

Forum for East Asia-Latin America Cooperation, FEALAC
5th Economy and Society Working Group Meeting
Seoul, Korea, October 18th - 19th, 2007

ECO/2007/17

Final Report

The 5th Economy and Society Working Group Meeting of the Forum for East Asia-Latin American Cooperation (FEALAC) was held from 18th to 19th October 2007 in Seoul, Korea.

The co-chairs for this meeting were Ambassador Paulina Garcia from Ecuador and Mr. Jung-soo Doo, Deputy Director-General for the Latin American and Caribbean Affairs, Ministry of Foreign Affairs and Trade, Korea. The meeting was attended by delegates from the following FEALAC member countries; Argentina, Australia, Bolivia, Brazil, Brunei, Cambodia, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Indonesia, Japan, Korea, Laos, Malaysia, Mexico, Myanmar, New Zealand, Paraguay, Peru, Philippines, Singapore, Thailand, Uruguay, Venezuela and Vietnam. The list of participants is in Annex 1 of this report.

The WG meeting addressed on-going and new national projects of member countries, and then went on to discuss the following topics: strengthening SMEs, sub-group on tourism, the FEALAC website, trade and investment and sustainable development.

National Projects

- 6th and the 7th FEALAC Young Leaders Invitation program – Japan made a presentation on the results of the 6th FEALAC Young Leaders Invitation program with a focus on Clean Development Mechanism, including renewable energy and bio-fuels. It was attended by 29 young professionals from FEALAC countries and various activities, including a CDM seminar were held as the main even of the program. Japan plans to hold the 7th FEALAC Young Leaders Invitation program in the first quarter of 2008 and the ESWG welcomed the continuation of this project. The ESWG also asked Japan for

further details on the upcoming invitation program and voiced support for this particular cause.

- Institutional Strengthening and Human Resources Training for the Making of Social Policies oriented to the Reception and Insertion of Migrants in Chile and in other member countries of FEALAC – Chile made a presentation on Institutional Strengthening and Human Resources Training for the Making of Social Policies oriented to the Reception and Insertion of Migrants in Chile and in other member countries of FEALAC, which is intended to have technical human resources able to formulate public policies that help vulnerable immigrants. Main goals of this project are to promote and to make known the human rights of the migrants, to encourage the creation of social policies for the establishment of insertion mechanisms, to encourage the formation of migrants association as an effective instrument for exercising their rights, and to make use of international cooperation with FEALAC member countries that had success in insertion policies. It was submitted as an IDB project and is subject to evaluation under the Korea Fund for Poverty Reduction. The Philippines supported this project and stated that there will be a Global forum in Migration and development held in the Philippines next year, which addresses similar issues and asked for member countries attention as well. Chile also asked for help in selecting experts for this program and member countries expressed their willingness to contribute to this process.
- 1st China-Latin America Business Summit – China made a presentation on the 1st China-Latin America Business Summit, which will be held from 27th to 28th November, 2007 in Chile, Santiago. The CCPIT (China Council for the Promotion of International Trade), the Export-Import Bank of China, Chile National Chamber of Commerce and Chile Bank will co-host this meeting, whereby more than 500 Chinese entrepreneurs and 150 companies are going to participate in this event. Argentina mentioned that it would help the FEALAC process if member countries would bring their projects before they are implemented to any of the pertinent fora under the FEALAC process and have member countries involved from the preparatory stage. Member countries expressed interest in this project and commented that next time, the business summit should include not only China but also other countries that are willing to participate from East Asia. China stated that since this is the

first summit, it will be between China and Latin America but other countries are welcome to participate as well.

- Seminar on Social Policies – Venezuela’s presentation was on Social Justice and Equality within the framework of bi-regional integration, which is to promote the exchange of experiences among the Member Countries of FEALAC, for the implementation of social policies (mainly in the education and health fields), for the reduction of the social gaps and the promotion of inclusion and social justice and to build a platform for cooperation between the bodies and institutions in the social field of the Member Countries of FEALAC, for social participation in the design, execution and assessment of public policies. Member countries supported Venezuela’s effort in this particular issue.
- Technical Training in Logistics, Urban Planning and Environment Protection (Six Programmes) – Singapore made a presentation to provide more information on its initiative, first announced at the 8th SOM held in Brazil in August, to offer six training programmes for FEALAC Member States in the areas of (i) port management and operations; (ii) airport terminal operations and management; (iii) civil aviation management programme; (iv) environmental protection and health management; (v) water supply and distribution management; and (vi) urban planning and environment management. The first available training programme is on "Urban Planning and Environment Management in Singapore," scheduled from 26 February to 10 March 2008. More details on this programme and the others will be circulated soon to member countries in due course.
- Seminar on Best Practices and Innovation on Self-governing – Korea made a presentation on a Seminar on Best Practices and Innovation on Self-governing, which will be held from 12th to 16th November in Suwon, Korea this year. The seminar is intended to find ways for regional governments of each respective region to collaborate band to share best practices and experience on self-governing for their mutual benefit. All expenses for one representative of each member country will be covered by the host so member countries were encouraged to participate and share their experience with the FEALAC member countries. Member countries expressed interest in the seminar but

requested that more detailed information is needed in order to solicit appropriate agencies to send the pertinent experts. Korea stressed that anybody is welcome at the seminar and that the details of the seminar will be circulated for member countries to consider as soon as possible.

- FEALAC Conference on ECOTOURISM – Indonesia made a presentation on the FEALAC conference on ECOTOURISM, which will be held in Bali, Indonesia in July 2008. The two-day Conference will accommodate Plenary Sessions as well as Workshops whereby the theme of the Seminar will be “Towards Sustainable Ecotourism Development in East Asia and Latin America.” Encompassing two themes dear to this working group, namely sustainable development and tourism, member countries commended Indonesia’s efforts and expressed their support. New Zealand expressed its support and offered to explore with Indonesia ways in which it might assist.
- Tourism Management and Hotel management Training Course – Thailand made a presentation on two training programs, one on hotel management which will be held from 3rd to 4th March, 2008 and the other on tourism management from 1st to 24th May 2008. Both training courses are intended to develop resourceful personnel in the given fields and are open to FEALAC member countries, CARICOM member countries, OAS member countries and other countries subject to change. Thailand also made a presentation on the outcome of the 3 Buakaew roundtable International Seminars organized in Thailand from 2005-2007. There were respectively 8, 11 and 9 FEALAC members from Latin America who participated in the said seminars. The 4th seminar will be held in Thailand around May 2008, the details of which will be circulated soon to members. Member countries expressed interest in the training courses and seminar and commended Thailand for its efforts.

SMEs

The Ministers at the 3rd FMM instructed the Economy and Society Working Group to examine the creation of a network of focal points on SMEs, including the consolidation of existing proposals in a database to be posted online and incorporating the SMEs proposal on “Competitiveness, Best Practices and Export Promotion,” that has already been approved by FEALAC member countries.

Ecuador made a presentation on the SME's Bi-regional development center, which will provide training, advice and other services to people interested in establishing an SME and/or to business people who want to consolidate their business. Ecuador distributed document ECO/2007/9, which is a concept paper on the SME's Bi-regional Development Center. It will become the first center of this kind to absorb the entire database on SMEs. Some members raised questions on how to manage and finance the center. The relationship to academic institutes was pointed out as well. Since the project is just being developed, Ecuador will elaborate further on details which will be circulated in coming months, so that it can be examined at the 6th ESWG meeting.

There were also comments on utilizing the FEALAC website to organize the focal points of SMEs and to upload the relevant material on the database on-line and some member countries referred to the OECD to draw on their vast experience with this issue. Brazil made a presentation on SEBRAE, which is the Brazilian Service of Support for Micro and Small Business. SMEs account for 99.23% of Brazil's enterprises and the presentation was an elaboration why FEALAC needs to address the SMEs issues as one of its core agenda items.

Member countries commended the presentations made by Ecuador and Brazil, and they agreed to consider Ecuador's project once it is developed by its national consultants and will come back at the 6th ESWG meeting to discuss the details.

Sub-group on Tourism

Ministers instructed the Economy and Society Working Group to set up a subgroup of Tourism. The purpose is to examine policies and measures aiming at the increase of the tourism flow between the two regions.

In order to start the discussion, the Latin American countries made a presentation on a set of modalities for establishing the sub-group on tourism, based on a draft prepared by Brazil.

Australia suggested drawing on the experience of the World Tourism Organization and Chile distributed the results of the 7th Ibero-American Conference of Tourism Ministers as reference material.

After intense discussions and informal consultations, the ESWG adopted the provisional set of modalities, which will be considered by the ESWG intersessionally and adopted for the Senior Officials to consider at the next SOM. The gist of the modalities are; the co-chairs of the ESWG assume the chair of the sub-group simultaneously, it is open to all member countries, the meeting will be held in conjunction with the ESWG,

recommendations made by the subgroup will be submitted to ESWG for consideration and all decisions will be made by consensus. There were concerns expressed by the ESWG not to have the ESWG meeting and the sub-group meeting at the same time, since most of the member countries are not able to send experts to the sub-group, so that one representative would need to cover both meetings. However, there was consensus that the sub-group needs to be held before the ESWG meeting since it needs to report to the ESWG on its findings on tourism. Member countries decided to give flexibility to the chairs by inserting the expression “in conjunction with the ESWG meeting,” which simply says that the sub-group is to be held where the ESWG is held but whether the timing overlaps or whether the meetings occur consecutively depends on the situation or the decision of the co-chairs. The modalities of the subgroup on tourism are in ANNEX 2 of this report.

FEALAC website

The Ministerial Declaration states that member countries are willing to accept with appreciation the generous offer made by Korea to develop and maintain the common official FEALAC website. Based on this mandate, Korea started to construct the website after the Ministerial Meeting and it was opened for member countries' comments under the domain address <http://www.fealacsec.org>.

Korea made a presentation on the functions of the website and demonstrated in front of member countries how members can access the services already in place.

The current domain address which was chosen because <http://www.fealac.org> was already occupied by presumably the chairs of the Science and Technology working group. Costa Rica suggested that the ESWG discuss the domain address and the construction of the website as a whole with the chairs of the Science and Technology working group, considering the former website did not only receive financial support but also had the approval of the Senior Officials at that time.

Ideas were floated to utilize the website as a basis for some projects of the forum such as to build the focal point network of SMEs, the tourism subgroup and the information network of business organizations. Some members requested caution to discuss this issue first with the chairs of the STWG. There was a discussion on whether the site should be used as a promotion tool or as a closed network for FEALAC members, in the form of a cyber-Secretariat. Member countries decided first to agree what contents to upload and which menus to make public and based on the decision, improve the website starting this year.

The ESWG also discussed the future maintenance of this website and how and who should be responsible for the permanent maintenance. There were also comments on the necessity of a bilingual website, so that the contents are available both in English and in Spanish.

Korea pointed out the importance of the engagement of member countries by first assigning a focal point in charge of the FEALAC website, by submitting a registration form so that the person gets a valid ID, and then making use of the existing services including the bulletin board, the FEALAC calendar and the documents section. Korea stressed that the success of this website depends on the devotion of all FEALAC member countries and asked each member to start contributing to the whole process.

Meanwhile, the ESWG co-chairs will contact the co-chairs of the STWG to sort out the domain address issue and report to the ESWG intersessionally on the results of their findings.

Trade and Investment

Ministers instructed the Economy and Society Working Group to monitor developments resulting from the meeting held in Brazilia, promote the advancement of such results, examine a way to create a financial and trade information network of business organizations to be indicated by interested countries, in order to monitor, identify and publicize trade and investment possibilities in the two regions. Membership in the network would be on a voluntary basis and it should serve as a clearinghouse to publicize investment opportunities, especially regarding infrastructure.

Dr. Kim Won-ho, an expert invited by Korea, made a presentation on INBO, the investment network of business organizations. His presentation illustrated to member countries what could be the extreme two versions of establishing a network, whereby option A would utilize the FEALAC website and the option B would build a whole new database with special function to disseminate information. The presentation was not a project proposal made by Korea but rather a discussion paper so that member countries would have a starting point for discussion, finding out a way to implement Minister's mandate.

Member countries commended the presentation as thought-provoking. Some voiced support for utilizing the existing website based mostly on feasibility assessment but member countries agreed to discuss this issue further after deliberating with the relevant agencies.

Argentina suggested that there should be an index with elements that all countries are

required to submit so that the information network provides the same information of all FEALAC member countries. Member countries agreed to consider Argentina's index proposal intersessionally. Brazil reiterated its interest in collaborating to the creation of a directory of websites similar to BrazilTradeNet, the trade and investment promotion portal of the Trade Promotion Department of the Ministry of External Relations of Brazil.

Sustainable Development

At the 4th Economy and Society Working Group, member countries decided that sustainable development, especially the Clean Development Mechanism (CDM) should be one of our core programs. In order to move forward on this issue, Japan made a presentation on sustainable development and CDM cooperation, including the actual situation of the worldwide CO₂ emissions, the Kyoto Mechanism and the necessity for continuous cooperation within FEALAC. In the presentation, Japan suggested that cooperation in FEALAC should focus on three measures; exploring further areas of mutual interest to seek major possibilities of cooperation, active collaboration among CDM experts in the FEALAC region and efforts to enhance work in the CDM Executive Board in the areas of energy efficiency and forestation/reforestation. New Zealand voiced support for Japan's initiative on this issue. Thailand added that enhancing capacity building with the developed countries is important by making a presentation on its position concerning CDM, including the cooperative mechanism that Japan has introduced to the ESWG.

Future Meetings and Other Business

Korea explained to the ESWG that it tried to have ADB, IDB, ECLAC and ESCAP present at the meeting but they were not available this round. Argentina commented that it would be helpful to have them at the meeting but in principle, it will be a repetition of how we could use their funds, already presented to the ESWG at the last ESWG meeting. Member countries decided to give it further thought and decide at the next round of meetings whether to invite international organizations or not. Ambassador Garcia presented to the ESWG Ecuador's plans to host the 6th ESWG meeting and the first meeting of the sub-group on tourism. It will be held in November next year, if possible on the margins of the APEC Leaders' meeting in Peru.

Member countries discussed whether to have the meeting before or after the APEC Economic Leaders' Meeting, since many of those representing FEALAC also will be involved in bilateral meetings. They decided to give it further thought intersessionally. The ESWG thanked Ecuador for the offer to host the next ESWG meeting.

Conclusion

Member countries commended the co-chairs' efforts in chairing the 5th ESWG and the co-chairs thanked the ESWG for the engagement and support the ESWG has shown at this meeting. The ESWG found the 5th ESWG meeting was helpful in discussing many of the outstanding agenda and by finding out ways to implement Ministers' mandates. It was also pointed out that active participation from all member countries was crucial in taking all initiatives forward. Member countries decided to work on all agenda items intersessionally and come back at the 6th ESWG meeting to come up with concrete recommendations to be submitted to Senior Officials.
