

**COMPREHENSIVE IMPLEMENTATION STRATEGY
FOR APEC'S ENERGY PROGRAM**

Objectives

- To more fully integrate and make more effective APEC's broad and active energy program.
- To strengthen APEC's ability to simultaneously pursue economic growth, energy security and environmental protection (Economic Leaders' 3E's initiative).
- To strengthen energy's role in building the APEC region's economic and social future, attaining clean and sustainable development, strengthening APEC's markets, reaching the Bogor Goals and fulfilling the Osaka Action Agenda.
- To respond to Economic Leaders' instruction to pay more attention to implementation and practical results, to translate vision into action, and to deliver on commitments.
- To respond to Economic Leaders' instruction to actively involve the business community.
- To more closely integrate trade and investment liberalization (TILF) and economic and technical cooperation (EcoTech) activities and initiatives, in recognition of their close and mutually supportive linkages.
- To respond to the great energy security concern of many of our economies by implementing strategies that strengthen energy markets, mobilize private capital on an unprecedented scale, promote investment in clean energy sources and production systems and diversify our energy supply.
- To demonstrate to Economic Leaders a commitment to vigorously implement recommendations in energy initiatives, including initiatives on natural gas, independent power production, and environmentally sound infrastructure, in each economies domestic policy considerations, consistent with each members domestic circumstances.

Major Elements

The comprehensive implementation strategy is comprised of two major elements: (1) a program of implementation assistance, as requested on a voluntary basis; and (2) a system of self-reporting on and measuring progress in implementation. It is recognized that the strategy may evolve along with APEC's goals and energy development. At a minimum, the strategy will be re-evaluated after 3 years.

Implementation Assistance

Many of our economies are considering and undergoing energy sector reform and stand to benefit from the shared experiences of other economies. The comprehensive implementation strategy therefore features sharing experiences and helps develop the capacities of our economies to cope with the transition to more open, competitive markets.

The APEC Energy Working Group will establish a program of communication, education, consultation and capacity building under which, as invited by member economies, advisory teams visit economies to share experiences (1) as related to implementation of best practices and principles recommended in initiatives endorsed by Energy Ministers related to policy and regulatory reform; and/or (2) experiences and practices in energy technology. Team members are drawn from the Energy Working Group (EWG), the EWG's Expert Groups, the EWG Business Network, the Energy Regulators' Forum, other designated experts and the EWG Secretariat (all of these groups do not have to be represented on the team, except that each team should include at least one member of the Energy Working Group, 2-3 members of the EWG Business Network, and one member of the EWG Secretariat). An advisory team visit in relation to the Natural Gas Initiative was tested in Thailand in November 1999 with successful results and future visits are being considered.

Requests for an advisory team visit are made to the Chair of the Energy Working Group. The Energy Working Group Secretariat will request appropriate nominations for team membership; this process will include requesting the Chair of the EWG Business Network to obtain business participants.

Advisory team visits are planned on a ad hoc basis to ensure that visits meet the needs of volunteer host economies and that the best practices and principles are presented in a context relevant to the host economy. The preparations for the visit include interactions between the team and the host company to ensure that the visit team is well prepared and focused and that the needs of the host economy are met.

Although the advisory team will focus on recommended best practices and principles, the team is encouraged to emphasize their practical applications.

In recognition of the close linkages between trade and investment issues and technology issues, host economies are encouraged to consider both trade and investment requirements as well as technology requirements in offering invitations. For instance, a host economy may request an advisory team to focus on the best practice and policy recommendations of the Natural Gas Initiative, with their implications for policy and regulatory reform, and related technology issues. In this case, the advisory team would include appropriate technology experts drawn from the EWG's expert groups. Alternatively, the host economy may chose to focus on only trade and investment issues or only on technology issues. In either case an appropriate team would be formed.

The format and substantive focus for the visit is determined by the host economy; however, emphasis is placed on open and free dialogue between business and government participants, such as are available in a workshop or seminar.

The membership of the team is deliberately kept to a minimum (approximately 5-7); however, aware of the objective of building capacity as well as advising governments, host economies are encouraged to open local participation as wide as possible to public and private participants.

A report of the results of the visit is prepared by both the visiting team and the host economy and made available to the Energy Working Group. These reports should include a summary of topics discussed and conclusions drawn. The host economies are encouraged to identify in their reports expected follow-on activities resulting from the visit, as well as the need for possible additional visits by an advisory team on more specific topics.

Reporting and Measuring Implementation

Economies will measure progress in the implementation each initiative endorsed by Ministers by a system of voluntary, annual self-reports that will be forwarded to Economic Leaders.

The self-report will be prepared within the context of the 14 non-binding energy policy principles and the other agreed energy principles.

The self-report specifically includes progress on the implementation of and issues relating to initiatives on: (1) independent power production, natural gas and environmentally sound infrastructure; (2) the voluntary pledge and review for energy efficiency; and (3) energy efficiency standards harmonization. The report may also include progress on and issues relating to the implementation of other principles to which Ministers have agreed, such as regarding energy security, and to programs on energy technology. The report will be expanded as Ministers endorse other initiatives.

The self-reviews should stress short, medium and long term issues and goals related to each initiative and should include, initially, self-identified measurements and benchmarks of progress. The Energy Working Group will give priority to systemizing the process by developing measurements that all economies can use and that can also compare how APEC economies are progressing when compared to other international economies.

The annual self-reports will be made to the Energy Working Group in a brief written report, as the basis for a general discussion of implementation progress and issues by the Energy Working Group. The Chair of the Energy Working Group will prepare a brief summary of implementation progress and issues and forward it along with the individual self-reports through appropriate APEC channels to APEC Economic Leaders. The EWG Business Network will be consulted in this process.

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