



**Asia-Pacific
Economic Cooperation**

Independent Assessment of the Small and Medium Enterprises Working Group

SOM Steering Committee on Economic and
Technical Cooperation

September 2011

APEC Project SCE 02/2010

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APEC#211-ES-01.4

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Executive Summary

APEC's SME Working Group (SMEWG) is a sub-group of the Steering Committee on Economic and Technical Cooperation (SCE) and has an important lead role in developing priorities and APEC projects that will strengthen SMEs throughout APEC's member economies. SMEs, including micro-enterprises (MEs), are now recognised as an important driving force for economic development, innovation and job creation. The work of SMEWG reflects the economic importance of SMEs in achieving sustainable economic growth and prosperity for all member economies. This independent assessment of SMEWG has examined the effectiveness of the role of SMEWG in achieving the goals of APEC and the objectives and priorities of SMEWG.

To undertake the assessment a combination of methods and work has been undertaken including consultation with economy key representatives from SMEWG; direct and participant observation which included observation of the 32nd SMEWG plenary meeting held at Big Sky, Montana in May 2011. Work undertaken has included analysis of a selection of SMEWG APEC projects, their design, development, associated activities and outcomes. A review has been undertaken of the project development process including concept notes, APEC project guidelines and the Quality Assessment Framework (QAF). An important point to note is that in completing the analysis that form this assessment, many of the costs and benefits from participating in SMEWG and cooperation are not possible to calculate because they are based on voluntary effort and participation, trust and consensus building and are, hence, often intangible and accrue from the sharing of information and experience at a number of levels.

The main benefits from SMEWG were found to be in indirect outcomes and impacts on member economy SMEs rather than directly with SMEs. The main activities are focused on workshops, symposia and other meetings which provide the basis for sharing knowledge, experience and learning across member economies. In achieving this exchange of information, members are able to share understanding of issues faced within each economy, to build consensus and use the APEC experience to build knowledge into domestic support programmes for SMEs. Although there are direct impacts on SMEs, these are more limited, are often subjective, such as learning from participation in workshops, and difficult to assess.

Following the development of its Strategic Plan 2009-12; SMEWG can be considered to have made good progress towards achieving consensus on priority areas, although across the six priority areas, progress has been more variable with projects focused more on focused on building management capability and market access and internationalisation than with others and no projects have been developed that specifically target sustainable business practices. However, Identifying progress against the six priorities, merely by identifying SMEWG projects, can be misleading for measuring effectiveness. Outcomes need to be assessed against KPIs and as many impacts of projects are indirect, real progress is difficult to assess.

The nature of the diversity of APEC economies means that some APEC projects will have greater value outcomes to some economies than others. For example, the importance of

MEs and 'high growth' SMEs will vary between different economies, although there are potential benefits to all economies to 'learn from experience', such as, for example, the role of MEs and SMEs in disaster recovery. The role of SMEWG as vehicle for sharing experience in such priority areas is invaluable. However, often the design of projects is compromised by their limited time scale and the approval process. The introduction of concept notes has been a significant improvement in this process, this has improved the quality of projects, but there is still scope for a greater focus on a reduced range of SMEWG priorities, more in-depth projects, perhaps from collaboration with other APEC fora and where feasible, multi-year projects. More evidence-based projects could be developed, particularly if it is feasible to overcome the challenges of providing APEC SME statistics alongside the APEC statistics portal (<http://www.statistics.apec.org>)

Full findings and conclusions can be consulted in the main report. The work of SMEWG has been effective in achieving the indirect benefits mentioned above. However, the role of SMEWG could be strengthened and made more effective through the following measures which form the main recommendations of this report.

RECOMMENDATIONS TO STEERING COMMITTEE ON ECOTECH (SCE)

- The funding and approval process for APEC projects should be reviewed. The project guidelines provide a sound set of principles to guide project development, however, the standard project cycle time, of 12-18 months compromises the design of good in-depth projects of quality. The current budgetary and funding process that establishes separate APEC funds with budgets from year to year may limit such developments, but the introduction of a facility for multi-year projects is welcome. Whilst I recognise that this may lay outside the terms of reference for SCE (and more within responsibility of BMC), APEC should consider ways in which longer term projects could be established across all member economies on key economic themes such as innovation and technology-based SMEs.
- Although I recognize again that the evaluation process lies within the responsibility of BMC, the quality assessment framework (QAF) is front-loaded. SCE may wish to examine ways in which a selection of highly ranked projects could be probably evaluated and lessons learned. Although APEC does provide lessons from previous assessments, these focus on areas such as communication and administration of projects. A more systematic evaluation of outcomes could enable identification of 'good practice' projects.
- APEC has a large number of working and sub-groups and there is some danger of duplication of effort on some key APEC themes, but there are also opportunities for closer working and integration of such groups especially through joint projects. For example, between SMEWG, GFPN, HRDWG and EPG, although there are exceptions such as the Women's Entrepreneurship Summit meetings. Such integration and project developments may require greater guidance and facilitation by SCE.
- Projects are currently developed in somewhat of an evidence vacuum. It is recognized that there are large difficulties and challenges to the collection of SME statistics across the 21 diverse economies of APEC because of differences in the importance and definitions of micro, small and medium-sized enterprises. It is understood that work has been undertaken previously by the PECC to develop SME profiles, following earlier work by Malaysia, which was not taken further because of such difficulties. Feedback on the initial draft of this final report suggested that the PSU may be able to provide assistance to enable the development of a framework that allows the collection of SME statistics. If progress could be made on this issue it would be valuable to all member economies and provide additional benefits beyond that of an evidence base for project development. Therefore, it is recommended that at least the potential for an initiative should be examined.

- .APEC is a unique international organisation and has made strong progress in achieving its primary goal of sustainable economic growth. Links seem to exist with the World Bank and as an affiliate of their Global Learning Development Network, but scope exists to strengthen and develop relationships with other international bodies such as the OECD and more independent bodies such as the Global Economic Forum

RECOMMENDATIONS TO SMEWG

- The current six priorities, of the current Strategic Plan, should be reduced along the lines developed in the 32nd SMEWG meeting at Big Sky, Montana, where two main themes provided the focus for discussion. The development of two to three overarching priorities will enable the focus of activities, the development of projects and the identification of outcomes that will benefit SMEs; collapsing priorities to the following three areas: Improving Business Environment; Market Access and Internationalisation and Building Management Capabilities may be considered.
- Many projects have been focused on sharing knowledge and experience with indirect outcomes for SMEs. A greater focus on projects that directly impact on SMEs would improve the nature of outcomes of projects. This could be through greater participation of SMEs directly in events, such as workshops and exhibitions. It is difficult to assess the effectiveness of projects and programmes when many outcomes are of an indirect nature. The sharing of practice and experience will always have a role, but the direct involvement of SMEs and integration of private sector business organizations, including ABAC, will assist the achievement of greater direct impacts on SMEs with longer lasting impacts. This focus could be reflected in the KPIs developed for the next Strategic Plan. Similarly, there is limited value in reporting 'gaps'. There may be more value in having deeper and longer projects on a limited focus rather than trying to develop projects that cover a wide range of priorities and themes.
- Some projects have limited member participation (through for example 'travel eligible' economies). A focus on a smaller number of priorities and the development of deeper and multi-year projects should encourage more economy participation in projects and hence impacts and effectiveness across the APEC region.
- The twice yearly plenary meetings rely on the role and effectiveness of the Chair and support from the APEC Secretariat. The agenda is inevitably large and could benefit from greater focusing of key or 'starred' items for discussion and non-starred items for information. The break-out sessions at the 32nd meeting served a useful purpose for focusing discussion and identifying priorities that can be taken forward inter-sessionally.
- The development of links with other APEC fora, especially with ABAC, but also with GFPN, HRDWG, and EPG is welcome and should be intensified where possible. If joint projects could be developed, for example with the HRDWG and with EPG this would help to strengthen the quality of projects, their outcomes and their impacts.

ACKNOWLEDGEMENTS

The author is grateful for assistance provided by the APEC Secretariat and to the commitment of key respondents and SMEWG representatives who were willing to set aside time for consultation and provide detailed responses.

Introduction

This report provides an independent assessment of the effectiveness of the work of APEC's SME Working Group (SMEWG). SMEWG is a sub-group of APEC's Steering Committee on Economic and Technical Cooperation (SCE). It is one of a number of (currently) 14 working groups of SCE. SCE coordinates and manages APEC's economic and technical cooperation. It is worth bearing in mind that APEC operates on principles of cooperation and the building of consensus by member economies through the trust and voluntary work undertaken by their representatives. Hence, the work of SMEWG is undertaken in a similar spirit of cooperation, trust and consensus. The voluntary nature of much of the work of APEC economy representatives means that the full cost of much of the project work cannot be calculated, by the same token many of the benefits from cooperation are not possible to calculate because they are often intangible and accrue from the sharing of information and experience at a number of levels. These factors provide important principles for the working of all APEC's working groups, but they limit the extent to which a true assessment can be made of effectiveness of any individual working group such as SMEWG. Such limitations and should be borne in mind by the readers of this report. However, assessment can be made against a number of criteria which have been adopted for this project.

Criteria include assessment against the goals of APEC. The primary goal of APEC is to: "*support sustainable economic growth and prosperity in the Asia-Pacific region*". (APEC's Mission Statement, <http://www.apec.org>). This primary goal reflects the stated aims and priorities of APEC¹ which are to:

- to build a dynamic and harmonious Asia-Pacific community
- championing free and open trade and investment,
- promoting and accelerating regional economic integration,
- encouraging economic and technical cooperation,
- enhancing human security
- facilitating a favourable and sustainable business environment.

These have been developed from the guiding principles established by the Bogor Declaration in 1994 (APEC 1994, Appendix 1). Criteria also include assessment against the aims and objectives of SMEWG. SMEWG operates to ensure SMEs are supported to achieve the aims of APEC. The mission of SMEWG is stated in the Strategic Plan for SMEWG 2009-12 (APEC, 2008) as follows; to provide support and guidance for APEC economies to:

- Develop policy, business and regulatory environments that foster the growth and development of SMEs and micro enterprises (MEs).
- Build the management capabilities of all SMEs and MEs owners and managers.
- Strengthen the skills SMEs and MEs need to access international markets.
- Give special attention and support the creation and growth of youth, women and minority-owned SMEs and MEs.

¹ From APEC's website: <http://www.apec.org>.

SMEWG operates through policy dialogue, collective and individual actions and public-private partnerships to achieve SME internationalisation, capacity building and a business friendly environment for SMEs, which are monitored by 'SMART' KPIs. Six priorities have been identified in the SMEWG Strategic Plan. They are concerned with;

- Business Environment
- Building Management Capability and Promoting Entrepreneurship
- Market Access and Internationalisation
- Innovation
- Financing
- Raise Awareness of Sustainable Business Practices

A further cross-cutting theme is identified within every priority on Youth, Women and Minorities.

The work of SMEWG reflects the economic importance of SMEs in achieving sustainable economic growth and prosperity for member economies. It has become increasingly recognised that SMEs have become an important driving force for economic development, innovation and job creation. The OECD has stated that (OECD, 2005, page 16):

“SMEs and entrepreneurship are now recognised worldwide to be a key source of dynamism, innovation and flexibility in advanced industrial countries, as well as in emerging and developing economies” and more recently (OECD, 2011, page 14): *“In recent decades this recognition has accelerated with policy makers in many countries and international organisations explicitly recognising the importance of entrepreneurship (and SMEs)”*..

SMEs are important in all economies. With 21 member economies, APEC has a wide diversity of economies, yet across the region it is claimed that SMEs account for 90% of all businesses and employ are responsible for up to 60% of employment (<http://www.apec.org>). This assessment utilises the six priority areas and assesses the effectiveness of SMEWG against the goals of APEC including those encapsulated in the Bogor Declaration and the progress that SMEWG has made in the six priority areas.

The remaining sections of this final report cover the terms of reference, methods and work undertaken, a review of projects and documents database, some comments on the quality of projects, findings from observation and consultation. The report makes conclusions within the spirit of cooperation and consensus building and finally makes key recommendations for consideration by SMEWG and APEC's Steering Committee on Economic and Technical Cooperation (SCE).

Terms of Reference

The terms of reference (TOR) for the assessment are summarised here, but can be examined in full in Appendix 2. The TOR were extensive and included:

- A review of SMEWG's meetings, projects, activities and their outcomes,
- A review of whether SMEWG is operating effectively and efficiently including the SMEWG's terms of reference,
- Whether SMEWG is able to respond to established APEC priorities by Ministers and Leaders,
- Reviewing links and cross-over with other APEC fora and the potential for wider collaboration with non-APEC groups;
- To consider whether gender can be given greater consideration.

This assessment has been undertaken broadly against the criteria which were outlined in the previous section. As indicated in the introduction is not possible to give fully objective assessments in all the areas in the TOR. Some areas, such as the assessment of "on the ground" impacts on SMEs in member economies is difficult to achieve in any rigorous way and cannot be properly evaluated without impact data on SMEs. However, valuable subjective material has been collected from the consultation from key contacts with a number of economies (both developed and developing economies) and where possible, a *subjective assessment* of the value and impacts of APEC SMEWG projects "on the ground" is indicated. To this extent, the review has been undertaken in a robust a manner as possible within the limitations which were discussed in the introduction.

Consideration is given in the report to some of the processes involved in the development of projects, further some subjective comments are made on the quality and range of projects. The broad working of SMEWG has been reviewed in line with the TOR including the administration of plenary meetings and the effectiveness of the working of the Group Further comments are made on the strength of links to other APEC fora and to non APEC organisations, A review of progress against SMEWG priorities has been undertaken and views assimilated from key contacts and representatives of member economies.

Two sets of recommendations are developed from this assessment in line with the TOR. These are intended to provide action points for consideration by SCE and by SMEWG

Methods Employed and Work Undertaken

The review of the operation of SMEWG has been undertaken over the past five months and has involved all of the following methods.

- An interrogation of APEC's project database to review projects developed by SMEWG from 2006, the last time that an independent assessment was undertaken of SMEWG
- An analysis of projects against the criteria of APEC's goals and the six priority themes as outlined in SMEWG's Strategic Plan
- A review of the costing of projects against their outcomes
- A review of the process of developing APEC projects by SMEWG representatives, including concept notes and the ranking by SCE
- A review of APEC's meeting document database and agendas for SMEWG plenary meetings
- Observation² of, and participation in, the 32nd SMEWG plenary meeting at Big Sky, Montana USA, in May 2011 which was a requirement of the independent assessment.
- Observation and participation in SMEWG workshops held at Big Sky including workshops on Business Ethics, trade and Green Growth
- Consultation undertaken with key representatives on SMEWG from member economies. Just over half of the member economies have been included in the consultation process as shown in table 1. Given differences in time zones across the Asia-Pacific region (for example, Mexico is 17 hours behind New Zealand) and finding time to arrange consultations, a consultation rate of over 50% was considered to be good coverage of member economies. The responses include an equal proportion of developed and developing economies. Where phone interviews were able to be undertaken, the consultation covered a full range of issues on the working of SMEWG, experiences and value from APEC projects
- The consultation was assessed as low risk and followed Massey University's ethical guidelines for conducting the assessment
- Liaison with APEC's Secretariat on the interrogation and analysis of the project database
- The Secretariat has involved me in the communication that takes place on the development and finalisation of projects. For example, through notices of workshops, symposia, calls for experts and for comments on documents such as project final reports.

Table 1: Key Contacts Established and Consultation Undertaken

	No of Economies	No of Contacts*
Key contacts established	20	30
Interviews and consultancy undertaken	12	14
*Includes ABAC representative		1

² The Assessor was also invited as an expert speaker for a Symposium on Trade Liberalisation, an APEC SMEWG project, during the period of the Independent Assessment. It was agreed there was no conflict of interest

Review of APEC's Database of Projects and Documents

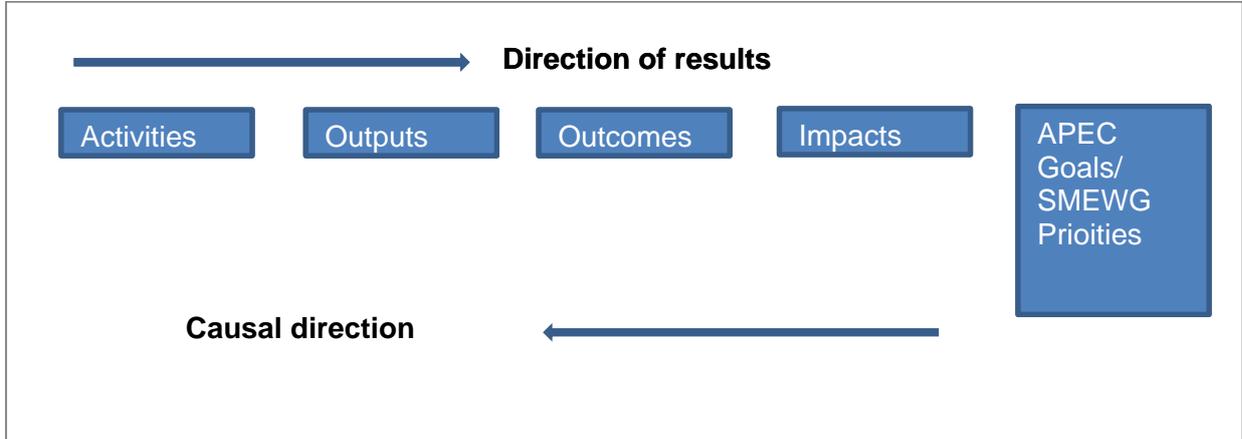
INTRODUCTION

The development of APEC projects can be regarded as the principal means with which member economies seek to achieve the goals and priorities established by SMEWG. Indeed according to APE's website³ they are vital to achieving outcomes that are consistent with policy directions indicated by Ministers and Economic Leaders:

"Projects are a vital part of the APEC process. They help turn APEC Ministers' and Economic Leaders' policy directions into actions and create real benefits for people living in the Asia-Pacific region."

APEC provides proposal development materials which assist and provide guidelines on developing projects. The documentation indicates features of model proposals, the criteria applied to judge project quality and a process-based causal model to guide the development of proposals and hence projects. (APEC, 2011a Developing APEC Project Proposals). The causal model employed links activities planned in developing a proposal to APEC goals as indicated in Figure 1

Figure 1: APEC Projects: Causal Model Outline



Source: Developing APEC Project Proposals: Proposal Development Materials, APEC, 2011

In principle, the APEC projects as developed by member economies of SMEWG, provide the means by which the primary goals of APEC, the aims and objectives, the Bogor Goals and the priorities of SMEWG, as discussed in chapter 1 of this report, are translated into action via the activities such as workshops, symposia, research studies and other activities.

³ <http://www.apec.org>

The project approval process is, therefore, the principle means by which APEC is able to monitor and control the quality of projects, hence evaluation tends to be an *ex ante* process, although end of project reports indicating outcomes are required. Further comment is made below about the Quality Assessment Framework. The funding of APEC projects also affects the design and development of proposals. APEC projects are funded by one of three funds:

1. Operational Account
This is formed from members' annual contributions and so will vary from year to year.
2. Trade and Investment Liberalisation and Facilitation Account (TILF)
This is formed from specific member contributions and targeted at reducing barriers to free trade and investment.
3. APEC Support Fund (ASF)
This is formed from specific contributions from member economies and is targeted at common special issues such as human security, pandemics and energy efficiency. The ASF is comprised of a General Fund and three sub-funds targeted at specific ECOTECH priority themes.

The nature of APEC funds means that projects are required to be developed and implemented within two year planning horizon. There is an important implication for the design of projects. Generally, APEC projects are designed, developed and implemented over two APEC financial years; if a project is developed in one year it must be completed by 31 December the following year (APEC Project Guidebook, APEC 2011b). The project timescale is described as having five discrete stages as indicated is follows:

Stage 1: Development and Submission of Concept Note

Stage 2: Assessment of Concept Note Priority—in principle approval from BMC or reject

Stage 3: Full Project Development

Stage 4: Project implementation

Stage 5: Project Completion

There is a final (sixth) stage with the submission of project completion report by the sponsor economy's project officer.

The Stage 1 Concept Note has been an important development introduced by APEC's Business Management Committee (BMC) since 2010. This has allowed the development of 'in principle' projects, so that 'in principle' approval can be given, allowing the sponsoring economy to develop the project fully and in more confidence.

SOME GUIDING PRINCIPLES

In theory it is worth noting that APEC Funds, for the most part, represent public sector funds donated or subscribed by member economy governments and represent scarce resources. As such they will have a public opportunity cost for that member's economy and it is important that APEC projects represent value for money. Part of that opportunity cost may represent a lost opportunity of direct support for SMEs within a member's own economy It is

important, therefore, that projects demonstrate benefits to SMEs throughout the APEC region.

Where work has been conducted on the evaluation of SME projects and government policies with SMEs, it has been largely demonstrated that targeted, in-depth policies (such as sector specific, skill development with selected SMEs) are more valuable than 'broad brush' policies that may be less discriminate and attempt to target all economy SMEs (Mole, Hart, Roper, and Saal, 2011)

As well as meeting APEC goals, objectives and SMEWG priorities; APEC's own published criteria include relevance, effectiveness, efficiency, impact and sustainability (APEC, 2011a, Developing APEC Project Proposals). Sustainability is an important issue when projects are restricted to be completed within two financial years, this limits the design of initial projects, which might require further development and submission in 'phases' for completion. Sustainability should mean that projects have lasting impacts on SMEs and the private sector. In principle, projects should be designed so that their impacts lead to further developments, learning and improvement in the environment for SMEs in economies. As part of the project guidelines, APEC provides indicative "common" features of 'model' proposals (APEC, 2011b), sustainability of projects is mentioned, but only in relation to the development of strategies; that policies should: "Include strategies to support the sustainability of projects"

A further issue is that policies to support SMEs need to be evidence-based. It is arguable that APEC SME projects have been developed in somewhat of an evidence vacuum For example, at a discussion at the 31st SMEWG meeting (Gifu, Japan, September, 2010), at a briefing on the APEC Statistics Portal for SMEWG members, several issues were raised; these were that whether the portal could include information on the following:

- The inclusion of indicators such as the number of SMEs in each economy;
- A comparison of current SME definitions across APEC economies;
- A comparison of SME data for APEC regions with SMEs in other regions, for example OECD economies;
- Provision of data for non-APEC regions; and
- Improving the accuracy of the data source

Definitions of SMEs vary across the Asia-Pacific region and there is no single, internationally accepted definition of a small firm. The reason lies within the heterogeneity of the small firm sector. Small firms can be found across all industry sectors, in different sizes i.e. non-employing and employing and a varying degree of turnover i.e. from part-time businesses and/or lifestyle businesses to high-growth businesses. Further, small firms operate within different legal structures i.e. sole trader, partnership or limited liability company (Cameron and Massey, 2003). The most commonly used measure to define small firms is the number of people employed by the firm. Despite the internationally shared measure of number of employees, the thresholds vary across countries reflecting different economic conditions. For example, a SME can be defined as below 500 employees in the USA compared to below 20 employees in New Zealand. The variation in appropriate sizes of SMEs for different economies is one issue, but the lack of data to make valid comparisons is a further issue that limits cooperation and consensus building on policy and the development of APEC projects.

ANALYSIS OF APEC SME PROJECTS

A detailed analysis has been undertaken of APEC projects developed by SMEWG⁴. A summary of projects from 2006 is provided in Appendix 3, containing brief summary information on projects, their costs and principle outcomes. It was considered appropriate to include projects back to 2006 which is when the last Independent Assessment was undertaken by the assessor, Lincoln Young (APEC, 2006). It should be noted that this was before the development of SMEWG's Strategic Plan 2009-12 and development of the six priority areas. There have since been mid-term progress reports at SMEWG plenary meetings which have given assessments of progress against SMEWG's identified priorities.

For those projects that could be analysed, table 2 gives a summary of costing and the number of co-sponsoring economies, although the figure indicated for the costing of projects may not have been the final funding or approved figure. Of course, for 2011, there is a further funding round to be undertaken. The table is based upon a search of APEC's project database and from information provided by the Secretariat⁵. Very broadly it can be seen that the number of SMEWG projects has varied from year to year, although the trend has been upward. The average APEC project cost has also shown a small upward trend. This may reflect an increase in the size of projects as there has been a complementary increase in the number of co-sponsoring economies, indicating an increase in participation, which is commented on in the next section.

The nature and design of projects is in part due to the approval process and the biennial timescale imposed on projects which means that the majority of projects are targeted on sharing best practice in workshops or symposia, collecting information, and 'the production of best practice guides. The limited timescale for most projects means that what can be achieved in a 12-18 month time horizon is necessarily limited. In some cases projects are developed in phases over time, an example being the series of "Ease of Doing Business" projects developed by New Zealand. Over a number of years these have enabled the collation of practice into a Best Practice Guide that has recently been produced as an outcome (APEC, 2011c).

⁴ The projects analysed represent those that could be found from a search of APEC's database, it has not been possible to check whether all projects have been included in this analysis.

⁵ At the time of writing the accuracy of this information has still to be verified and does not include projects that impact on SMEs, but are developed by other APEC working groups and fora.

Table 2: SMEWG APEC Projects Summary Information of Project Costing (USD)

	2006	2007	2008	2009	2010	2011*
SMEWG projects	7**	9	6**	14**	10	6
APEC Project cost	\$449,325	\$693,791	\$304,816	\$1,002,072	\$874,544	\$537,726
Total Project cost	\$1,180,850	\$1,544,062	\$581,361	\$1,682,821	\$1,759,118	\$937,948
Average APEC cost	\$74,888	\$77,088	\$60,963	\$77,082	\$87,454	\$89,621
Average total project cost	\$168,693	\$171,562	\$96,893	\$129,447	\$175,912	\$156,325
Number of co-sponsoring economies***	17	26	22	40	37	31
Average no of co-sponsoring economies***	2.4	2.9	3.7	2.9	3.7	5.2

Notes:

1. *2011 Projects to date
2. ** Includes self-funded project;
3. ***Omitting self-funded projects
4. This table does not include other related projects that may be developed by other APEC working groups or fora, such as the Women's Entrepreneurship Summit

Participation

Included in table 2 is the number of co-sponsoring economies associated with the development of SMEWG projects. While this in itself does not indicate a criterion related to quality of projects, nevertheless it could be seen as an important indicator of the extent of cooperation and consensus building in the workings of SMEWG. There has been an increase in the number of co-sponsoring economies through to 2011 with more projects yet to be approved in 2011. This is encouraging at least as an indicator that there are more member economies that are engaged directly in the development and (presumably) to the commitment of participation in APEC SME projects.

It is more difficult to judge *actual* participation in projects. It is worth bearing in mind that APEC is unique as a vehicle for economic cooperation in containing members who have very diverse and varied economies and of course all economies with different needs regarding the promotion and development of SMEs. For example, in some developing economies, the needs and activities of micro enterprises will be more important than in some developed economies. Given the principles of cooperation, building consensus across such diverse economies is a challenge. It can only be expected that some economies will share more interest and have more in common than others. This is probably reflected in the range of co-sponsors for an individual project. Member economies, of course, vary in size and the extent to which resources can be devoted to participation in APEC will also vary considerably.

A list of APEC members and their participation as either sponsor or co-sponsor since 2006 is included for information in table 3. A similar table was provided for the 2006 Independent Assessment, (APEC, 2006). However, it is included here for information rather than comment. Please note this table is meant to be indicative only. Participation of an economy as a champion for one of the six priorities from SMEWG's Strategic Plan 2009-12 is indicated later in table 6.

Table 3⁶: APEC Member Economies and Participation as Sponsors of SMEWG Projects Since 2006

APEC Member Economy	Sponsor	Co-sponsor
Australia	2	8
Brunei Darussalam		6
Canada	6	8
Chile	1	4
China		2
Chinese Taipei	6	19
Hong Kong China		5
Indonesia	3	11
Japan	3	9
Republic of Korea	6	5
Malaysia	1	12
Mexico		21
New Zealand	7	3
Papua New Guinea		3
Peru	3	16
Philippines		5
The Russian Federation		1
Singapore	2	7
Thailand	1	17
USA	11	6
Viet Nam	3	2

Notes:

1. Not including self-funded projects
2. Not including SMEWG Strategic Plan

In the 2006 SMEWG Independent Assessment which covered the previous ten year operating period for SMEWG (1996 to 2005), a comment was made that (APEC, 2006, page 22):

“The more industrial economies have sponsored more projects than the less industrial economies by a ratio of about 2:1”.

It is noticeable that in comparison from 2006 to 2011 there has been a much more even spread of participation as either sponsor or co-sponsor across both developed and developing economies.

⁶ This table is indicative only and does necessarily indicate participation

Activities

APEC projects may also be classified into a range of activities. These give an indication of the nature of projects as well as some indication of their variety. It is not, of course, a proxy for outcomes but rather gives an indication of the nature of the focus of some of the work that results from SMEWG's sponsored projects. The activities are indicated in table 4 and, again these are indicated from 2006, the last time that an independent assessment was undertaken. It should be noted that some of these activities may be combined within one project. For example, a survey or research study may be undertaken with member economies as well as a follow-on workshop or seminar to disseminate and discuss findings.

Table 4 Activities Associated with SMEWG's APEC Projects

	2006	2007	2008	2009	2010	2011
Workshops, Symposia and Conferences/exhibitions	5	7	4	11	5	6
Best practice study/building database	2	2		1	4	2
Training programme		1		2		
Mentoring/internships				1	1	
Accreditation				1		
Strategic Plan			1			

Notes:

1. Some projects include several separate activities, so this table cannot be compared directly with table 2 on project costing

Most of the projects are targeted at SME intermediaries or policy makers and trainers rather than directly at SMEs, although there one or two notable exceptions such as SME-based conferences, fairs and exhibitions. Workshops may invite SME representatives, entrepreneurs as speakers and have participants, but they are not directly targeted at SME constituent members. Instead most projects rely upon the sharing of experience and the sharing of information on 'best practice'. For impacts on SMEs, projects rely upon further dissemination through policy developments of the development of support programmes resulting from member participation in such workshops or symposia.

SMEWG's Strategic Plan 2009-12

As mentioned in chapter 1 of this report, SMEWG's Strategic Plan 2009-12 (APEC, 2008) identifies six priorities. They are concerned with;

- Business Environment
- Building Management Capability and Promoting Entrepreneurship
- Market Access and Internationalisation
- Innovation
- Financing
- Raise Awareness of Sustainable Business Practices

A further priority is a cross-cutting theme that could be achieved through each priority:

- The cross cutting theme: Youth, Women and Minorities.

SMEWG has a number of objectives which include the following:

- The provision of opportunities to exchange information, views, experiences and analyses concerning SME, ME and internationalisation-related issues in the APEC region, with a particular emphasis on sharing best practice initiatives.
- The taking of action on the recommendations of the SME Ministerial Meeting as well as direction from Leaders and Ministers that relate to SMEs, MEs and internationalisation issues, as well as other SME, ME or internationalisation-related recommendations that arise within the APEC process.
- Provides recommendations to the SOM on ways to coordinate and prioritise the various SME, ME and internationalisation-related activities within the APEC process.
- Ensures that its work is practical and focused on improving the climate for entrepreneurs within and among member economies (for example by working closely with business/private sector bodies).
- Works closely with other APEC fora, including the APEC Business Advisory Council (ABAC), the Gender Focal Point Network (GFPN) and Telecommunications and Information Working Group (TEL); and organizations such as the Women's Leaders' Network (WLN) and the Organization of Economic Cooperation and Development (OECD), where their activities are closely related and there is mutual benefit.

The Strategic Plan was developed following the previous Independent Assessment of SMEWG in 2006. As can be seen from the summary of projects in Appendix 3, it was implemented via approval of a project (SME/2008/01) and it was approved at the 27th SMEWG Plenary meeting at Chiclayo, Peru, 2008 and endorsed by SME Ministers at their Ministerial Meeting at Chiclayo (2008). Therefore, it would be appropriate to assess progress since 2009 against the aims and objectives of the Strategic Plan.

The Strategic Plan has been valuable for focusing the work of SMEWG and as means for monitoring progress and measurement of the achievement of objectives of SMEWG and the goals of APEC. It has helped to achieve one of the principles of effective SME policy which is to have targeted policies with a clear focus with depth rather than breadth (Mole, et al 2011). Progress reports on projects and activities against the priority areas of the Strategic Plan have been discussed at SMEWG meetings (APEC document database). These have included a Mid Term Report provided at the 31st SMEWG Plenary Meeting at Gifu, Japan (31st SMEWG, APEC, September, 2010).

The Mid Term Report (APEC, 2010) provided information on SME APEC projects which had been embarked on since the approval of SMEWG's Strategic Plan, against the six priority themes. This information has been up-dated as far as it is possible to do so in table 5⁷ by the inclusion of 2011 projects.

⁷ At the time of writing the accuracy of this table has still to be checked against the records of the APEC Secretariat

Table 5: Number of SME APEC Projects and the SMEWG Six Priority Themes

	From Project Database	Mid Term Report	Report by Champion Economies**
1. Business Environment	5	5	9
2. Building Management Capability and Entrepreneurship	10	5	6
3. Market Access and Internationalisation	8	8	8
4. Innovation	6	6	2
5. Financing	2	4	4
6. Sustainable Business Practices	0*	0	0

Notes:

1. Projects categorized from 2009 to 2011 only.
2. *Projects associated with the Green Growth Agenda and Daegu Initiative have been allocated to the Innovation priority theme
3. The allocation of projects in this table is rather arbitrary and some will projects will achieve outcomes across more than one priority theme.
4. **Includes some projects from 2008 and discrepancy accounted for by inclusion of projects that cover additional themes (such as the Ease of Doing Business projects).

As indicated in the notes to the table, this needs to be interpreted with some care and is only meant to be an indicator of activity against themes. For example, a project such as SME Capacity on Managing Risks Associated with Trade Liberalisation (APEC Ref 2010/06/T) could be considered to warrant allocation to both the second and third priority themes of building management capability and market access. However, the main implication still holds that of the six priority themes (and as reported in the Mid Term Report to SMEWG), most projects could be considered to fall into the middle three themes, although there will be some overlap with Business Environment.

Table 6: Champion Economies and the SMEWG Six Priority Themes

Business Environment	Malaysia, Mexico
Building Management Capability and Entrepreneurship	Chinese Taipei, Thailand
Market Access and Internationalisation	China, Singapore
Innovation	Korea, Peru, USA
Financing	Indonesia, Japan
Sustainable Business Practices	No economy appointed

SMEWG also has Champion Economies allocated against the priority themes. These Champion Economies are indicated in table 6. The role of Champion Economies is to take the lead on developing projects associated with a specific theme, work with APEC partners as sponsor and co-sponsor and to develop KPIs associated with each theme. The table is provided for information. There is no champion for the sixth priority on Sustainable Business Practices. Champion Economies were able to report on progress against the priority themes

at the 31st SMEWG Plenary meeting in Gifu, Japan. In some cases 'gaps' were identified to indicate areas that potential projects could be developed (APEC 2010, September).

Although the identification of gaps in project development is considered to be useful, it is necessary to bear in mind the APEC principles of cooperation and consensus building upon which progress and the development of successful projects depends. The reporting of projects and progress at the 31st SMEWG was useful for measuring progress against KPIs and indicating some of the outcomes of projects.

The process of monitoring and review progress against the priorities of the SMEWG Strategic Plan was continued at the 32nd SMEWG, but at this meeting the priorities were collapsed into two broad groupings for discussion in break-out sessions:

- Business Environment combined with Market Access and Internationalisation
- Building Management Capabilities and Promoting Entrepreneurship combined with Innovation and Financing.

Further comment is made in the next chapter on observation and consultation, but there was a large degree of divergence in some of the conclusions. Whereas one break-out session identified 24 'gaps' grouped into six areas, the other group reported no 'gaps', but did identify two broad issues for further development not in the current SMEWG Strategic Plan.

The SMEWG Strategic Plan 2009-12 has been valuable for the working group to focus projects, achieve consensus and monitor progress against KPIs. The next phase will be to build consensus on the next Strategic Plan through to 2015. A reduction or combining of priorities is appropriate. This will encourage the development of projects that have outcomes across a number of themes and priorities. Projects that target innovation and use of technology would be expected to improve management capability and in turn abilities of SMEs to internationalise and access markets.

SOME COMMENTS ON QUALITY OF PROJECTS

It is not possible within the current methodology to comment to any large degree on the outcomes and values of projects. Some projects appear to be more valuable than others and contain the potential for greater leverage. A small number of projects are self-funded. The focus for quality control has been introduced through the Quality Assessment Framework (QAF) process which is *ex ante*. Although this process is relatively rigorous, there is little if any *ex post* follow-up or analysis of the quality of outcomes of projects. Although projects have outcomes that can be identified it is difficult to determine if there is adequate access, dissemination and sharing of knowledge of the outcomes of projects.

Nature and Design of Projects

Projects are focused on workshops, seminars symposium and short-term training programmes as indicated in table 4. As indicated earlier, some of the beneficiaries are SME intermediaries rather than SMEs although there are some notable exceptions. Most are short term, one year or less and this is partly driven by the APEC approval process. This short-term nature of projects means that this compromises good design (encourages variable quality) and much time, administration and effort is spent on relatively short term and low value projects. There are many projects that are submitted in phases, notably the Trading

Across Borders projects which have been running as individual projects over a number of years. The move to introduce multi-year projects seems to this assessor as long overdue.

Although this is at risk of over-simplification, many projects can be seen as ‘train the trainer’ projects. They rely upon the trainer, mentor or policy maker to disseminate expertise, knowledge and ‘best practice’. Although some of this knowledge and expertise may be captured in some of the outcomes, such as CDs, best practice guides, end of project reports, etc; this still requires assimilation and dissemination which can be time consuming to interpret and disseminate. However, these comments should not be seen as detracting from the value of ‘best practice’ studies and guides where these are produced, they may well fill an important function when or where no other sources are easily available.

An example of a potentially valuable source document that has been compiled is the recently circulated draft Best Practice Guide on “Improving Business Regulation in APEC Member Economies”, representing the drawing together of experience from a series of projects on “Ease of Doing Business” As noted in the draft guide (page 5), the aim is to:

“help improve the regulatory environment for business in the Asia-Pacific region. It is a practical tool will assist regulators and administrators in APEC member economies. It builds on APEC’s tradition of collaborating and sharing knowledge to lift the quality of business regulations across the region”.

(APEC 2011c, SMEWG, *Best Practice Guide: Improving Business Regulation in APEC Member Economies vrs 1.0*)

Findings from Observation

From participant observation at the 32nd SMEWG plenary meeting held at Big Sky, Montana, USA, May 2011, comments and observations include that:

- SMEWG is effective at achieving good cooperative and consensus building approach to focus on strategic aims
- For a diverse group with a large agenda, there is a good balance between administrative formality and effective discussion. However, the previous SMEWG independent assessment report (APEC, 2006) suggested that more could be made of “starred items” for discussion and items for information. Every agenda item was for discussion, indeed delegates speaking to some items asked for more time. Nevertheless a large agenda was achieved over the one and a half days. This was primarily due the relatively consensus and the effectiveness of the role of the Chair, with support from the APEC Secretariat, to keep the agenda on time.
- The achievements of the break-out sessions during this time (one half-day) were more variable. As report in the previous chapter, the two break-out groups were charged with identifying gaps in the progress of the strategic plan on two broad areas; effectively collapsing down into two broad areas: the first being business environment combined with market access and internationalisation and the second being building management capabilities and entrepreneurship combined with innovation and financing. Whereas one group identified 24 gaps grouped into six areas, the other group reported no gaps, although they identified two issues or ‘themes not covered in the SMEWG Strategic Plan.
- SMEWG workshops held alongside the 32nd SMEWG plenary meeting included those listed in table 7.

Table 7: SME Seminars and Workshops held alongside the 32nd SMEWG Plenary at Big Sky, Montana

SME Internationalisation Seminar: sharing best practices
SME Workshop on Implementation of APEC Code of Business Ethics for SMEs
SME Seminar on Business Ethics: - Global Supply Chain
Seminar on Improving SME Competitiveness through Sustainable Business Practices
*Seminar on Developing Business Ethics for SMEs in the Construction Industry
Seminar on Business Ethics for SMEs on Auditing and Certification
*Workshop on How to Grow Your Small Green Business in Member Economies
*Seminar on Enhancing SME competitiveness through Green Growth

Notes:

*Sessions that included participant observation

Three of the workshops/seminars were attended (*) and provided valuable opportunity to examine at first hand the impact of some of the outcomes from SME projects. The workshop on “Growing your Small Green Business” was targeted at local SMEs and was well attended by local business representatives and entrepreneurs. Despite being held at the weekend,

there was impressive number of such local businesses people who attended. In addition APEC representatives were able to bring a small number of business people from overseas who attended some of the sessions at Montana.

Given the considerable logistical exercise which is required for the APEC SOM and Ministerial meetings and SMEWG Plenary, it does make rational economic and logical sense to have SME project workshops and seminars targeted to be held alongside and in the margins of the bi-annual SMEWG Plenary meetings. These sessions were spread over a full week, whereas the SMEWG Plenary is only 1.5 to 2 days; therefore, some delegates do not have the opportunity to attend, but views expressed were that such sessions are an efficient way of maximising the opportunity for delegates to participate and attend (compared to separate conferences and symposia).

Findings from Consultation

INTRODUCTION

As indicated in chapter 3, each member economy was invited to provide a key contact representative for the Independent Assessment for potential consultation. Invitations were made for consultation interviews by telephone which were completed with seven representatives, further written submissions against the consultation questionnaire were made by five economies (in the latter case representing combined views by several representatives). Therefore, over 50% of member economies views were represented by this process of consultation. The main views are given under the headings of perceived benefits from membership of SMEWG, limitations, process issues and areas for improvement. Respondents had a range of experience from less than one year up to 11 years, with an average of between two-three years. However, in all cases views reported represented a 'consensus' view with those of other colleagues from the member economy.

BENEFITS IDENTIFIED FROM PARTICIPATION IN SMEWG

The main benefits were associated with intangible and non-measurable benefits, such as the exchange of information, rather than direct impacts of projects on the six priority themes, SMEWG objectives or APEC's goals. These indirectly benefited SMEs, but mainly through improvement of support and experience in developing support policies.

- There was a clear unanimous view from the respondents that the main benefits were considered to be the sharing of expertise and experience with other economies. This was considered to then be absorbed into domestic policies that will ultimately benefit the SME sector of a member's economy. As one respondent commented:

"It is a very significant platform to let each of economy members to exchange views in order to foster the development of SMEs in local economy".

- These benefits vary across SMEWG's six priority areas, but include finance, innovation and the business environment. As result, benefits from participation have included information that has been absorbed into domestic policies to support SMEs and there has been transfer of experience to SMEs, although this will always be limited by budgets. This was supported by a further respondent who commented that

"Main benefits from projects are considered to be the exchange of information, sharing of good practice policies, and a broadening of policy officer's understanding of SMEs through learning about the basic economic realities of different economies. These benefits feed into policy and support for SMEs, in turn this leads to the development of SMEs".

- A small number of projects were identified which were examples of learning and sharing of experience. A seminar on the development of Innovation Action Plans (IAPs) from Daegu Initiative was mentioned by two respondents:

"Each economy gave a presentation on policies that support innovative SMEs. Although there were different policies based on domestic policy priorities, there were some synergies and common themes. It was considered helpful to understand other's economies and the challenges that they face".

- Despite the relatively low number of projects directly involved with finance one representative considered that

“The most valuable project has been concerned with finance and innovation, especially incubators as support systems for SMEs”

- In reference to a project on SME Internationalisation Best Practices, one respondent commented that “member economies’ experiences have served as useful references for economies to formulate policy initiatives in future”. Another respondent referring to the same project commented that “I am now considering if I could apply the results of the Singapore’s SME internationalization study to our SME policy”.
- An important role for APEC is in helping to promote or assist the development of ‘good practice’ and increase policy makers understanding of other economies’ priorities and needs

“The overall experience is very good. The seminars/ conferences are meaningful and very useful. They have enriched our understanding of the relevant SME issues”.

- SMEWG is largely considered to be one of the more effective APEC groups, with concrete outcomes that will benefit SMEs directly. This largely occurs through the transfer of knowledge into domestic programmes rather than directly with SMEs. Another respondent was able to compare SMEWG to other working groups from previous experience and considered that SMEWG is one of the more effective APEC fora. SMEWG makes a difference by doing work that has concrete outcomes for SMEs, compared to respondents’ previous experience when in another department and less concern with “semantics”. One respondent with over 5 years experience commented that *“Overall my experiences were very positive with the SMEWG--- (and this) ---gave me the ability to see things through a different cultural prism”.*

Inter-session benefits

- Benefits may occur through informal consultation that occurs inter-sessionally. This may arise where experience is reported, but further information is then sought out of session. As one representative commented:
“The SMEWG is also a good mechanism for sharing information out of session, for example Thailand requested information on helping SMEs in flood situations after floods in that country in 2010. Earlier this year Australia approached some SMEWG member economies to get information on dispute resolution schemes.”

LIMITATIONS PERCEIVED

- It is difficult to achieve direct outcomes with SMEs and to include them in meetings and related events (such as workshops) although member economies do strive to achieve this more direct objective. This is partly accounted for by limited budgets and limited resources, although there is a view that much more could be achieved through, for example, the use of technology, whether that is on-line, virtual or by video conference.
- Areas which were considered to have more limited progress have included the cross-cutting themes as identified through the analysis of projects.
- Lack of progress on business sustainability. One respondent commented:
“While there appears to be less substantial progress specifically on sustainable business practices, the issue can be considered in a broader light that the work in other priority areas has already covered many sustainable business practices and hence there is also progress in this area. Sustainability is a theme in many other APEC fora and initiatives, e.g. Growth Strategy. It may not be necessary for SMEWG to devote too much resources to avoid duplication”.

- Different definitions of SMEs across diverse economies was considered to be a further limiting factor
- Continuity: Inevitably delegations from individual economies change and there is always a transition period, for example one long-term delegate has recently moved to another job. Such things affect working relationships and perhaps the willingness of economies to take on the role of Chair.
- The participation of economies in APEC and hence support can vary. This partly depends on role of delegation and whether there is any permanency in agencies and public sector-funded departments that support SMEs.
- Non travel-eligible economies which imposes limitations to participation. One respondent mentioned:
“With regards to funding for participation in seminars/ workshops, it is always the same few economies benefitting from it. The non travel-eligible economies unfortunately do not get much support”.
- APEC projects are limited to a year which was regarded as a challenge and as a result they will have limited outcomes.

PROCESS ISSUES

The consultation confirmed the analysis in chapter 4, that SMEWG sponsored projects have seen an increase in member participation. The change in APEC processes for developing proposals after 2009 was considered to be very important. Since the development of the SMEWG Strategic Plan (APEC, 2008), SMEWG has improved the matching of projects to the six priority areas identified in the Strategic Plan. It was considered that delegates have been involved in applying criteria that matches the involvement of all member economies. Before 2009, a project may have been developed more in isolation by a smaller number of economies rather than from the support of all member economies.

This was confirmed by the following comment:

“There has been an improvement in the effectiveness of SMEWG through the development of a Strategic Plan (2009-12). The document has helped to give focus and structure to projects which in turn will improve the knowledge base of SME policy makers.”

- The introduction of the Concept Note in 2010 was considered to be a big improvement in the project approval process.
- The QAF was considered to be difficult to apply to the substance of a project, although it was considered to be fair and focus on achievable outcomes.
- Limited time for discussion. The operation of SMEWG was considered to be effective, but there was agreement that there was a lack of time for discussion, little or no time for debate of important issues and difficulty in establishing discussion. In the past, historically, there has been some concern over SMEWG in terms of full participation by member economies. One respondent considered that

“The role of SMEWG Plenary---very formal and lot of formal administrative business, No brainstorming session and a general lack of discussion of issues”.

AREAS FOR IMPROVEMENT

A wide range of issues were identified by respondents as being areas where improvements could be made in SMEWG relationships, processes and priorities

- Improve relationships with other international organisations.
- The work of ABAC and their involvement with the SMEWG is a positive move, but could be deepened and generally considered that there was a need to improve connections to businesses and the private sector, one respondent considered that “Some of the forums need more input from business and private sector representatives, particularly from manufacturing sectors”.
- Eight APEC economies are also members of the OECD. From an SME fora perspective, one view was that the economy would like to see more cooperation between the SMEWG and the OECD’s Working Party on SMEs and Entrepreneurship. There are a number of common threads, for example in green growth, where there is scope for collaboration. Such partnerships will become increasingly important to ensure resources produce the best, most informative outcomes.
- More could be made of the potential for inter-sessional work, but needs resources to do that and getting 100% involvement is recognised as being difficult. It was considered that the USA is seeking to focus on achievable outcomes during their host year.
- There could be more done to distribute reports/outcomes from various workshops. Delegates take away knowledge but it would be useful to have more follow-up particularly for economies that were unable to attend.
- Length of projects is rather short and the introduction of multi-year projects is seen as a positive step.
- The APEC website is useful, but the AIMP search engine was regarded at best as ‘difficult to use’ (my words). The APEC statistics portal is a helpful addition to the website but will need to be kept up-to-date to ensure it’s useful.
- Need for SME Statistics Observatory. A number of respondents commented on the need for data collection on SMEs in APEC. Although the APEC statistics portal has been established⁸; there will be a number of further steps required to achieve the monitoring of SME statistics. One respondent considered that it will be necessary for the development of an APEC framework for collecting SME statistics. This will be required to formulate ways that SME statistics can be collected perhaps by involvement of agencies concerned with data collection. Further it was considered that:

“Since this problem of the lack of appropriate statistics is a cross-cutting issue, it is imperative for the SMEWG to organize a Policy Level Workshop/Meeting in Developing Framework for Collecting SME Statistics in APEC among statistical agencies as a call for a collective action to develop and monitor a set of APEC SME indicators to measure SME competitiveness (and) ---that APEC will be able to make significant headway in achieving the growth strategy with the availability of comparable statistics that will include data on SMEs among member-economies”.

- It was considered that there could be more focus on what (projects) they do well and on the dissemination of practical information. For example, best practice should include policies/initiatives which proved to be successful and feasible in helping SMEs or in promoting their development.
- The SMEWG Strategic Plan will end in 2012, it is necessary to review the implementation of the Plan and how to develop in the future with new priorities. It is considered very difficult to cover everything so there is a need to focus on limited number of priorities on those that are common across all economies, both developing and developed economies.
- More collaboration and the need to deepen relationships with other APEC fora was mentioned by three respondents. Big Sky, Montana was the first joint ministerial meeting

⁸ <http://www.statistics.apec.org>

between MT and SME ministers and there is potential to enhance interaction with other APEC fora. For example, a joint project with GFPN includes the Women's Entrepreneurs' Summit. There is more potential for joint projects by cooperation with other APEC fora, especially the Trade Group(s) and that on Industrial Science and Technology and the Telecommunications and Information Group.

- There was a view that participation with the private sector could be enhanced. For example, direct links with businesses and SMEs could be improved. It was considered that there is an issue with communication, for example, that discussions are not communicated to local businesses.
- It was considered that there is a need to examine how we can support all economies to participate. For example, if SMEWG is dominated by a small number of active economies then this would not be healthy or sustainable. Therefore, there is a need to review priorities and work agenda so that it can involve all economies.
- Strategic plan objectives were seen as very ambitious. It was considered that there needs to be a focus on building capacity, with some benefit from operating on a smaller scale or on a smaller number of projects.
- Meetings should be about priority areas
- Narrow the range of projects; support just one or two at a time so that APEC members have ownership
- A further view was that the relationship with ABAC could be strengthened. They have a SME, Micro-Enterprise and Entrepreneurship (ABAC's SMEMEE) working group. On the relationship with SMEWG, it was indicated that this group was formerly separate, now SMEWG and SMEMEE are trying to align with the help of APEC's Secretariat. There is an Action Group and they are monitoring work done with SMEs to identify gaps, notably for SMEWG's Strategic Plan.
- There was a view that needs of micro-businesses are often ignored, yet these are very important to some economies. For example, there is an assumption that micro-businesses will not be involved in international trade due to implicit barriers, yet support can be provided to access international markets (perhaps by cooperative working, networks, etc).
- SMEWG needs to look more at outcomes and KPIs. It is fine to identify priorities, but we do not know how effective they are (projects). For example, how effective are projects at targeting the needs of SMEs, especially micro-businesses.
- The two break-out panel sessions at the 32nd SMEWG were generally considered to be constructive use of SMEWG Plenary time, but one respondent considered that:

"In the 32nd SMEWG, panel discussion was introduced in order to spur discussions on SMEWG priority areas. I think the attempt brought a positive effect to the discussions. On the other hand, we were expecting to explain our following up activities of the Gifu initiative directly to every member economy because we wanted to ask them to participate in the activities at the SMEWG meeting. The attempt mentioned above, at the same time, resulted in getting us to lose such opportunities".

- Finally there was a call for the development of an APEC Market Assistance Centre
"We have observed that APEC has established quite a number of institutions/websites that assist in developing the competitiveness of SMEs (i.e, Innovation Center, APEC IBIZ, Intellectual Property Explorer for SMEs, APEC SME Crisis Management Center, among others) but platforms for increasing trade in the region, particularly SMEs, has not been successfully, if not completely, undertaken".

Conclusions

This Independent Assessment of APEC's SMEWG has used a number of methods to assess the work and activities in the light of criteria from APEC's goals and objectives and the spirit of consensus building on which APEC depends. These methods have included observation of SMEWG in session, activities inter-sessionally, participation in a SMEWG Symposium, analysis of projects and consultation. The combination of findings has led to the following conclusions. Recommendations are developed from the conclusions and are provided in the final chapter.

In assessing the impact of the work and activities of SMEWG, it can be seen to have two effects on member economies and their SMEs; indirect and direct impacts:

INDIRECT IMPACTS

- The main role of SMEWG has been to develop projects that provide activities, such as workshops and symposia, that provide a platform for sharing knowledge, experience and learning from member economy representatives. In this role, SMEWG can be considered to have been effective.
- In achieving this exchange of information, members are able to share understanding of issues faced within each economy, to build consensus and use the APEC experience to build knowledge into domestic support programmes for SMEs, as such these are indirect impacts. These indirect impacts have benefited member economy representatives in their development of domestic policies.

DIRECT IMPACTS

- There are direct impacts on SMEs across all APEC member economies. These arise from SME participation in SMEWG APEC projects such as workshops, symposia, exhibitions and fairs. In some cases, such the technology and innovation workshops, participation rates by SMEs, particularly from the host economy, have been high and there will have been direct benefits from increased knowledge and awareness by SMEs directly.
- Outcomes in terms of participation rates, however, give little or no indication of the value of impacts on the performance of SMEs or on their capability and capacity. The value of such impacts will be subjective and variable and will take time before such knowledge and learning is acted upon. At present there is no systematic measure of such impacts in terms of outcomes of projects and it is difficult to assess the direct impacts on member economy SMEs beyond saying that they will be limited. Some of these impacts are likely to be shallow.

SMEWG'S OBJECTIVES AND PRIORITIES OF THE STRATEGIC PLAN

- Similar conclusions can be made on progress towards SMEWG's objectives (noted on pages 2-3). That is, significant progress has been made over the last five to six years towards SMEWG's stated objectives; however, these have been mainly through the impact of indirect impacts of activities from projects and from their outcomes.

- Progress on the six priorities (noted previously on page three) has been more variable. As noted in the mid-term reports to at the SMEWG meeting at Gifu (September, 2010), there has been more progress with some priorities than with others. For example, projects have focused on building management capability and market access and internationalisation than with others and no projects have been developed that specifically target sustainable business practices. However, it may be inappropriate to draw definitive conclusions on progress on individual priorities as many projects cover more than one theme (which led to some double counting at Gifu).
- Identifying progress against the six priorities, merely by identifying SMEWG projects, can be misleading for measuring effectiveness. Outcomes need to be assessed against KPIs and as many impacts of projects are indirect, rather than direct, real progress is difficult to assess.
- Identifying six priorities for SMEWG's Strategic Plan, with hindsight, can be seen as over ambitious. The grouping and narrowing of priorities into two main areas, as identified at the SMEWG meeting at Montana (May 2011) will help to focus work, activities, the priorities of the next SMEWG Strategic Plan and recognises the cross-cutting nature of many projects.

SMEWG APEC PROJECTS

As noted on page seven, APEC projects are vital to achieving APEC goals. A review of projects developed since 2006 leads to the following sub set of conclusions.

- Projects are of variable quality, design and impacts. Impacts are also likely to vary across economies with some projects having more value to some economies than others. Where projects have greater participation by member economies they are more likely to have larger impacts and outcomes as member economies are more likely to send representatives and entrepreneurs and SMEs to events such as workshops and symposia. Thus, sharing knowledge and experience across a broader spectrum of economies. It is encouraging to note an increase in the average number of co-sponsoring economies since 2006.
- The design of projects is compromised to some extent by the approval and budgeting process. The current (normal) time constraint for approval and implementation severely limits what can be achieved and has also led to the design of on-going multi-stage projects. An example noted being the "Ease of Doing Business" projects. The majority of projects are focused on sharing "best practice" and are targeted at SME intermediaries, thus having indirect rather than direct benefits.
- The number of SMEWG projects has also varied over time, but analysis of projects revealed that the average funding cost and participation of supporting economies has gradually increased indicating greater depth in projects in line with internationally recognised good practice. There is scope, however, for further improvement in line with greater focus on a narrower range of in-depth projects.
- The approval process and Quality Assessment Framework (QAF) is a valuable check on the quality of projects. The QAF involves the development of concept notes, introduced since 2009, which receive comments, feedback and grading from a small number of SMEWG members. This process is variable in terms of scoring against a range of criteria, but the feedback process appears to be valuable for improvement in the project's principles, allowing scope for contributions by additional SMEWG economies. This

allows for the concept note to be improved before scoring and assessment by SCE and BMC.

- However, as noted in this report this provides *ex ante* evaluation, there should be a method for *ex post* evaluation beyond the reporting of final outcomes of project. This would allow identification of 'good practice' and high value projects that might have valuable lessons for future project development.
- Champion economies have been established for the SMEWG priorities. This, in theory should lead to greater focus. Again reducing and collapsing the number of priorities for the next strategic plan will help to focus work and deepen the impact of projects.

SMEWG PROCESSES AND LINKS TO OTHER APEC FORA

The effectiveness of SMEWG relies on the voluntary contributions and commitments of its member economy representatives. The Plenary meeting must be seen to be effective to encourage participation, commitment and consensus and trust building upon which APEC depends.

- The SMEWG Plenary meetings frequency of twice a year is probably appropriate, allowing scope for inter-sessional work and the additional workshops from SMEWG projects in the margins or alongside the SMEWG Plenary. However, the agenda is large and it is not necessary to have discussion time for all items. Some items should be for information only.
- The introduction of a break-out session at the SMEWG meeting at Montana (May 2011) was a welcome development, allowing members to focus on developing key priority areas for SMEWG and for the next Strategic Plan.
- There is high burden placed on the role of the Chair and skills of the holder for moving a large agenda forward and reaching consensus, supported by the APEC Secretariat. A narrower agenda would help to support the Chair and reduce this burden.
- There is an issue of continuity. The period of office of two years for the Chair gives some continuity and allows the identification of the next host economy and Chair-holder. However, taking on the Chair and the support required is a considerable burden which relies on additional voluntary effort and commitment to SMEWG. This is eased if consensus and trust can be built around a small number of key priorities.
- Links to other APEC fora have been established but could be developed and deepened, especially with APEC's Advisory Business Council (ABAC), with Gender Focal Point Network (GPN) and with the Emergency Preparedness Group (EPG). There is scope for the development of joint projects. ABAC have their own sub group on SMEs, Micro Enterprises and Entrepreneurship (SMEMEE). They can develop their own projects and there is a danger of duplication of effort.

OTHER ISSUES

- There is lack of evidence behind either the SMEWG priorities or projects. The more valuable projects should be evidenced-based and there is a need for the collection of SME Statistics across APEC member economies.
- SMEs are vital to all member economies, and all economies collect statistics on the number of businesses. It will not be possible to harmonise the collection of such data, but it should be possible to develop a framework for the development of regular reporting on

SMEs in APEC, this could then be integrated into APEC statistics portal (<http://www.statistics.apec.org>).

- Links to other international organisations, such as the OECD, the World Bank and with perhaps more independent bodies such as the World Economic Forum are very limited. For example, although the OECD represents 34 developed nations, and there are only eight APEC member nations, it does undertake worldwide monitoring of entrepreneurship and SMEs and has a working group on Entrepreneurship and SMEs⁹. Closer links could be established to share information, experience and practice outside the APEC region.
- Although APEC member economies represent some of the most dynamic economies and the growth of trade has been impressive, nevertheless, involvement of worldwide experience is limited and 'experts' participating in APEC events are required to have special approval and permission. More could be done to establish and exchange information with non APEC economies.

⁹ The OECD Working Party on Small and Medium-sized Enterprises & Entrepreneurship (WPSMEE) is a high-level international forum for SME policy makers who work to promote entrepreneurship and advance the performance of small businesses by reviewing issues and diffusing best practice policies in such areas as: business environment, globalisation, financing, innovation, training, access to markets, taxation, e-business, women's entrepreneurship. Strengthening international cooperation with OECD non-member economies and international organisations is also given high priority.

Recommendations

APEC's SMEWG will continue to have a vital role to meet APEC's goals and objectives. It is now recognised globally that SMEs are critical for economies for their role in innovation, economic growth and job creation. APEC needs to ensure that SMEWG is an effective vehicle for enabling the building of consensus around key policy areas for SMEWG's APEC projects. In the light of the findings of this report, the principles of APEC cooperation and the supporting role of SMWEG and in the light of the TOR for this Independent Assessment, two subsets of recommendations are made; one to the Steering Committee on Economic and Technical Cooperation (SCE) and one to SMEWG.

RECOMMENDATIONS TO STEERING COMMITTEE ON ECOTECH (SCE)

There are a number of issues that currently compromise the development of high quality APEC projects. Whilst I recognise that the responsibility for the first two of these areas may rest with the BMC rather than with SCE, they include the following areas:

- Short term nature of many projects
 - Lack of proper evaluation of project outcomes
 - Duplication of effort
 - Lack of evidence base
 - Limited links with other international organizations.
-
- Short-termism. The funding and approval process for APEC projects should be reviewed. The project guidelines provide a sound set of principles to guide good project development, however, the standard project cycle time, of 12-18 months compromises the design of good in-depth projects of quality. The current budgetary and funding process that establishes separate APEC funds with budgets from year to year may limit such developments, but the introduction of a facility for multi-year projects is welcome. SCE should consider ways in which longer term projects could be established across all member economies on key APEC economic themes such as innovation and technology-based SMEs.
 - Lack of proper evaluation of project outcomes. The quality assessment framework (QAF) is front-loaded. While this assists the development of concept notes and the design of high quality SME APEC projects, there appears to be little evaluation of outcomes. SCE should examine ways in which a selection of highly ranked projects could be probably evaluated and lessons that could be learned. Although APEC does provide lessons from previous assessments, these focus on areas such as communication and administration of projects. Best practice evaluation requires a specific methodology and while this would be inappropriate to adopt in full, nevertheless a more systematic evaluation of outcomes, could enable more focus on outcomes in the design of good quality projects.
 - Duplication of effort. APEC has a large number of working groups and other fora. Whilst I understand that the current structure and role of working groups are being examined, there does seem to be duplication of effort and limited integration and joint

working between different sub-groups. For example, between SMEWG, GFPN, HRDWG and EPG, although there are exceptions such as the Women's Entrepreneurship Summit meetings. There is some danger of duplication of effort on some key APEC themes, but there are also opportunities for closer working and integration of such groups especially through joint projects. There is further comment made on encouraging closer links in the recommendations to SMEWG. Such integration and project developments may require greater guidance and facilitation by SCE.

- Lack of evidence base. Projects are currently developed in somewhat of an evidence vacuum. It is recognized that there are large difficulties and challenges to the collection of SME statistics across the 21 diverse economies of APEC because of differences in the importance and definitions of micro, small and medium-sized enterprises. It is understood that work has been undertaken previously by the PECC to develop SME profiles, following earlier work by Malaysia, which was not taken further because of such difficulties¹⁰. However, it could be that assistance could be provided to enable the development of a framework that allows the collection of SME statistics. Therefore, it is recommended that at least the potential for an initiative should be examined. One approach may be to establish an APEC SME observatory that is charged with this objective alongside the APEC statistics portal.
- Limited links with other international organisations. APEC is a unique international organisation and has made strong progress in achieving its primary goal of sustainable economic growth. Links seem to exist with the World Bank and as an affiliate of their Global Learning Development Network, but scope exists to strengthen and develop relationships with other international bodies such as the OECD and more independent bodies such as the Global Economic Forum

RECOMMENDATIONS TO THE SME WORKING GROUP (SMEWG)

SMEWG has improved its working and effectiveness in achieving APEC goals. Indeed respondents (who have had experience with other APEC fora) considered that it is one of the more effective APEC working groups. The development of the SMEWG Strategic Plan 2009-12 has been effective to focus the development of priorities and activities. The following recommendations are intended to build on this developing experience for the next SMEWG Strategic Plan. These recommendations are in the following areas:

- Priorities and the next SMEWG Strategic Plan
 - SMEWG APEC projects and outcomes
 - Participation of member economies in projects
 - Administration and process issues
 - Links to other APEC fora.
-
- Priorities and the next SMEWG Strategic Plan. The current six priorities should be reduced along the lines developed in the 32nd SMEWG meeting at Montana, where two main themes provided the focus for discussion. The development of two to three overarching priorities will enable the focus of activities, the development of projects

¹⁰ From feedback from USA on the first version of the Draft Final Report. It was suggested that the PSU may be able to assist the development of a suitable framework.

and the identification of outcomes that will benefit SMEs. Collapsing priorities to the following three areas: Improving Business Environment; Market Access and Internationalisation and Building Management Capabilities

- SMEWG APEC projects and outcomes. Many projects have been focused on sharing knowledge and experience with indirect outcomes for SMEs. A greater focus on projects that directly impact on SMEs would improve the nature of outcomes of projects. This could be through greater participation of SMEs directly in events, such as workshops and exhibitions. It is difficult to assess the effectiveness of projects and programmes when many outcomes are of an indirect nature. The sharing of practice and experience will always have a role, but the direct involvement of SMEs and integration of private sector business organisations including ABAC will assist the achievement of greater direct impacts on SMEs with longer lasting impacts. This focus could be reflected in the KPIs developed for the next Strategic Plan.
- There is limited value in reporting 'gaps'. There may be more value in having deeper and longer projects on a limited focus rather than trying to develop projects that cover a wide range of priorities and themes.
- Participation of member economies in projects. Some projects have limited member participation (through for example 'travel eligible' economies). A focus on a smaller number of priorities and the development of deeper and multi-year projects should encourage more economy participation in projects and hence impacts and effectiveness across the APEC region.
- Administration and process issues. The twice yearly plenary meetings rely on the role and effectiveness of the Chair and support from the APEC Secretariat. The agenda is inevitably large and could benefit from greater focusing of key or 'starred' items for discussion and non-starred items for information. The break-out sessions at the 32nd meeting served a useful purpose for focusing discussion and identifying priorities that can be taken forward inter-sessionally.
- Links to other APEC fora. The development of links with other APEC fora, especially with ABAC, but also with GFPN, HRDWG, EPG and PPWE is welcome and should be intensified where possible. If joint projects could be developed, for example with the HRDWG and with EPG this would help to strengthen the quality of projects and their outcomes and their impacts.

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Appendix 1: The Bogor Goals

At the meeting of APEC members at Bogor (Indonesia) in 1994, member nations confirmed a commitment to a course of economic cooperation to achieve the following:

- to find cooperative solutions to the challenges of our rapidly changing regional and global economy;
- to support an expanding world economy and an open multilateral trading system;
- to continue to reduce barriers to trade and investment to enable goods, services and capital to flow freely among our economies;
- to ensure that our people share the benefits of economic growth, improve education and training, link our economies through advances in telecommunications and transportation, and use our resources sustainably.

In addition the member nations announced a commitment to adopt the long term goal of free and open trade investment by reducing barriers:

“We further agree to announce our commitment to complete the achievement of our goal of free and open trade and investment in the Asia-Pacific no later than the year 2020.”

(APEC, Bogor Declaration, 2004).

Appendix 2: Consultancy Terms of Reference ("TOR')

1. Review SMEWG meetings, projects and activities; assess the outcomes of these activities and how they are supporting the main objectives/goals of SMEWG and APEC; assess the impact of the SMEWG work program "on the ground" in APEC member economies;
2. Evaluate whether SMEWG is operating effectively and efficiently; whether the group's Terms of Reference and operation should be changed so that it can better respond to APEC ECOTECH priorities and contribute to the achievement of the APEC goals;
3. Identify ways to strengthen SMEWG's strategic priorities and direction for future works;
4. Provide recommendations on how the SMEWG can better focus and more efficiently and effectively manage its tasks and assure that its capacity building activities are providing benefits according to the Leaders' and Ministers' priorities;
5. Identify ways to develop synergies among the work of SMEWG and various relevant APEC fora;
6. Identify SMEWG opportunities and provide recommendations for greater collaboration with non-APEC parties, including the private sector, civil society and other international organizations; identify ways for SMEWG to tap resources for programs; opportunities to profile and share programs or projects;
7. Explore how SMEWG can better take into account the APEC commitment to give gender greater consideration;
8. Finalize an array of recommendations on the above-mentioned areas. Recommendations are to be provided in two lists: the first list entailing the (no more than) 5 decision points for consideration by Steering Committee on ECOTECH ("SCE") to provide further instruction to the group, and the second list covering those recommended actions that can be further discussed for implementation by the group itself.
9. Provide a draft report on initial findings, of no more than 30 pages ("the Draft Report"), written clearly and containing robust analysis to be conveyed to the APEC Secretariat, members of SCE and SMEWG.
10. Analyze Member Economies' responses to the Draft Report on initial findings;
11. Produce and present the final report, as a result of comments as per 10. ("the Final Report") employing a clear and diplomatic style of presentation.

Appendix 3: APEC SMEWG Projects: Summary table

2011 Projects (from APEC Secretariat)

APEC Ref No/2011	Name of Project	Sponsor economy	Co-sponsors	APEC Fund	APEC Project cost (US\$)	Total Project Cost	SMEWG Priority/Theme	Comments
SME/01	Business Ethics Codes in Sectors of Export Interest	USA	Australia, Brunei Darussalam, Canada, Hong Kong China, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, Philippines, Singapore, Chinese Taipei, Thailand, Viet Nam (16)	Operational	\$152,900	\$305,800	Business environment/market access	Workshop to develop voluntary codes—capacity (SCE Rank 1)
SME/02/T	Ease of Doing Business Seminar on Women's Entrepreneurship	USA	Australia, Mexico, New Zealand, Chinese Taipei (4)	TIFL	\$46,006	\$148,328	Cross-cutting: gender	Share info and bring together experts, one day, part of APEC Women and Economy Summit meetings. Link to GFPN (SCE Rank 1)
SME/03/A	Global Village One Village One Product	Japan	Indonesia, Malaysia, Chinese Taipei, Thailand (4)	ASF	\$105,750	\$205,750	Building capacity/market access	Study of OVOP best practices and one day workshop (SCE Rank 2)
SME/04/A	The Role of Business Incubators in Green Technology-Based SMEs	Indonesia	Chinese Taipei, Korea (2)	ASF	\$87,800	\$97,800	Innovation & Daegu Initiative	Three day workshop in Indonesia (SCE Rank 2)
SME/05/A	Green Initiative Study	Korea	Chinese Taipei, Japan,	ASF	\$80,240	\$100,040	Innovation	Gathering information

	and Workshop		Malaysia (3)				n/capacity	and workshop (SCE Rank 2)
SME/06/A	SMEs Access to Technology	Indonesia	Chinese Taipei, Korea (2)	ASF	\$65,030	\$80,230	Innovation	Workshop (SCE Rank 2)

2010 Projects (From APEC Secretariat)

APEC Ref No/2010/	Name of Project	Sponsor economy	Co-sponsors	APEC Fund	APEC Project cost (US\$)	Total Project cost	SMEWG Priority/T heme	Comments
SME/01/T	Best Practice Guide (regulation)	New Zealand	Australia, Canada, Hong Kong China (3)	TILF	\$18,500	\$37,000	Business Environment	Best practice guide on how to improve business regulation: builds on previous work (SCE Rank 1)
SME/01	SME Crisis Mgt Training Workshop	Chinese Taipei	Indonesia, Peru, USA (3)	Operational	\$79,264	\$182,968	Building mgt capability	5day workshop in Taipei for trainers/advisers (SCE Rank 1)
SME 2010/02	Business Fellowship	Singapore	Brunei Darussalam, Chile, Chinese Taipei, Thailand (4)	Operational	\$60,647	\$212,847	Market access	5 day in market business fellowship, targeted at SMEs (SCE Rank 1). Builds on APEC Business Fellowship programme 2009, ref 2009/03/A
SME/03	SME Internationalisation Best Practices	Singapore	Chinese Taipei, Japan, Malaysia (3)	Operational	\$75,000	\$119,000	Market access	Study and collation of best practice (SCE Rank 1)
SME/04/A	Policies to promote use of ICT in SMEs	Peru	Brunei Darussalam, Mexico, USA (3)	ASF	\$134,915	\$173,315	Building mgt capacity	2 day seminar and workshop to share best practice (SCE Rank 1)
SME/05	SME Internationalisation Best Practices	Singapore	Canada, Hong Kong China, Thailand (3)	Operational	\$117,164	\$117,164	Market access	Complete study from phases 1 & 2 (SME/03) and

	(Phase 3)							disseminate final report
SME 05/A	Comparative Study of top SMEs in APEC Region	Malaysia	China, Chinese Taipei, Singapore (3)	ASF	\$126,200	\$368,170	Market access	Survey and interviews in sponsoring economies and 2 day workshop (SCE Rank 1)
SME 06/T	SME Capacity of Managing Risks Associated with Trade Liberalisation	Chinese Taipei	Australia, Brunei Darussalam, Canada, Indonesia, Mexico, Singapore, Thailand, USA (8)	TILF	\$71,670	\$170,640	Market access/capability	2 day symposium (SCE Rank 1)
SME/08	Business Ethics for APEC SMEs- Medical devices Sector	USA	Australia, Canada, Mexico, Peru, Philippines (5)	ASF	\$113,424	\$226,848	Market access and building capacity	Build capacity—pilot project NB follow-up in 2011 (SCE Rank 1)
SME/09/A	Green Innovation Conference	Korea	Indonesia, Japan (2)	ASF	\$63,001	\$151,166	Innovation	Development of Daegu Initiative

2009 Projects (from search of project database)

APEC Ref No/2009/	Name of Project	Sponsor economy	Co-sponsors/partners	APEC Fund	APEC Project cost (US\$)	Total Project cost	SMEWG Priority/Theme	Comments
SME/01/A	Effective Implementation and Assessment of SME Innovation Policy	Korea	Mexico, Chinese Taipei, Indonesia, Thailand (4)	ASF	\$44,250	\$93,875	Innovation	5 days training Workshop Evaluation to be submitted to APEC Secretariat (SCE Rank 1)
SME/01/T	Capacity Building Seminar on Ease of Doing Business	New Zealand	Canada, Australia, Singapore, USA, Hong Kong China, Japan, ABAC, Peru (7)	TILF	\$44,958	\$90,237	Internationalisation/Bus Env	Seminar Jointly hosted with ABAC, held on margins of ABAC seminar
SME/02/A	Technology Entrepreneur Seminar	USA	Peru, Mexico, Malaysia (3)	ASF	\$92,978	\$149,760	Innovation/Capacity/Bus Env	One 2 day seminar; targeted at sharing good practice with developing economies Evaluation report to APEC (SCE Rank 1)
SME/02T	Capacity Building Seminar on Access to Finance for SMEs	New Zealand/ Peru/Canada /Australia/Singapore	USA, Mexico (2)	TILF	\$74,500	\$149,000	Access to Finance	One day seminar on margins of SMEWG, results of best practice to be published in 2010
SME/03/A	Business Fellowship	Singapore	Chile, Peru, Russia (3)	ASF	\$66,132	\$136,282	Internationalisation/Capacity Building	Study and training programme
SME/04/A	Supply Movement Framework and Tools	Canada	Chile, Peru (2)	TILF	\$151,605	\$300,010	Capacity building for	Women's micro-enterprise development network

							micro-enterprises and women	pilot, part of a four phase project
SME/06/A	Pandemic Influenza Train the Trainer Workshops	USA	Thailand, Peru, Mexico, Singapore (4)	ASF	\$137,338	\$225,173	Capacity/risk management	Two workshops on margins of two SMEWG meetings—materials disseminated (SCE Rank 2)
SMEWG/01/S	Empowering Women in the APEC region through Trade	USA	Peru, Philippines (2)	Self-funded			Capacity/gender	Pilot mentoring and training programme
SMEWG/02	APEC symposium on SME Strategies to Manage Impacts of GFC	Chinese Taipei	Indonesia, Peru, Singapore (3)	Operational	\$78,051	\$174,570	Capacity/Risk Mgt	Two day symposium, disseminate publication
SMEWG/02/S	Appears to be duplicate—but some differences in description			Self-funded				
SMEWG/05/T	Ease of Doing Business: registering property	New Zealand	Japan, Canada (2)	TILF	\$52,824	\$98,655	Capacity/Business Environment	Workshop on margins of SMEWG (Japan)
SMEWG/06/T	Ease of Doing Business: employing workers	New Zealand, Canada	Hong Kong China (1)	TILF	\$56,085	\$106,768	Capacity/Business Environment	Workshop on margins of SMEWG (HK, China)
SMEWG/08/A	Developing Trading House for Strengthening SMEs' Global Mkt Network	Indonesia	Singapore, Thailand, Chinese Taipei (3)	ASF	\$60,470	\$76,840	Internationalisation/capacity	Seminar
SMEWG/09/A	Extending and Enhancing APEC-	Australia	Mexico, Canada (2)	ASF	\$62,462	\$131,462	ECOTECH	Seminar/Training/Accreditation

	IBIZ						priorities of globalisation/knowledge-based economy	
SMEWG/14/A	APEC Workshops on Software Standard	Thailand	Malaysia, China (2)	ASF	\$80,419	\$99,799	Innovation/capacity	Seminar—one business forum and 3 workshops

2008 Projects (from project database)

APEC Ref No/2008/	Name of Project	Sponsor economy	Co-sponsors	APEC Fund	APEC Project cost (US\$)	Total Project cost	SMEWG Priority/T heme	Comments
SME/01	APEC SME Strategic Plan	Peru	Australia, Singapore, Chinese Taipei, USA (4)	Operati onal	\$51,000	\$62,975	Strategic Plan	Strategic Plan Produced 2009-12
SME/02	APEC MSME Innovation Mgt seminar	Peru	Chile, Mexico, Thailand, USA (4)	Operati onal	\$42,050	\$71,220	Innovatio n/capacit y	2 day Seminar in Peru, share best practice
SME/03	Assessment Framework Developmt on SME IAP	Korea	Mexico, Thailand, Malaysia, Chinese Taipei (4)	Operati onal	\$25,909	\$80,909	Innovatio n/capacit y	R&D]to develop self-assessment framework
SME/03A	APEC Training Course on Entrepreneurship Skills	Viet Nam	Mexico, Papua New Guinea (3)	ASF	\$95,997	\$122,797	Capacity	3 day training workshop and symposium in Vietnam for trainers
SME/04/A	APEC Symposium on Improving ICT SMEs with outsourcing	Viet Nam	Mexico, Peru, Chinese Taipei (3)	ASF	\$89,860	\$113,460	Capacity	3 day symposium, publication of proceedings
SMEWG/01 S	Harvard University Assessment of SME Planning for Influenza Epidemic	USA	Thailand, Peru, Mexico, Singapore (4)	Self-funded		\$130,000	Capacity & Risk mgt	Strategy development and info sharing

2007 Projects (from project database)

APEC Ref No/2007/	Name of Project	Sponsor economy	Co-sponsors	APEC Fund	APEC Project cost (US\$)	Total Project cost	SMEWG Priority/T heme	Comments
SME/01	APEC High Level Meeting on Driving SMEs' Growth	Chinese Taipei	Peru, Mexico (2)	Operational	\$78,360	\$160,310	Capacity	Seminar to produce best practice guidelines on margins of 26 th SMEWG
SME/03/A	UNSIC Pandemic Influenza Train the Trainer Workshop	USA	Indonesia, Philippines, Peru, Mexico (4)	ASF	\$11,750	\$66,292	Capacity/ risk mgt	Workshop
SME/04/A	Ease of Doing Business Seminar: Tax Administration	New Zealand, Canada	Australia, Chinese Taipei (2)	ASF	\$60,347	\$109,692	Capacity	Survey & half-day workshop in Taipei
SME/04/T	Ease of Doing Business: Dealing with Licences	New Zealand, Canada	Peru (1)	TILF	\$35,870	\$73,466	Capacity	Seminar on the margins of SME Ministerial in Peru
SMEWG/01 /A	Development of Human Capital for SME Innovation	Korea	Chinese Taipei, Indonesia (2)	ASF	\$61,400	\$151,640	Innovation	Training workshop and establish network
SMEWG/01 /T	Seminar on SME Management of IPR	USA	Japan, Mexico and Thailand (3)	TILF	\$94000	\$247,000	Innovation and capacity	3 day Seminar for SMEs in Thailand
SMEWG/02 A	Best Practices to Support Micro and Small Entrepreneurs: Assessment and Recommendations for APEC	Canada	New Zealand, Mexico (2)	ASF	\$107,025	\$216,253	Capacity	Best practice model special emphasis on women and indigenous business owners + workshop
SMEWG/02 T	Enhancing the Market Development	Chinese Taipei	Indonesia, Mexico, Peru, Thailand (4)	TILF	\$119,700	\$394,070	Capacity/ Internatio	Training and database/build e-

	of Local Cultural Industries in APEC (year 2)						nalisation	business capability, exhibition targeted at local tourism/ sell via e-business overseas
SMEWG/03 T	The Second APEC One village One Product seminar	Japan	Indonesia, Malaysia, Philippines, Chinese Taipei, Thailand, Viet Nam (6)	TILF	\$125,339	\$125,339	Capacity	2 day seminar in Japan, costing from budget sheet

2006 Projects (from project database)

APEC Ref No/2007/	Name of Project	Sponsor economy	Co-sponsors	APEC Fund	APEC Project cost (US\$)	Total Project cost	SMEWG Priority/T heme	Comments
SME/03	Study on Financial and Policy Assistance for micro-enterprises	Viet Nam	Indonesia, Brunei (2)	Operati onal	\$61,960	\$82,600	Capacity/ Finance	Study and analysis
SMEWG/01	Innovation Promoting Policy for SMEs in APEC	Korea	Chinese Taipei, Indonesia (2)	Operati onal	\$59,280	\$120,000	Innovatio n	Survey and case studies
SMEWG/01 /A	Programme Enhancement of APEC-IBIZ	Canada	Korea, Mexico (2)	ASF	\$36,865	\$73,730	Capacity	Training and accreditation programme
SMEWG/01 /T	Enhancing the Market development of Local Cultural Industries	Chinese Taipei	Korea, Mexico, Peru, Thailand (4)	TILF	\$101,770	\$369,470	Capacity	3 day seminar in Taipei—2 year project
SMEWG/01 S	The 4 th SMEs Technology Conference and Fair	China		Self-funded		\$300,000	Capacity/ Internatio nalisatio n	SME ECOTECH cooperation
SMEWG/02	Internship Support Systems for Learning Best Practices	Chile	Mexico, Peru, Papua New Guinea (3)	Operati onal	\$93,500	\$122,300	Capacity	Workshop in Chile + devoted website, examples of internship
SMEWG/02 T	Seminar on support for Local Cottage Industries	Japan	Indonesia, Malaysia, Chinese Taipei, Thailand (4)	TIFL	\$95,950	\$112,750	Capacity/ Internatio nalisatio n	2 day seminar back to back with SOM3 in Viet Nam

Notes:

SCE Rank 1: Projects essential to the furtherance of the goal of economic integration via free and open trade and investment

SCE Rank 2: Projects that support the furtherance of the goal of economic integration via free and open trade and investment

SCE Rank 3: Other priorities identified by Leaders and Ministers not closely linked to the furtherance of the goal of economic integration via free and open trade and investment

SCE Rank 4: Lower priority cooperation

- One project ranked 1 not listed: Workshop on Sharing Multilateral Development Banks and Member Economies' Trade Finance Experience and Best Practices to Support SMEs and Micro-Enterprises in the APEC Region to Explore Suitable Approach for APEC in Promoting Trade Finance for Early Economic Recovery (US\$117,075)