

Improving APEC's Coherence

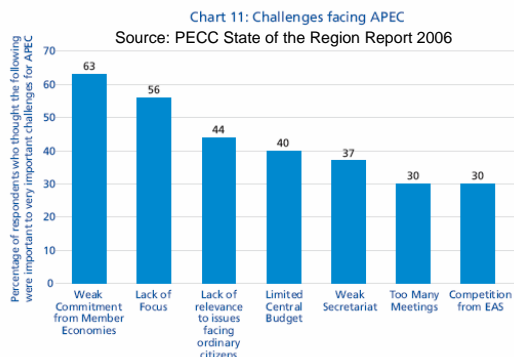
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APEC Study Centre Network Conference for APEC 2007
11-12 December 2006, Melbourne, Australia

Introduction

- APEC has lost much of the momentum it experienced in the 1990s
- Economic Leaders Meeting in 2006 reaffirmed that reform is a high priority in APEC
- Pacific Economic Cooperation Council (PECC) study highlighted the major challenges facing APEC today:



Management Reform

- Turnover of Executive Director position leads to little institutional memory
- Increase in number of APEC committees, fora, and meetings
- Recommendations:
 - Appoint an Executive Director for fixed term
 - Add a support unit of experts to the Secretariat
 - Give Secretariat formal agenda-setting role
 - Increase resources to add staff to Secretariat

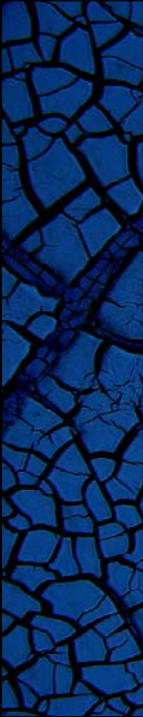
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Project Evaluation & Management

- Recent improvements in project evaluation:
 - Quality Assessment Framework
 - increased delegation to BMC
 - sunset clauses
 - reviews of terms of reference
- Approval process is still time-consuming and most projects allocated less than US\$300,000



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Project Evaluation & Management

- Recommendations
 - Increase coordination between committees to ensure projects conform to APEC goals
 - Design projects as models to be replicated in order to increase their impact

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Product Reform

- ECOTECH and TILF are the two pillars of APEC
- Human capital is a crucial area where APEC should be doing more
- Human Security issues covered by a number of groups: Counter-Terrorism Task Force, Health Task Force, Virtual Task Force on Emergency Preparedness, and the Energy Working Group

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Product Reform

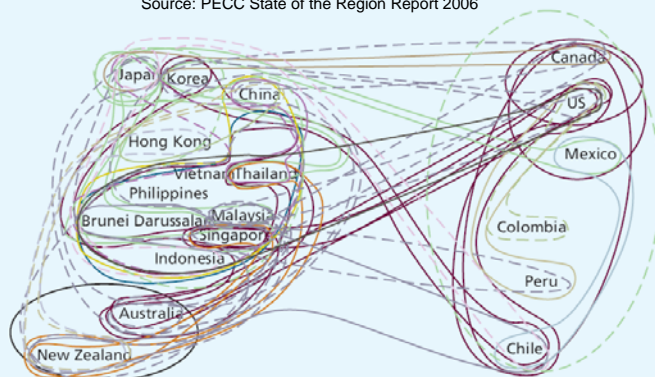
- Recommendations
 - Increase funding options for ECOTECH
 - Give greater emphasis to substance in the Human Resources Development Working Group through increased participation of civil society
 - Develop procedure for enhanced cooperation among the many subfora working on human security



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Free Trade Agreements

The Asia Pacific Noodle Bowl
 Source: PECC State of the Region Report 2006



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| <p>In Force:</p> <ul style="list-style-type: none"> — Closer Economic Relations — Free Trade Agreement — Free Trade Area — Economic Partnership Agreement — Closer Economic Partnership — Framework Agreement on Comprehensive Economic Cooperation | <ul style="list-style-type: none"> — Closer Economic Partnership Arrangement — Free Trade Agreement on Agricultural Produce — Free Trade Agreement — Strategic Economic Partnership — Trade Promotion Agreement — TLC — Trade and Investment Framework Agreement | <p>Under Negotiation:</p> <ul style="list-style-type: none"> — Free Trade Area — Comprehensive Economic Partnership — Free Trade Agreement — Economic Partnership Agreement — Comprehensive Free Trade Agreement — Closer Economic Partnership — Trade Promotion Agreement |
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Free Trade Agreements

- Proliferation of free trade agreements in Asia-Pacific has created “spaghetti bowl effect”
- Developing capacity-building programs and new model measures
- Increased transparency through reporting on IAPs and CAPs
- Recommendation
 - Create a stronger review process by independent experts to evaluate the compatibility of new FTAs with model measures and APEC goals



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Stakeholder Relations Reform

- APEC Business Advisory Council (ABAC)
- Increased transparency through APEC Information Management Portal
- Academic research community participates through APEC Study Centres Consortium
- Recommendations
 - Establish a more effective mechanism for Assessing ABAC recommendations
 - Increase interaction between APEC and the academic research community
 - Clarify guidelines for non-member participation

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Financial Reform

- Current contribution levels are not enough to sustain the planned level of APEC projects
- Specialized funds including TILF account and APEC Support Fund have a small number of contributors



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Financial Reform

- Recommendations:
 - Increase member contributions in 2007 onward
 - Encourage contributions to TILF and APEC Support Fund
 - Redirect funds from meetings to projects that advance APEC goals and to enhancing the Secretariat

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Conclusions

- APEC has made gradual progress toward reform on a number of fronts
- Together, these recommendations in management reform, project evaluation and management, product reform, FTAs, stakeholder relations, and financial reform will help forge APEC into a coherent and lasting institution
- Questions?