

## APPENDIX 1

### ACTION PLAN FRAMEWORK FOR REI CAPACITY BUILDING NEEDS INITIATIVE

April 2, 2012

#### Background

At the Lima meeting in November 2008, the APEC Economic Leaders “noted advice from Ministers that while an Free Trade Area of the Asia Pacific (FTAAP) would likely be of economic benefit to the region as a whole, there would also be challenges in its creation. They instructed Ministers and officials to undertake further steps in examining the prospects and options of a possible FTAAP, such as conducting further analytical work on its likely economic impact, and discussing the possible capacity building requirements for any possible future negotiations.” In 2009, APEC Economic Leaders reaffirmed their willingness to continue exploring the building blocks towards a possible FTAAP in the future. In this respect, it has been highlighted that “an analytical study by officials shows that there are significant economic benefits from an FTAAP, and also presents the challenges of establishing such an agreement. They look forward to the progress update from Ministers and officials next year on the outcomes of the exploration of a range of possible pathways to achieve FTAAP.”

In response, Korea, in cooperation with Chile, Peru, and the Philippines, proposed and conducted a survey to identify capacity-building needs in the APEC economies in 2010. The survey analysis was presented at CTI/SOM1 in March 2011. Korea proposed the multiyear work plan based on the survey analysis for the REI Capacity-Building Needs Initiative (CBNI), which the CTI endorsed at CTI2 in 2011. As agreed at CTI2, a two-hour session was set aside for the development of the REI CBNI at CTI3 in 2011. The CTI Chair reported to SOM that APEC members, ABAC, representatives from the Asian Development Bank (ADB), and the World Bank exchanged information/experiences on improving the economies’ ability to engage in FTA negotiations. At SOM3 and AMM, Korea briefed on this multi-year FTAAP capacity building program, named CBNI, to SOMs and Ministers.

In 2011, APEC Ministers welcomed Korea’s CBNI, and thus declared in the AMM statement that “Ministers welcomed the decision to approach capacity building activities with strategic foresight by undertaking multi-year projects, such as supporting APEC’s work to strengthen and deepen regional economic integration, and facilitating the realization of FTAAP”.

#### Results of the Survey (2010) and Policy Dialogue (2011)

##### APEC Capacity Building Needs Survey (2010)

The results of the survey identified the most challenging sectors/areas as follows:

- Challenging Sectors identified: E-Commerce, Labor and Environment, Intellectual property, Investment, SPS, and Rules of Origin and etc.
- Challenging Areas relevant to Negotiation: Lack of Expertise and Human/Financial Resources
- Challenging Areas relevant to Implementation: Consensus Building, Lack of Domestic Institutions, Structural Reform and Outreach of FTA/RTA benefits

The basic principles for developing the REI CBNI (2011) were elicited from the survey.

- Avoiding duplication and optimizing synergy effects
- Designing economy-specific program with APEC-wide collective actions

### REI CBNI Policy Dialogue (2011)

The Policy Dialogue consisted of two sessions.

At Session 1, APEC members and related international organizations shared their experiences with regard to designing the REI CBNI Action Plan Framework.

- Korea's project for Cambodia highlighted the importance of providing ownership to the partner economies, building clear understanding of project goals and guidelines, and aligning them with national trade and development policies.
- Chile's experience provided us with insights in terms of direct benefits of capacity building on FTA programs and suggestions for future APEC FTA capacity building. Five topics were covered (how to prepare for the negotiation, logistic arrangements, specific explanation on chapters covered, suggestion on how to achieve a successful result, tips on specific negotiating partners.)
- The Australian case (AANZFTA: ASEAN-Australia-New Zealand FTA) addressed the importance of internal coordination, noted how ASEAN had addressed different levels of development, through workshop for good communication with the right people attending.
- WBI (World Bank Institute) Trade Capacity Building Program features thematic and geographic selectivity, programmatic approaches, involvement of policymakers in design and implementation, and development of objectives for sound national trade policies and institutions. The programmatic approaches involve partnership, knowledge platforms, dialogue, e-learning, content development and awareness-raising seminars.
- ADB's Trade Capacity Building Work ranges from FTA analysis tools, building of trade databases, research on regional trade and FTAs, new trade issues training, and creation of training manuals for fostering trade networks. Tips for future efforts that could be drawn from FTA capacity building include: insurance of long-run processes, assurance of recipient commitment by tailoring efforts to different needs, trainees and cost-sharing schemes, a culture of continuous learning via integrated approach, focus on actual practitioners, on-site as well as long distance learning, and combination of local think-tanks with international experts.

At Session 2, Korea presented a future plan to be undertaken throughout 2012 for the REI Capacity Building Needs initiative.

- Building Action Plan Framework, including prioritizing areas and selecting leading economies
- Specifying detailed Action Plan by designing economy/sector-specific work programs by leading economies

### **Draft Outline of Action Plan Framework**

The REI CBNI Action Plan Framework will be designed as one master plan (Framework) and tailored programs of the leading economies. This framework will be economy-specific and sector-specific in order to meet the trade policy demands of the participating economies reflecting the result of the survey and the policy dialogues. The initial outline of the REI CBNI Action Plan Framework is as follows;

- **Objectives:** (i) narrow FTA capacity gaps among member economies, (ii) enhance trade policy capacity by sharing best practices, and (iii) identify challenges to FTAAP and explore possible ways to overcome them.
- **Implementation Period:** 2012~2014 (3 Year Capacity Building Program). This program could be extended if needs arise.

- **Leading economies (Co-sponsors or Program Providers):** Economies will sign up to provide leadership in designing capacity-building for particular sectors.
- **Participating economies:** Economies wishing to receive capacity-building related to specific sectors will sign up as “participating economies”.
- **Sectors Covered:** Sectors covered during the initial phase of the program are listed in the table below. Other areas for future work could include FTA related issues not mentioned in the table below, as well as next generation trade and investment issues, as they are identified and addressed by APEC.
- **Program development and implementation:** Program will be designed and implemented mainly by the leading economies in cooperation with other APEC member economies, particularly with participating economy(ies), considering the circumstances of participating and leading economies’ situations. Therefore, leading economies will have sufficient flexibility in deciding size, implementation period, budget, focus sectors and participating economy(ies) of the program.

### The REI CBNI Action Plan Framework (draft)

Pillar	Area <sup>1</sup>	Leading Economy(ies)	Participating Economy(ies)
Preparation	Scheduling Non-Conforming Measures on Services and Investment	US (New Zealand, Chile, Australia)	Chinese Taipei, Philippines, Thailand
	E-Commerce	China (US)	Thailand
	Labor	US	Peru, Thailand [TBC]
	Environment	Vietnam (US)	Papua New Guinea, Peru, Thailand
	Intellectual Property	(Peru)	Peru
	SPS	Vietnam (Peru)	Papua New Guinea
	Rules of Origin	Korea	Chinese Taipei, Philippines, Papua New Guinea
Implementation and Outreach	Consensus Building, Institutional Framework, Promotion of FTA/RTA Benefits	Korea (Chile)	Thailand
	Enhancement of FTA/RTA Utilization	Japan	Thailand
Research/Analysis	Research/Analysis		Philippines
Other Sectors	Legal Issue, Other Areas		Papua New Guinea, Peru, Philippines

Note: 1. Areas in the table are illustrative examples, based on the results of the survey and member economies inputs, without prejudice to economies’ position in their FTA negotiations.

2. Economies in the parenthesis mean they are co-sponsors of the areas.

### Time Plan

- Each leading economy will design its own tailored action plan, and send it to Korea as soon as they are ready.
- The framework will be completed **at CTI2 2012**.
- The action plan will be implemented in 2012 and beyond.
- The Framework and detailed action plans will be reported to **SOM and higher fora**.
- Korea will organize a workshop to evaluate the activities of 2012 **on the sideline of CTI1 2013**.

**Contact Point:** Economies are welcome to send their comments and suggestions to [apeco@mofat.go.kr](mailto:apeco@mofat.go.kr).

Attachment: Workshop/Training Program on FTA ROO & Customs Administration System (Draft)

**Attachment:****Workshop/Training Program on FTA ROO & Customs Administration System (Draft)**

This program is open to all APEC member economies. ROO-related officials, FTA negotiators, and relevant administrators are expected to attend the program. As more member economies express their interests in this program, it will be designed to meet their demands and specific needs while covering ROO-related issues comprehensively. The program will be composed of knowledge/expertise-enhancing sessions on comprehensive FTA ROO-related issues, case discussion sessions on ROOs of APEC member economies, and diagnostic/training sessions on ROO-related systems with FTA implementation.

This program will benefit participants through the combination of lectures and discussion sessions by addressing up-to-date FTA ROO-related issues and paying attention to cases of APEC members and the participating economies. Participants of the program will have an opportunity to introduce and discuss cases of their own economies. The case discussion session will help address specific needs of participating economies through lively discussion and feedback from experts and other participants of the program. Participants will also have hands-on experience from the on-site visit to a customs facility. At the end of the program, an exit survey (satisfaction questionnaire) will be conducted. The survey results will be utilized to explore other potentially important topics and further advance the capacity-building program.

The REI CBNI ROO program is as follows.

- **Lead Economy:** Republic of Korea
- **Participating Economies:** Open to all APEC member economies including Chinese Taipei, the Philippines and Papua New Guinea
  - Participation of all member economies is encouraged.
- **Course Area:** Rules of Origin (ROO) and ROO-related Customs Procedure
- **Expected Attendants:** ROO-related officials or FTA negotiator
- **Objectives:**
  - Better understanding of FTA ROOs and customs administration
  - Enrichment of relevant knowledge and expertise
  - Contribution to participating economies' government policies and guidelines
  - Enhancement of capacity in managing origins and customs
- **Date (Tentative):** TBD
- **Host:** MOFAT (Ministry of Foreign Affairs and Trade)
- **Organizer:** KIEP (Korea Institute for International Economic Policy)
  - The Korea Institute for International Economic Policy (KIEP) is a government-funded economic research institute. It is a leading institute concerning the international economy. KIEP has been designated by the government as its Center for International Development Cooperation and the National APEC Study Center. For further information on KIEP, please visit its website at [www.kiep.go.kr](http://www.kiep.go.kr).
  - This program will be operated in collaboration with KCS (Korea Customs Service), KORCHAM (Korea Chamber of Commerce and Industry), KCBA (Korea Customs Brokers Association), and Incheon Airport Customs.
- **Financial Support:** Travel expenses (such as airfare and accommodation) for one participant per travel-eligible economy will be supported.

## Draft Agenda

Day	Category	Time	Session	Program
Day 1	FTA and ROO	09:30-		Welcoming Session
		10:00-	<b>Session 1</b>	<b>General Understanding on FTA Rules of Origin - Discussion on Harmonization of ROOs</b>
		11:15-		Coffee Break
		11:30-	<b>Session 2</b>	<b>Characteristics of APEC FTA ROOs</b>
		12:45-		Lunch
		14:00-	<b>Session 3</b>	<b>ROO System of Participating Economies</b>
		16:00-		Coffee Break
		16:15-	<b>Session 4</b>	<b>Utilization of WebTR</b>
		17:30-		Wrap-up Discussion and Satisfaction Questionnaire
		18:00-		Dinner
Day 2	FTA Implementation and ROO	09:30-	<b>Session 5</b>	<b>C/O (Certificate of Origin) Issuance System</b>
		10:45		Coffee Break
		11:00-	<b>Session 6</b>	<b>Origin Verification Process Cases</b>
		12:15-		Lunch
		13:45-	<b>Session 7</b>	<b>Supporting Systems for FTA and ROO</b>
		15:00		Coffee Break
		15:15-	<b>Session 8</b>	<b>Cases of Origin Management System in the Private Sector</b>
		16:30-		Wrap-up Discussion and Satisfaction Questionnaire
		17:30-		Dinner
Day 3	Field Trip	09:00-		<b>On-site Visit to the Seoul Main Customs</b>
		12:30-		Lunch