

PREPARED BY KOREA

## **Action Plan Framework for the 3rd REI Capacity Building Needs Initiative**

Since 2012, APEC has been carrying out the Capacity Building Needs Initiative (CBNI) as part of its efforts to strengthen member economies' capacity for FTA negotiations. The major aim of the initiative is to narrow the widening gap in the negotiating capabilities of member economies so that it does not become a stumbling block in further advancing regional integration.

During the first phase of the CBNI from 2012 to 2014 thirteen workshops were organized by seven member economies. The second phase began in 2015 in accordance with the Beijing Roadmap for APEC's Contribution for the Realization of Free Trade Area of the Asia-Pacific (FTAAP). As of October 2017, ten workshops have been completed and three more are scheduled later this year for the 2<sup>nd</sup> REI CBNI.

In the Lima Declaration on FTAAP, APEC Leaders committed that APEC should play a key role as an incubator of issues related to the FTAAP by providing capacity building including through CBNI programs. At the APEC Ministers Meeting Statement in the same year, Ministers also welcomed APEC's progress in implementing the REI CBNI, which had contributed to the expansion of our understanding on relevant fields of FTA negotiations and would continue to serve as a solid stepping stone for the realization of the FTAAP, and encouraged economies to propose further capacity building actions under CBNI.

In accordance with the aforementioned instruction given by our Leaders and Ministers, and considering APEC member economies' great interest in and support for capacity building activities, Korea proposes that APEC endorse the Action Plan Framework for the 3rd REI Capacity Building Needs Initiative (3rd CBNI):

### **Objectives:**

- ✓ Build up APEC member economies' FTA negotiation capacity by providing a platform to share current practices and hands-on experience and exchange views on the emerging issues of FTA negotiations.
- ✓ Analyse the recent trends, policy implications and challenges of FTAs/RTAs in the region.

- ✓ Narrow FTA capacity gaps through a better understanding on different practices in FTA negotiations among member economies, thereby contributing to the implementation of the Lima Declaration.

#### **Implementation Period:**

- ✓ The 3rd REI CBNI will be implemented from 2018 to 2020, as set by the Lima Declaration.
- ✓ Member economies will assess if there is any need to extend the Initiative in 2020.

#### **Organizing Economies:**

- ✓ Given that only nine member economies (less than 50% of the membership) have participated in CBNI workshops as organizers in the 1st and 2nd REI CBNI, larger participation is vital for the success of the program (N.B. Member economies wishing to hold capacity building workshops are encouraged to sign up by completing the attached form).

#### **Sectors to Be Covered:**

- ✓ Until now, sixteen sectors/issues have been covered at previous workshops<sup>12</sup>.

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<sup>1</sup>1<sup>st</sup> REI CBNI : ROO(Korea), safeguards(Indonesia), SPS(Viet Nam), non-conforming measures(US), e-commerce(China), gov't procurement(Viet Nam), labor(US), environment(Viet Nam), dispute settlement(Korea), IPR(Viet Nam), preparation for FTA negotiations(New Zealand), FTA implementation(Korea), FTA utilization(Japan)

<sup>2</sup>2<sup>nd</sup> REI CBNI

[2015]: ROO/Trade Facilitation (Korea)

[2016]: TBT(Viet Nam), International Investment Agreements(Peru), Negotiation Skill on Environment Phase 2 (Viet Nam), Scheduling in Trade in Services and Investment (Korea), Services Chapters with a Negative List Approach(Peru), Negotiation Skill on IPR Phase 2 (Viet Nam)

[2017]: (Until July) E-commerce (Japan), Trade Remedy (Korea)  
(After July) Competition (Japan), Transparency and Participation in the Process of Negotiation of Trade Agreements (Chile), Contribution of the Pacific Alliance of to the Realization of FTAAP in Services, MSMEs and Trade Facilitation (Chile), Environmental Provisions in FTAs and RTAs (China)

- ✓ As RTAs/FTAs tend to encompass new sectors/issues, including, but not limited to next generation trade and investment issues, it is essential that CBNI programs address these emerging issues.
- ✓ However, revisiting previously covered sectors/issues with a different perspective is equally important for further discussion and clarification (e.g. Viet Nam organized “phase 2” workshops on IPR and environment in 2016).

#### **Program Development and Implementation:**

- ✓ **(Program Development)** In selecting a topic/sector to be covered, organizing economies are encouraged to develop programs to strengthen regional economic integration in APEC by narrowing FTA capacity gaps among member economies and to facilitate the implementation of the Lima Declaration, and review the previous workshop topics to avoid duplication as much as possible. When the same subject matter needs to be revisited, organizers should prepare a program on the basis of the discussion of previous relevant workshops.
- ✓ **(Participants Nomination)** In order to achieve the intended outcome, participating economies need to nominate appropriate people to participate in the workshop in terms of work experience and expertise in relevant areas. Organizers also need to notify the participating economies in advance of the level of difficulty of the workshops to facilitate the nomination process.

#### **Dissemination of the Outcome:**

- ✓ Korea proposes that APEC establish a special section on the CBNI on the APEC official website ([www.apec.org](http://www.apec.org)) where presentation materials and discussion summaries of CBNI activities can be downloaded without a log-in process.
  - ✧ Although previous materials are currently uploaded on the APEC AIMP web-site (<https://aimp2.apec.org/Pages/Default.aspx>), it is not always easy to look up CBNI materials on-line. Also, the log-in process is another hurdle for wider dissemination of information.
- ✓ Creating a separate corner on the CBNI on APEC’s official web-page will give policy makers and negotiators of APEC economies easy access to valuable materials and help them better utilize and spread the knowhow and experience.
- ✓ If members reach a consensus on this proposal, Korea will consult with the APEC Secretariat on the details, including the budget and technical matters, after CTI3/SOM3.

**Annex:**

‘The Summary of APEC CBNI Workshops in Phase II’ and ‘Lead Economies and Proposed Areas/Sectors for the 3<sup>rd</sup> REI CBNI’ are annexed to this Action Plan Framework for the purpose of information and they should be seen as a living document that can continue to be added to and updated over time.

&lt;Annex 1&gt;

**Summary of APEC CBNI Workshops in Phase II ([as of October 2017](#))**

Time & Place	Economy	Theme	Status	Key Outcomes	Contact Point
September 22-24, 2015 Seoul	Korea	ROO&trade facilitation	completed	<ul style="list-style-type: none"> <li>✓ The APEC FTAAP Capacity Building Workshop (“Dealing with a New Trade Landscape: Complexities of Rules of Origin and Logistical challenges of Trade Facilitation”) was held in Seoul on September 22-24, 2015.</li> <li>✓ The objective of the workshop was to address various issues of rules of origin (hereinafter “ROO”) in FTAs and enhance the understanding on the key contents of the newly adopted WTO Trade Facilitation Agreement as well as its implications for FTAs.</li> <li>✓ The program consisted of two days of presentations by experts and trade negotiators from international organizations, the academia, and governments of member economies (September 22-23) as well as an on-site visit to the Incheon Main Customs of the Republic of Korea (September 24).</li> </ul>	<p>Mr. Ahn Dong Ouk, 1st Secretary</p> <p>Korea APEC TEAM, Ministry of Foreign Affairs, Seoul, Korea</p> <p><a href="mailto:apeco@mofa.go.kr">apeco@mofa.go.kr</a></p> <p>+82-2-2100-7653</p>

<p>January14-15, 2016, Ho Chi Minh, Viet Nam</p>	<p>Viet Nam</p>	<p>TBT</p>	<p>completed</p>	<ul style="list-style-type: none"> <li>✓ The APEC Capacity Building Workshop on FTA Negotiation Skills on Technical Barrier to Trade included two days of presentations and discussions on FTA-related TBT and simulation exercises.</li>   <li>✓ In the last session, the theme of which was recommendations for future activities, there were lively discussions participated by all speakers and participants. They actively shared what they can take away from the workshop and suggested potential APEC activities related to TBT or other APEC capacity building activities.</li>   <li>✓ Overall, the workshop achieved its main objectives laid out in the project proposal : increasing the practical capacity of negotiators, policymakers, and regulators for TBT negotiations; increasing the knowledge on references in TBT; sharing best practices and experiences in preparing for negotiations; identifying the possible implications of TBT for an economy(ies) when participating in FTAs or the FTAAP).</li>   <li>✓ Moreover, the workshop provided a valuable opportunity for all participants to network with TBT experts in and out of the APEC region.</li> </ul>	<p>Mr. Bui Hong Duong/ Ms. Vu Lien Huong,</p> <p>Head of Division</p> <p>Multilateral Trade Policy Department, Ministry of Industry and Trade, Viet Nam</p> <p><a href="mailto:duongbh@moit.gov.vn">duongbh@moit.gov.vn</a> or <a href="mailto:patbeo81@gmail.com">patbeo81@gmail.com</a></p> <p>+8424.222.054.18</p>
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<p>February 22–24, 2016, Lima, Peru</p>	<p>Peru</p>	<p>International investment agreements</p>	<p>completed</p>	<ul style="list-style-type: none"> <li>✓ The APEC Capacity Building on Existing International Investment Agreements (IIAs) in the APEC Region included three days of discussions and presentations that helped the attendees to exchange best practices related to the new scenario of “overlapping” IIAs in the APEC region.</li>   <li>✓ The attendees were public officials, academics and representatives from international organizations.</li>   <li>✓ The impact of the workshop will be measured in a long-run timeframe upon completion of the ongoing or future negotiations of IIAs in the APEC region.</li> </ul>	<p>Ms. Vanessa Rivas Plata,  Investment Affairs Coordinator  Directorate of Multilateral Affairs, Vice Ministry of Foreign Trade, Ministry of Foreign Trade and Tourism  <a href="mailto:vrivas@mincetur.gob.pe">vrivas@mincetur.gob.pe</a>  + 511 5136100 (Ext. 1213)</p>
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June 30–July 1, 2016, Da Nang, Viet Nam	Viet Nam	Negotiation skills on environment (phase 2)	completed	<ul style="list-style-type: none"> <li>✓ The APEC Capacity Building Workshop on FTA Negotiation Skills on Environment (phase 2) included two days of presentations and discussions on FTA-related environment issues.</li> <li>✓ Overall, the workshop achieved its main objectives stated in the project proposal (increasing the practical capacity of negotiators, policymakers, and regulators on new environmental issues, trade and climate change, trade and conservation, environmental goods and services, case studies on trade and environment, and dispute settlements for environment negotiations; sharing best practices and experiences in preparing for negotiations; providing an networking opportunity for environment negotiators, policy-makers, and regulators) .</li> <li>✓ Moreover, all participants considered the workshop as a valuable venue for networking with environmental experts in and out of the APEC region.</li> </ul>	<p>Mr. Bui Hong Duong/ Ms. Vu Lien Huong,</p> <p>Head of Division</p> <p>Multilateral Trade Policy Department, Ministry of Industry and Trade, Viet Nam</p> <p><a href="mailto:duongbh@moit.gov.vn">duongbh@moit.gov.vn</a> or <a href="mailto:patbeo81@gmail.com">patbeo81@gmail.com</a></p> <p>+8424.222.054.18</p>
June 27-28, 2016, Seoul	Korea	Scheduling (services and investment)	completed	<ul style="list-style-type: none"> <li>✓ The APEC FTAAP Capacity Building Workshop (“Scheduling of Market Access Commitments in Services Trade and Investment”) was held in Seoul on June 27-28, 2016.</li> <li>✓ The objective of the workshop was to enhance the capacities of FTA negotiators and trade policy makers of APEC’s developing</li> </ul>	<p>Mr. Ahn Dong Ouk, 1st Secretary</p> <p>Korea APEC TEAM, Ministry of Foreign</p>

				<p>economies in dealing with scheduling in services trade and investment in FTA negotiations and also encourage APEC member economies to share their experiences, best practices and views on market access negotiations in services trade and investment as well as the difficulties they encountered during the negotiation process and implementation thereof.</p> <p>✓ Overall, the workshop was fruitful with in-depth discussions on various scheduling mechanisms in market access negotiations on services trade and investment. The workshop achieved its desired outcome by allowing participants to enhance their understanding, share experiences and exchange views on how to improve scheduling mechanisms to meet the demands of businesses and the rapidly changing environment of the global services trade. The workshop was especially meaningful in that it was participated by prestigious scholars and experts from the academia, government and international organizations. It served as a valuable opportunity for the participants to learn from the insight and expertise of the speakers.</p>	<p>Affairs, Seoul, Korea</p> <p><a href="mailto:apeco@mofa.go.kr">apeco@mofa.go.kr</a></p> <p>+82-2-2100-7653</p>
August 19-21, 2016, Lima, Peru	Peru	Service chapters with a negative list approach	completed	<p>✓ The Capacity Building Workshop on Negotiations of Services Chapters under FTAs with a Negative List Approach was held in Lima, Peru on August 19-21, 2016.</p>	<p>Ms. Karina Tejada, Services Coordinator</p> <p>Directorate of Multilateral</p>

				<ul style="list-style-type: none"> <li>✓ The objective of the workshop was to enhance negotiating capabilities of services negotiators of APEC economies by increasing the knowledge and capabilities of services negotiators so as to help them use the negative list approach successfully in services negotiations; developing practical skills in generating chapter elements, designing chapters, drafting provisions; enhancing the knowledge of services negotiators about the services chapters included in a negative list approach FTA; enhancing the services negotiators' knowledge about the relations among services chapters included in a negative list approach FTA; enhancing the capability of services negotiators to analyze their counterpart's agreements. The workshop was aimed at building capacity for negotiations on services chapters under a negative list approach.</li> <li>✓ The dynamics of the workshop allowed delegates to interact and learn more about trade, services, telecommunication, financial services, temporary entry of persons and negative list approach chapters.</li> </ul>	<p>Affairs, Viceministry of Foreign Trade, Ministry of Foreign Trade and Tourism, Peru.</p> <p><a href="mailto:ktejada@mincetur.gob.pe">ktejada@mincetur.gob.pe</a></p> <p>+ 511 5136100 (Ext. 8035)</p>
November 29–30, 2016, Ha Noi, Viet Nam	Viet Nam	Negotiation skills on IPR (phase 2)	completed	<ul style="list-style-type: none"> <li>✓ The APEC Capacity Building Workshop on FTA Negotiation Skills on Intellectual Property (phase 2) included two days of presentations and discussions on FTA-related intellectual property issues.</li> </ul>	<p>Mr. Bui Hong Duong/ Ms. Vu Lien Huong,</p> <p>Head of Division</p>

				<ul style="list-style-type: none"> <li>✓ Overall, the workshop achieved its main objectives laid out in the project proposal by enabling negotiators and officials to strengthen their negotiating capacity in the area of intellectual property rights to share best practices and difficulties encountered. Moreover, the workshop provided a valuable networking opportunity for all the participants to network with intellectual property experts in and out of the APEC region.</li> </ul>	<p>Multilateral Trade Policy Department, Ministry of Industry and Trade, Viet Nam</p> <p><a href="mailto:duongbh@moit.gov.vn">duongbh@moit.gov.vn</a> or <a href="mailto:patbeo81@gmail.com">patbeo81@gmail.com</a></p> <p>+8424.222.054.18</p>
February 22, 2017, Nha Trang	Japan	E-commerce	completed	<ul style="list-style-type: none"> <li>✓ This seminar on the e-commerce chapter was held to share experiences among economies, understand business needs, increase capacity(ies) and explore the possible implications of participating in FTAs or the FTAAP.</li> <li>✓ Most of the speakers from the government sector dealt with recent developments in the e-commerce chapter of FTAs/RTAs, some of which includes advanced clauses such as the free data flow clause, data localization clause, and software source code clause. Speakers from the private sector stressed the importance of the e-commerce sector as a fast growing</li> </ul>	<p>Ms.Motoko FUJISAWA, Deputy Director</p> <p>APEC Office Ministry of Economy, Trade and Industry Tokyo, Japan</p>

				business field and the need to make a favorable business environment for the sector.	<a href="mailto:fujisawa-motoko@meti.go.jp">fujisawa-motoko@meti.go.jp</a> +81-3-3501-1407
June 22-23, 2017, Seoul	Korea	Trade remedy	completed	<ul style="list-style-type: none"> <li>✓ The APEC FTAAP Capacity Building Workshop (“APEC Capacity Building Workshop on Trade Remedies : Rules and Practices under the WTO and FTAs/RTAs”) was held in Seoul on September 22-24, 2015.</li> <li>✓ This one and a half workshop consisted of six sessions that offered APEC member economies a chance to have lively discussions and presentations on the recent trend of trade remedies and various legal issues related to WTO agreements and to share their experiences.</li> <li>✓ The goal of this workshop was to enhance the understanding of trade officials from APEC member economies on the current international trend of trade remedies and help them to share their hand-on experiences so that the existing gap in FTA/RTA negotiation capacity among APEC member economies could be further narrowed.</li> <li>✓ The workshop was participated by more than 30 delegates from 13 member economies and ended in great success. The results</li> </ul>	Mr. Ahn Dong Ouk, 1st Secretary  Korea APEC TEAM, Ministry of Foreign Affairs, Seoul, Korea  <a href="mailto:apeco@mofa.go.kr">apeco@mofa.go.kr</a>  +82-2-2100-7653

				of the survey conducted after the last session showed that every participant was satisfied with the structure, presentation materials, interactive discussions as well as the logistical preparations.	
Aug 19, 2017, Ho Chi Minh City	Japan	Negotiation skills on the chapter on competition	completed	<ul style="list-style-type: none"> <li>✓ This workshop was held in Ho Chi Minh, Viet Nam on August 19, 2017 in the margin of SOM3.</li> <li>✓ The objective of the workshop was to enhance the understanding the significance of competition chapters in FTAs/EPAs, the challenges and opportunities in introducing and accepting competitive chapters in FTAs/EPAs, and sharing the real context of competition chapter negotiations and application in some exemplary economies.</li> <li>✓ The workshop was participated by more than 50 attendees from 16 member economies including speakers from Thailand, Japan, Philippines, OECD and academia.</li> <li>✓ At this workshop, the following are highlighted in the discussion:             <ol style="list-style-type: none"> <li>1) Growing significance of competition policy and the meaning of establishing competition chapters in FTAs/EPAs</li> <li>2) Concerns of discriminatory application of competitive law, jurisdiction over subsidies, and</li> </ol> </li> </ul>	<p>Mr. Shigehisa IWAMOTO, Official</p> <p>APEC Division, Ministry of Foreign Affairs, Tokyo, Japan</p> <p>shigehisa.iwamoto@mofa.go.jp</p> <p>+81-3-5501-8342</p>

				3)The significance of 'exchange of information'.	
Aug 20, 2017, Ho Chi Minh City	Chile	Strengthening transparency and participation in the negotiationproc ess of trade agreements	scheduled	✓	✓
Aug 26, 2017, Ho Chi Minh City	Chile	Contribution of the Pacifica Alliance to the realization of the FTAAP	scheduled	✓	✓
To be determined	China	Environmental provisions in FTAs and RTAs	TBD	✓	✓

&lt;Annex 2&gt;

**Plan for the 3rd REI CBNI**

<b>Lead Economy</b>		<b>Timeline</b>
(e.g.) Korea		(e.g.) June 2018
Korea		June 2018
Korea		June 2019
Korea		June 2020
Japan		TBC
Viet Nam		2018
Viet Nam		2018
Viet Nam		2019
Viet Nam		2019
Viet Nam		2020
United States		TBD

Note:

- (i) The economies are invited to sign up as lead economies and play a leading role in designing capacity building programs for particular sectors;
- (ii) This list is a provisional only for the purpose of information and is subject to the result of future discussion at CTI meetings. /END/