

Final Report

The Sixth Meeting of the Economy and Society Working Group of the Forum for East Asia-Latin America Cooperation took place on November 25 and 26, 2008 in Quito, Ecuador.

The co-chairs of the group for this meeting were Ambassador Paulina García de Larrea and Ambassador Choo Yeon-gon of Korea. The meeting was attended by the delegates of the following member countries of FEALAC: Argentina, Bolivia, Brazil, Brunei, Cambodia, Colombia, Dominican Republic, Ecuador, Guatemala, Korea, Mexico, Myanmar, Philippines, Chile, China, Cuba, Indonesia, Japan, Panama, Paraguay, Peru, Thailand, Uruguay and Vietnam. The list of participants appears in Annex 1 of the present report.

The meeting of the Working Group dealt with national projects being implemented and new projects of member countries. Afterwards, it proceeded to discuss the following topics: the world financial crisis, the Ecuadorian Feasibility Study to Establish the Bi-Regional Center for the Development of Small and Medium Enterprises, the modalities of FEALAC's tourism subgroup, FEALAC's official website, trade and investment, and sustainable development.

World Financial Crisis

Japan presented the topic in terms of how this working group could contribute to tackling the problems of the world financial crisis in the framework of the working group's responsibilities. There was a valuable exchange of ideas between the delegations, highlighting the fact that the current global financial crisis shall not be a short-term crisis. Some of the measures taken by governments to tackle the crisis and mitigate its impacts were mentioned. This led to the following conclusions:

Some members stated that, in view of the Fourth Ministerial Meeting scheduled for next year, this WG should be engaged in discussing whether and how FEALAC can contribute to helping member countries cope with the current global economic crisis. While recognizing that the Economy and Society Working Group is not directly responsible for agreeing on specific measures regarding financial management or macroeconomic policies, the WG noted that, through dialogue and other cooperation activities as stipulated in the FEALAC Framework document, FEALAC can strengthen its cooperation projects, thereby taking up its own role to help Members' efforts to mitigate the negative impact of the global financial crisis on their respective real economy and sustain economic development. Members shared the view that, on the basis of further consideration by the Members, this issue should be discussed at the next Senior Officials Meeting (SOM) scheduled for April 7-8, 2009 in Buenos Aires.

National projects

- Korea presented the results of the second Seminar on Best Practices and Innovation in Self-Governing held in May 2008. This seminar was attended by 200 persons from the member countries of FEALAC and 16 experts made presentations on best practices in self-government and local policies. Experts from the governments of Guatemala, Argentina, Philippines, Vietnam, Costa Rica, Malaysia and researchers

and academics from China, Ecuador, Japan, Brazil and Chile participated in the event. This seminar afforded an opportunity to build up cooperation and exchange best practices in local government policymaking of the member countries.

- Regarding the project on Human Resources Training and Institutional Capacity Building for the Drafting of Social Policies aimed at Receiving and Inserting Immigrants in Chile and Other Member Countries of FEALAC, Chile indicated that the Project was submitted to IDB for funding and that it was returned so that certain adjustments could be made. The project was resubmitted to this organization two months ago and it is assumed that it shall be adopted in coming weeks. Migration is a topic that has become increasingly important. For example, at the October 2008 meeting in Manila on Migration and Development, the Secretary General of the United Nations once again stressed the relevance of the topic and stated that migration should be an instrument to overcome the current world economic crisis. Therefore Chile's project is a contribution to improve the work of FEALAC in this area.
- Indonesia reported that the First FEALAC Conference on Ecotourism was held in Bali in July 2008. More than 130 delegates from Argentina, Australia, Brazil, Brunei, Darussalam, Cambodia, Chile, China, Colombia, Dominican Republic, Ecuador, Indonesia, Japan, Korea, Laos, Mexico, New Zealand, Panama, Peru, Thailand, the Philippines, and Venezuela attended the conference, whilst 10 speakers namely from Argentina, Brazil, Chile, China, Indonesia, Japan, Korea, New Zealand, the Philippines, and Thailand made presentation at this conference. An ecotourism tour was organized on the second day of the conference.

Delegates of the conference engaged in active, constructive discussions on various aspects of ecotourism in East Asia and Latin America and it was observed that there is growing interest in exploring and developing the tourism industry between the two regions. The conference also underscored the potential for ecotourism that already exists in the two regions, which could contribute to sustainable development. Furthermore, it was proposed that a FEALAC Ecotourism Network be established to promote cooperation among member countries to develop ecotourism. It was decided that this idea would be considered at the present meeting. Finally, it was suggested that the next conference on ecotourism be held in a Latin American country.

- Japan, with respect to the FEALAC Young Leaders Invitation Program, indicated that in 2008 two seminars have been organized on the subject, and that the last one took place in November. Documents 19 and 21 dealt with this program. Japan pointed out that these seminars are aimed at sharing Japan's experience on different topics. The November 2008 seminar on environmental business involved both government and private-sector experts on environmental issues and was attended by 11 delegates from Asia and 18 delegates from Latin America. The program was organized by means of lectures, site visits, and presentation by the participants to promote environmentally friendly production practices. Finally, a contact network was established among the seminar's participants so that they could exchange experiences on their countries of origin.

- Thailand, with reference to the Training Course on Tourism Administration and Hotel Management, reported that, in 2008, two training courses in the management of tourism and one hotel management course were carried out for the member countries of FEALAC with participants from Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Peru, Uruguay, and Venezuela.

Training focused on granting instruments so that the participants could develop skills and competencies in hotel operation, financial planning, staff administration, as well as the learning of key factors for the success of restaurants and companies involved in hospitality. It also enabled the participants to acquire academic knowledge and practice experience to improve quality and ensure excellency in the standards of the tourism and hotel industry, considering the different cultures and the international context. Likewise, the courses made it possible to exchange hotel operation experiences and practices among the participants.

Thailand also hosted a training course on Income Generation and Poverty Reduction for Development in collaboration with the Mekhong Institute from April 21 – May 9 2008 with participation from Brazil.

New Projects

- Korea submitted for consideration of the Working Group the implementation of two new projects, which are “FEALAC Expert Meeting on Current Issues” and “FEALAC SME Promotion Tour.” The “FEALAC Expert Meeting on Current Issues” will replace the “Seminar on Best Practices and Innovation in Self-Governing” from the year of 2009. At the FEALAC Expert meeting, experts from FEALAC member countries will discuss the issue which draws FEALAC members’ attention and explore the ways how to address the issue. For the event, “FEALAC SME Promotion Tour,” SME policy makers as well as small and medium businessmen shall be invited and they will visit two or three Korean cities, including Seoul. The guests will have consultations with their Korean counterparts and promote their products at the event.
- Thailand submitted eight training courses and seminars to be implemented next year, some of which were distributed at the Meeting, namely (1) Tourism in Thailand: Development, Management and Sustainability, (2) Hotel Management, (3) Income Generation and Poverty Reduction for Development, (4) Community-based Microfinance and Income Generation Management for Poverty Alleviation, (5) Grassroots Economic Development with One Tambon One Product (OTOP), (6) Narcotics Law Enforcement in FEALAC Countries, (7) SMEs Promotion, and (8) Sixth Buakaew Roundtable International. In addition, the details of the mentioned courses will be sent to the member countries in due time. Furthermore, it was also announced that four fellowships of postgraduate programs requested or mutually agreed by the members of FEALAC will be offered in 2009.
- Indonesia proposed “FEALAC Journalist Familiarization Trip Program” to be organized by the Ministry of Culture and Tourism of Indonesia in 2009. The program aim to enhance the comprehension and scope of tourism potentials of the journalists and travel writers of FEALAC member countries as well as to

increase awareness and understanding of cultures of the peoples in the two regions. The exact date of the program shall be communicated to the member countries.

Capacity building of small and medium enterprises

Ecuador presented the feasibility project for the Establishment of the Bi-Regional Center for the Development of Small and Medium Enterprises (SMEs) (Document No. VI-ESWG/ECU/2008/07) in the framework of the guidelines of the Brasilia ministerial decision. This feasibility project includes proposals on structure and funding of this center. With the active participation of the delegations in reviewing this document, the following agreements were reached:

First, recognition of the importance of the topic of SME capacity building for development, employment and poverty abatement.

Second, the delegations commended the presentation of the feasibility study for the establishment of the Bi-Regional Center for the Development of Small and Medium Enterprises (SMEs). They pledged to submit this document to the national organization responsible for the development of SMEs in each country to encourage them to give their viewpoints on this document, which shall be used by the Governments of the FEALAC countries to examine the proposed project and give their recommendations at the next Senior Officials Meeting (SOM) to be held in Argentina in April 2009. The Ministry of Foreign Affairs of Ecuador requested that contributions to enrich the above-mentioned document be forwarded to it by the first week of February 2009.

Third, using the FEALAC website to register all the SME FOCAL POINTS of each country.

Modalities of the Tourism Sub-Group

On the basis of the document provisionally adopted in Korea in 2007, the co-chair proposed to the Working Group to prepare a draft decision to be submitted to the Senior Officials Meeting to be held in Argentina in April 2009, that would bring together the "Modalities of the Tourism Sub-Group", which was accepted by all the delegations.

Brazil referred to an additional proposal on the responsibilities of this Sub-Group of Tourism, the text of which was distributed as a document VI-ESWG/ECU/2008/24. The delegations adopted its contents and it was decided to incorporate it into the Draft Decision, which appears as Annex II of the present Report.

The Sixth Meeting of the Economy and Society Working Group decided that the first meeting of the Sub-Group on Tourism be held during the Seventh Meeting of the Economy and Society Working Group.

FEALAC Website

The delegates reiterated appreciation for Korea's initiative of creating and implementing this Internet portal, which is a useful tool for the FEALAC countries. Korea emphasized that the portal benefits from the information provided by the member

countries and, to update it, the cooperation of all is required. The delegation of Korea was requested to include a sub-page for businessmen in the existing portal, containing information about business opportunities.

Trade and Investments

The meeting insisted on the need to establish a financial, trade, and business information network to monitor, identify and publicize business and investment opportunities in the two regions. Member countries were urged to make a commitment for the purpose of reaching firm decisions that would make it possible to set up this network in keeping with the mandate contained in Annex 3 of the Declaration of the Third Ministerial Meeting of FEALAC in Brazil in 2007.

The delegations agreed to encourage the member countries to present information about the following: export promotion, attracting investments, list of federations or associations in charge of foreign trade.

In addition, for the purpose of not duplicating efforts of the member countries, since in most cases they have trade and investment information networks that have already been developed in East Asian and Latin American countries, it would be necessary to take into account the national projects that are under way.

The delegates attending this Sixth Meeting agreed to discuss this matter at the next Senior Officials Meeting in April 2009 in Buenos Aires.

Sustainable Development

Clean Development Mechanism

Japan presented its efforts to avoid global warming. It explained the three pillars that it uses to reduce greenhouse gases:

1. In the framework of the Kyoto Protocol, the goal is to achieve total participation that would include more economies, not only Europe and Japan.
2. International cooperation in technologies to reduce pollution.
3. Investment for the development of innovative technologies that reduce the greenhouse gas effect in the environmental, manufacturing, and energy sectors with respect to common and differentiated responsibilities.

The Delegations thanked Japan for the detailed information on Japan's efforts to avoid global warming, which is a motivating force for the work of the Working Group, including the measures taken by other countries to reduce the greenhouse gas effect.

Brief Informative presentation on ITT Project as a contribution to sustainable development

The Delegation of Ecuador made the presentation on the Yasuni-ITT Initiative promoted by the country to contribute to avoiding global warming.

Ecuador presented this Initiative of not tapping the oil reserve that can be found in the ground of a protected ecological area called the “Yasuni National Park.” This zone has a high concentration of biodiversity, and therefore the proposal is aimed at securing international compensation equivalent to 50% of the earnings that Ecuador could obtain for the oil development of the area. The sources of funding shall consist of donations, debt swap, individual contributions and the guarantee certificate scheme such as carbon credits.

Other Matters

Identification of Topics of the Economic and Society Working Group

The co-chair reported to the Working Group about Thailand’s proposal to hold in 2009 the FEALAC Training Course on Cooperation for the Reduction of Poverty presented at the meeting of the Working Group on Policy, Education and Culture in Bali this year and proposed that this course and the entire topic of poverty reduction should be dealt with in the Economy and Society Working Group in charge of this topic. This proposal was accepted by the delegation of Thailand.

Organization of the Fourth Ministerial Meeting of FEALAC

The delegation of Japan indicated that it is planning to host this Ministerial Meeting. It announced that the draft of the Agenda of the Senior Officials Meeting would be presented and that it could encompass, among other subjects, the environment, social inclusion, and current economic affairs. Japan would like to receive the contributions of the countries to draw up this Agenda. It also recalled that, next year, FEALAC would be celebrating its first decade since its creation, which provides an opportunity to conduct an assessment on the evolution that this Forum has had and its future. Japan requested the current co-chairs of the three Working Groups to consider their replacements, which shall be approved at the next Ministerial Meeting. It proposed holding, through the web, an online meeting a Group of Senior Officials for which purpose a list with all the electronic mails of the principal officers of the FEALAC focal points was distributed.

Review of Modalities of Working Groups of FEALAC

The Delegation of Japan made the presentation of the document VI-ESWG/ECU/2008/20 “Japan’s proposal of New FEALAC Modality.” After some clarifications on some of the issues in this proposal, the Delegations agreed to send it for further examination to the authorities of the Focal Points of FEALAC in each country.

Report on the Organization of the Science and Technology Working Group

The delegation of Panama announced that it had started preparing for the Meeting of the Science and Technology Working Group whose co-chair it shares with New Zealand. It indicated that this meeting shall be held at City of Knowledge (Ciudad del Saber) in Panama on February 10-11, 2009, suggesting the attendance of government experts in this field.

Date of the coming SOM

The Delegation of Argentina as host country of the Senior Officials Meeting to be held in Buenos Aires announced that April 7-8, 2009 would be the date for the meeting.

Conclusion

Member countries commended the Co-Chairs' efforts in chairing the Sixth ESWG and the Co-Chairs thanked the ESWG for the engagement and support the ESWG has shown at this Meeting. The ESWG found the Sixth ESWG Meeting was helpful to discuss many of the outstanding Agenda and find out ways to implement the Ministers' mandates. It was also pointed out 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 Sixth ESWG Meeting to come up with concrete recommendations to be submitted to Senior Officials.

Quito, November 26, 2008

Annexes.- (2)