviewed these drafts and worked with the consultants to continue to refine the deliverables to meet the needs of APEC economies. All three toolkits are available online on the APEC Human Resource Development Working Group (HRDWG) wiki website ([hrd.apec.org](http://hrd.apec.org)). Development of the final deliverable, a collection of online learning modules in statistics, is currently ongoing and is expected to be completed in December 2011.

#### ***Deliverables***

- Three toolkits on exemplary practices in APEC economies.

#### ***Next steps***

- Completion of online learning modules on statistics.

### ***Building Open Education Resource Capability in APEC Member Economies, Phase 1***

Open Education Resources (OER) provides a network platform for collaboration among educators, government and business sectors towards achievement of common objectives. From the perspective of APEC, investments in helping to construct a regional OER infrastructure can help educational institutions and businesses in the region to play a leading role in forging new, globally competitive business models for education that take into account the ease with which digital content can now be freely copied and shared.

During this reporting period, APEC TATF proceeded with implementation of Phase 1 of this multi-component activity. APEC TATF began a series of awareness and outreach activities amongst APEC Technical Vocational Education and Training (TVET) institutions about the concept of OER and its educational potential. As part of this outreach initiative, APEC TATF developed a website ([oer.apecwiki.org](http://oer.apecwiki.org)) that will be linked to the HRDWG wiki website. The website will serve to disseminate informational materials about OER and will also store a showcase library on select OER TVET materials from APEC projects and higher education institutions in APEC economies. APEC TATF also administered a survey to help understand the demand for OER content, current use of OER, and interest in sharing educational content such as OER amongst APEC TVET institutions. 44 institutions in the APEC region responded and APEC TATF is now assessing the results of that survey to help inform next steps.

#### ***Deliverables***

- Development of an APEC OER website.
- Survey administered to assess OER development in the region.

*Next Steps*

- APEC TATF will assess the results of the survey and begin conducting some research on OER relevance in current APEC HRD projects to determine the potential for incorporating OER.

***APEC Study Center Symposium***

Approximately 50 delegates from 19 economies participated in the ASCC Conference held on September 22-23, 2011. Participants presented papers on three key priority areas - regional economic integration, regulatory convergence, and sustainable growth. Participants concluded that ASCs should concentrate on providing independent intellectual and academic input across a range of issues including enhancing the effectiveness of the Individual Action Plan (IAP) process, supporting SME development and strengthening APEC's Growth Strategy. ASCC participants also identified the need to collaborate more effectively with the APEC Policy Support Unit (PSU). ASCC 2011 co-chairs were invited to share key recommendations and findings from ASCC 2011 to senior officials. Select papers tabled at ASCC 2011 will be compiled into a single publication to be circulated to APEC economies in November 2011.

*Deliverables*

- ASCC Conference 2011.

*Next steps*

- APEC TATF will prepare a final document of select papers and a summary of key findings and recommendations to be published and distributed to APEC economies.
- There are no plans for APEC TATF for related 2012 activities. This activity was implemented in support of the U.S. 2011 Host Year.

**Emergency Preparedness Activity Stream*****APEC Workshop on Private Sector Preparedness***

APEC TATF implemented a workshop on August 2-3, 2011 in Sendai, Japan and in collaboration with Japan, State EAP/EP, and Federal Emergency Management Agency (FEMA). Eighty-nine people from government, international organizations and the private sector in APEC economies attended. The objective was to provide government officials with a better understanding of how to support businesses in the wake of natural disasters through business continuity planning. The program included a half-day field trip to the affected areas of the Sendai coastal region. Feedback from officials indicated that the APEC Emergency Preparedness Working Group will develop programs that will build off of this workshop.

After soliciting input from APEC economies, APEC TATF prepared a reference guide that was shared at the workshop. This document identified resources available in APEC economies on private sector emergency preparedness and business continuity planning. Comments from workshop participants were incorporated. Together with a summary of workshop proceedings, a final document was published and distributed at the 5<sup>th</sup> APEC Senior Disaster Management Officials Forum (SDMOF).

*Deliverables*

- Development of APEC concept note and project proposal.
- Workshop on Private Sector Emergency Preparedness, Sendai, August 2011.

- *Summary of Proceedings and Resource Guide* published and distributed to Senior Disaster Management Officials Forum in San Francisco, September 2011.

#### *Next Steps*

- APEC TATF will explore opportunities for follow on work in its 2012 work plan.

#### **5th APEC Senior Disaster Management Officials Forum (SDMOF)**

In coordination with State EAP/EP and FEMA, APEC TATF implemented the 5th SDMOF on September 21-23, 2011. This meeting brought together more than 60 people from APEC economies, including APEC's senior disaster management officials, international organizations, NGOs, and the private sector. The event focused on public-private partnerships, and culminated with an endorsement by the Emergency Preparedness Working Group of APEC Principles on Public-Private Partnerships and Disaster Resilience. Presentations highlighted lessons learned from the many disasters to affecting the region this past year, and examined how technology, volunteer networks, and regional organizations have figured in disaster preparedness and response.

#### *Deliverables*

- Development of APEC concept note and project proposal.
- Implementation of the 5<sup>th</sup> SDMOF, San Francisco, September 2011.

#### *Next Steps*

- None. This activity was implemented in support of the U.S. 2011 Host Year.

### **APEC Data Privacy Framework Pathfinder Activity Stream**

#### ***Technical Assistance to APEC Developing Member Economies on Data Privacy Framework Pathfinder – Accountability Agents***

APEC TATF did not commence work on this activity during this reporting period.

#### *Next Steps*

- APEC TATF will discuss next steps with the relevant USG agency to determine if it remains an activity in the 2012 work plan.

### **Sustainability, Green Growth and Innovation Activity Stream**

#### ***Establishing Low-Emissions Development Strategies***

APEC TATF supported a two-day workshop on Low Emissions Development Strategies (LEDS) that brought together more than 50 people, including mid and senior-level energy, transport and environment officials from APEC economies, and representatives from multilateral organizations such as the World Bank, ABD, and the OECD to discuss the concept of LEDS, with a focus on transport and energy. It also provided an opportunity for APEC economies active in LEDS to present case studies on successes and challenges, sharing experiences on creating an enabling governance framework, overcoming internal coordination challenges in implementing LEDS. Participants delved into the LEDS concept, as experts presented an overview of the work being done on LEDS to promote sustainable development. In the final session, participants expressed interest in APEC continuing work on LEDS, suggesting follow on work focused on (1) strategies and effective approaches for mobilizing private sector finance; (2) understanding price signals and getting them right; (3) in depth

training on LEDS actions for energy and transportation; and (4) data collection, statistics and modeling for the energy and transport sectors.

#### *Deliverables*

- Development of APEC concept note and project proposal.
- Implemented workshop on LED strategies.

#### *Next Steps*

- Explore opportunities for follow on activities including capacity building for developing member economies and follow on workshop.

### ***Work on Reducing and Eliminating Inefficient Fossil Fuel Subsidies***

APEC TATF worked with EAP/EP to implement a half-day dialogue on reducing and eliminating inefficient fossil fuel subsidies on the margins of SOM 3 in San Francisco. The dialogue provided an opportunity for APEC Senior Officials to discuss the economic, social and environmental benefits of reducing fossil fuel subsidies as well as strategies for reducing subsidies while protecting vulnerable populations. Senior Officials discussed ways to advance the APEC Leader's commitment on fossil fuel subsidies by endorsing work being done by the Energy Working Group to establish a voluntary reporting mechanism and to spread best practices through various analyses and capacity building mechanisms, and by regular reporting of this data and progress in the work program to Senior Officials. Invitees include APEC Senior Officials; Environment, Energy and Finance Ministry Officials from APEC member economies; representatives to the APEC Energy Working Group; and, representatives to other relevant APEC entities with equities in fossil fuel subsidy reform in APEC.

#### *Deliverables*

- Support to half-day dialogue.

#### *Next Steps*

- APEC TATF does not have any current plans for next steps.

### ***Addressing Trade Barriers to Remanufactured Goods***

APEC TATF supported the APEC Market Access Group (MAG) Remanufactured Goods Dialogue on May 10, 2011 on the margins of SOM 2. The discussion was an important step in APEC's future work and possible voluntary commitments that economies may undertake to ensure the flow of trade in remanufactured goods.

As a follow-up to that program, APEC TATF worked with USTR to implement the Managing Remanufactured Goods at the Border Workshop on September 17, 2011 during SOM 3 in San Francisco. The workshop provided an opportunity to share best practices regarding treatment of remanufactured products for customs, safety, and import policy purposes, and discussed issues associated with ensuring safety of these goods. Approximately 100 people, including customs authorities, manufacturing trade and import policy representatives, and APEC Market Access Group (MAG) officials, attended the SOM 3 workshop.

#### *Deliverables*

- SOM 2 supported speakers and participants for remanufactured workshop.

- SOM 3 supported speakers and participants for workshop on “Managing Remanufactured Goods at the Border.

#### *Next Steps*

- Follow-up workshop in 2012 on IPR and Standards as they relate to remanufactured products and possible scope to support capacity building efforts on the pilot program.

### ***Support for Environmental Services Dialogue***

APEC TATF provided speaker support for the Environmental Services Dialogue, held on the margins of the Group on Services (GOS) meeting at SOM 2 in Big Sky on May 9, 2011. The dialogue provided an overview of the state of environmental services in the APEC region, and updated the GOS on the environmental goods and services (EGS) case studies, on which APEC TATF was working. GOS determined that instead of focusing on the classification issues (i.e., the continual debate on how to define the EGS sector as the World Trade Organization moves slowly on this issue), it would focus on subsectors where APEC can begin to move forward on issues.

#### *Deliverables*

- Support to SOM 2 Dialogue.

#### *Next Steps*

- APEC TATF will explore future opportunities during its 2012 work plan process.

### ***Maintenance of APEC Environmental Goods and Services Information Exchange Tool***

APEC TATF implemented the online environmental goods and services information exchange (EGSIE) in 2009 ([egs.apec.org](http://egs.apec.org)). This tool provides public and private stakeholders in APEC economies with a means to access and share the latest information, studies, projects etc., on EGS and voluntarily exchange information on specific environmental goods and services. In order to ensure ongoing user access, APEC TATF continued to provide periodic maintenance of EGSIE (e.g., answering services queries, cleaning up postings, and removal of inappropriate content) during 2011.

#### *Deliverables*

- Periodic maintenance and support of EGSIE.

#### *Next Steps*

- Continued maintenance as needed.

### ***Case Studies on Environmental Goods and Services***

APEC TATF completed a final case study on EGS markets in Mexico, and submitted drafts for comment on case studies focused on Chile and Vietnam. These studies aim to increase understanding of EGS among APEC developing economies and contribute to enhanced capacity to promote sustainable growth through improved domestic EGS frameworks. The case studies assessed these economies’ domestic EGS market characteristics, including key policies and market drivers and the challenges facing the dissemination of EGS and growth of the domestic EGS market. The case studies also identified key relevant trade and investment opportunities and challenges that serve to inhibit or promote its exports of environmental goods and services, as well as trade and investment policies that can function as disincentives

for importers and investors in its own country and provide ideas on how to achieve greater green growth.

#### ***Deliverables***

- Final case study on Mexico.
- Draft case studies on Chile and Vietnam.

#### ***Next Steps***

- Finalize the drafts for Chile and Vietnam and present all four case studies as a package, most likely at SOM 1 in Moscow.
- Discuss possible scope with USG counterparts for an additional case study or two to be done in 2012.

### ***APEC Solar Technologies Project-Phase 2***

Seeking to contribute to APEC's goals of energy conservation and sustainability, APEC TATF implemented two workshops focused on the use of specific standards and conformity assessment procedures in renewable energy technologies related to photovoltaics (PV) solar panels. APEC TATF supported travel of participants and speakers to attend the APEC Facilitating Trade for Solar Technologies through Standards and Conformity Assessment Workshop on September 15-16, 2011 during the SOM 3 meetings in San Francisco. Approximately 100 representatives from the APEC economies were in attendance. This was the first of two workshops on solar photo voltaic technology during the US APEC year. Building on these discussions, a second workshop will be implemented in October 2011 in Chinese Taipei focused on reliability and standards and conformity assessment of solar panels.

#### ***Deliverables***

- Supported participants and speakers for SOM 3 workshop.
- Participants and speakers supported to participate in SOM 3 workshop.

#### ***Next Steps***

- APEC TATF is organizing the second of two workshops that will take place in October 2011. APEC TATF will explore opportunities for follow on work in its 2012 work plan.

### ***APEC Green Buildings Workshop***

On September 12-13, 2011, APEC TATF implemented the APEC-ASEAN Green Buildings and Green Growth: Approaches to Encouraging a Positive Green Building Climate Workshop in Singapore. This was the second workshop held this year on green buildings and challenges faced by APEC economies with approximately 180 participants attending the joint APEC-ASEAN Green Buildings. The workshop was an opportunity to collaborate with ASEAN in an area of shared interest. APEC and ASEAN participants were able to examine the respective green building standards, conformity assessment procedures and accreditations schemes that exist in APEC and ASEAN economies. It was recognized that many of the regimes differ which can create confusion in the market and create barriers to trade. The workshop produced draft policy recommendations for APEC leaders that will meet in November.

***Deliverables***

- Organized and supported participants and speakers for the first APEC-ASEAN workshop on the topic of green buildings.
- Summary of workshop proceedings was drafted and submitted to APEC.

***Next Steps***

- The USG is considering the development of multi-year project to encourage a more in-depth examination of, but not limited to, the different green building product sectors; examine how differences in Life Cycle Analysis and green building codes create barriers to trade and identify training that might be needed to support the adoption of green building technology in APEC economies.

***APEC Green Buildings Survey Analysis and Case Studies***

APEC TATF's experts developed two case studies that were presented at the September workshop in Singapore. The first, Trade Impact of Life Cycle Analysis in Multi-Attribute Certification Programs for Flooring Materials and Plumbing Fixtures, analyzes the trade impact of life cycle analysis in multi-attribute certification programs for flooring materials and plumbing fixtures. The second, Green Commercial Building Rating Systems in the APEC Region, provides an overview of the different rating systems of green buildings among APEC economies.

***Deliverables***

- Draft studies presented at September 12-13, 2011 Green Buildings workshop.

***Next Steps***

- Finalize both case studies and disseminate to broader audience. Explore future opportunities with USG counterparts for 2012 work.

***Climate Change Adaptation in the Asia Pacific***

APEC TATF worked with EAP/EP to develop a concept note for a workshop designed to leverage existing activities and build synergy with partners across the Asia Pacific region to enhance cooperation on climate adaptation efforts. The workshop would aim to advance climate change and food security priorities identified in the 2010 APEC Leaders Growth Strategy to increase awareness and understanding in several areas related to climate change adaptation decision making.

***Deliverables***

- APEC concept note and project proposal were submitted and approved.

***Next Steps***

- Planning and implementation of a 2-day workshop in early 2012.

***Food Security/Food Safety Activity Stream******Assist APEC Member Economies in Benefiting from Agricultural Biotechnology***

APEC TATF did not commence work on this activity during this reporting period.

*Next Steps*

- APEC TATF will discuss next steps with the relevant USG agency to determine if it remains an activity in the 2012 work plan.

***Workshop to Improve Agricultural Data Collection and Dissemination by APEC Member Economies***

APEC TATF implemented a workshop on assessing and improving agricultural data collection and dissemination in Manila on October 27-28, 2011. The purpose of the workshop was to find ways to get more reliable and better quality data for use in policymaking, particularly with respect to trade and food security. Over 50 participants from 13 APEC economies met to discuss statistical collection methodologies and next steps to improving data collection. Participants discussed how to improve statistical collection.

*Deliverables*

- APEC concept note and project proposal were submitted and approved.

*Next Steps*

- Planning and implementing workshop at the end of October 2011 in the Philippines.

***FSCF PTIN Capacity Building in Food-Safety Related Laboratory Testing***

APEC TATF did not commence work on this activity during this reporting period.

*Next Steps*

- APEC TATF will discuss next steps with the relevant USG agency to determine if it remains an activity in the 2012 work plan.