

# **Asia-Pacific Economic Cooperation**

## **Summary of Proceedings: Capacity Building Program for Trade and Investment Insurance Practitioners**

*15 – 17 January 2002*

*Makati City, Metro Manila, Philippines*

**APEC Human Resource Development Working Group**

**January 2002**



## **SUMMARY OF PROCEEDINGS**

### **Capacity Building Program for Trade and Investment Insurance Practitioners (CBP-TIIP)**

#### **EXPERTS' WORKSHOP**

**Makati City, Metro Manila, Philippines  
January 15-17, 2002**

1. The Experts Workshop of the APEC Capacity Building Program for Trade and Investment Insurance Practitioners (CBP-TIIP) was held at the Asian Institute of Management Conference Center for Executive Education (AIM-ACCEED), Makati City, Metro Manila, Philippines on January 15-17, 2002. It was attended by experts from 11 APEC economies; namely, Canada, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam. It was also participated by two consultants from Australia as well as representatives from the Project Overseer, the National Industrial Manpower Training Council of the Department of Trade and Industry (DTI-NIMTC) of the Philippines. The last-named agency served as the secretariat for the workshop. (Annex "A" - 1)
2. The workshop objective was to establish the framework for the major components of the CBP-TIIP.

#### **OPENING CEREMONY**

##### **Welcome Remarks**

3. DTI- Trade Group Assistant Secretary Jose Antonio Buencamino formally welcomed the guests which included government representatives and eleven (11) experts on trade and investment insurance from the APEC member economies. He officially cited the role of the Department in this APEC-funded project. He also outlined the expectations from this 3-day activity, to wit: its conformity to present economic conditions; its

contribution to the promotion of HRD towards the liberalization and facilitation of trade and investment in the region; and, the forging of more friendly alliances, thereby opening doors of collaboration and cooperation on other activities beneficial to all member economies. He expressed optimism that the workshop will be a fruitful one. (Annex “A” -2)

### **Keynote Speech**

4. Undersecretary Gregory Domingo of the DTI Industry and Investments Group, conveyed the Department’s appreciation for the opportunity to gather experts on trade and investment insurance from the various APEC economies to share their expertise with the region. He regarded the forum as crucial in setting the direction of the program's other 3 major components. He hoped that the interaction between advanced and less developed economies will result to better cooperation and stronger linkages among their export credit agencies and institutions.
5. Undersecretary Domingo highlighted the significance of well-run export credit agencies and the export credit insurance system to business expansion and economic growth. He regretted that the Philippines has not reached that point. Since such a situation could be prevalent in other less developed APEC economies, he challenged the experts to assist small and medium-scale exporters now experiencing the current global economic difficulties. He saw this as the reason for training programs for export credit agencies’ senior and middle level managers to enhance their competencies, in order to enable them to deliver high quality frontline services to all types of customers including small and big exporters. He wished everyone a productive stay in the country that will produce a legacy of ideas which will be favorable to international trading within and outside the APEC region. (Annex “A” -3)

### **Introduction of Experts and Consultants**

6. The experts from eleven participating APEC economies (Canada, China, HongKong, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Thailand and Vietnam) and the two Australian consultants for the TNA were introduced individually.

### **Project Overview**

#### ***Experts’ Workshop Concept and Expected Outcome***

7. The National Industrial Manpower Training Council of the Department of Trade and Industry – Philippines, as the Project Overseer, presented the concept of the APEC-HRD Capability Building Network's *Capacity Building Program for Trade and Investment Insurance Practitioners (CBP-TIIP)*, the rationale of the Experts’ Workshop and its expected outcome.

### ***Workshop Mechanics***

8. The mechanics of the Workshop as discussed by the consultants and the experts centered on 3 components; namely: 1.) Practitioners' Workshop; 2.) Trainers' Workshop; and, 3.) Senior Executives' Forum. (Annex "A" –4)
  - It was agreed that the experts and other participants will be divided into 2 discussion groups:
    - Group 1 to consist of economies with developed ECAs (Canada, HongKong, Japan, Korea, Singapore). Mr. Kohei Okada was chosen Chairperson.
    - Group 2 to be comprised of those with developing ECAs (PROC, Indonesia, Malaysia, Philippines, Thailand and Vietnam) with Mr. Norulhadi Md. Shariff as Chairperson.
  - The group discussions will be followed by a plenary session.
  - Ms. Jane Tambanillo of the Philippines, Ms. Jean Phoon of Singapore and Dr. Charles Barrett of Canada were designated moderators of Workshops 1,2, and 3, respectively.

### ***Background on the Trade and Investment Insurance Training Program (TIITP)***

9. Deputy Director Wu Wenwu of the Department of International Exchange and Cooperation, Ministry of Personnel, People's Republic of China, Proponent and Project Overseer of the 1997 and 1998 TIITP, summarized the outcome of said programs, to provide background information to prepare the participants for the present endeavor. (Annex "A" -5)

### **TRAINING NEEDS ASSESSMENT SURVEY**

10. Mr. Richard Braddock presented the result of the survey which was commissioned as a critical component of the APEC CBP project HRD 01/2001T, Trade and Investment Insurance Training Program, as initiated by the Philippines. It consists of four components designed to identify and respond to the needs of Export Credit Agencies across the APEC economies. (Annex "B")
11. The following programs were recommended:

**Program 1 New Entrants-Introductory:** This covers the role and functions of ECAs in supporting and enhancing the export performance of their economies; the terminology of export trade and export finance; the role of governments and of the private market; sources of credit information on buyers; the economic and political situation in individual economies in relation with exporters and bankers; and, ECAs in other countries relative to international co-operation.

**Program 2 *Advanced Training for Junior/Middle Management***: covers the basic operational skills required in an ECA which includes evaluating and controlling the credit risk on individual buyers; premium rating and charging; claims and recovery procedures and techniques; assessing and controlling country risk; reinsurance and financial control and special facilities like factoring, bonding, cover for banks confirming letters of credit.

**Program 3 *Train the Trainers***: *The development of a training manual is seen as a necessary operational tool for all those in an industry which is subject to constant change and expansion* since only 5 respondents to the survey had a specialized training division, 9 conducted in-house training and 4 had in-house training manuals.

**Program 4 *Short-term Course for Top/Senior Management***: This is a two-day seminar forum on subjects such as strategies for ECAs in the light of current challenges; crisis management; relations with re-insurers and financial control; and, relations with government. This would enhance capacity building especially for new and small and medium sized ECAs. Emphasis should be on actual practice.

12. Program 3 elicited a number of reactions:

Ms. Tambanillo of the Philippines highly endorsed this need to train trainers.

Mr. Derek Hill of Australia countered that while small ECAs highly depend on on-the-job training, it is important to know what credit insurance is all about.

Dr. Barrett of Canada reinforced the idea by saying that the need to know what to learn complements on-the-job training to which Mr. Braddock added that a related degree, such as finance, actually does not guarantee skills and knowledge of ECA operations.

When Ms. Tambanillo inquired about the appropriate on-the-job training model, Mr. Braddock answered that in-house training is more effective in addressing individual ECA requirements.

Dr. Wu of PROC wanted clarification on who should be trainers; how to make use of trainers' expertise; who would fund their activities; how to optimize APEC efforts.

Mr. Shariff of Malaysia obliged by saying there is a need for coordination among ECAs to develop expertise, conduct their workshops themselves and not depend too much on training from Europe, which apparently is the practice.

Dr. Hill agreed that this was a constructive approach and mentioned about an existing Asian group providing such services.

Mr. Shariff of Malaysia admitted that they have been busy with the business aspect and have neglected the training aspect. Thereupon, Mr. Braddock emphasized the need in the APEC region to have a group to pool training resources for a synergetic effect.

13. On Program 4:

Mr. Hill pointed out that nominated participants who are not CEOs may feel inadequate to join the Senior Executives’ Forum. Some CEOs, on the other hand, may be put off by so short a course.

Dr. Barrett said that there was a consensus for Program 4 to have a steering committee.

14. As pre-arranged, following the TNA presentation, the workshop participants divided themselves into 2 groups: the first group consisting of APEC economies with developed ECAs; the second group consisting of APEC economies with developing or emergent ECAs.

## **WORKSHOP 1: PRACTITIONERS’ WORKSHOP**

15. The two sub-groups conducted parallel discussions and came up with the expected outputs relative to the Practitioners’ Workshop.

### **Group 1 Presentation**

16. Group 1 comprised of Australia, Japan, Singapore, Korea, Hong Kong and Canada made the first presentation in the plenary session. Mr. Derek Hill was designated presenter of the group’s output. (Annex “C” -1)

The session was highlighted by spirited discussions on the following:

- Group 1’s contention that one country’s participation to a program should not exceed 20% of the total albeit Mr. Hill’s emphasizing that this is not a hard and fast rule.
- The proposed training curriculum for Program 1 not being detailed enough
- Proposal for training duration to be increased from 7 days to 10 in consideration of the numerous topics/activities to be covered.
- The use of case studies for presentation by participants.
- Identification of host economies as a priority action item in view of the limited time.

In the course of the discussion, a question was raised on the probability of providing business class airfare for participants whose flights will be requiring long hours of travel instead of the standard economy class airfare being allowed by APEC. It was pointed out that this needs clearance from APEC Secretariat and that no booking is made unless APEC approval is assured.

### **Group 2 Presentation**

17. Mr. Norulhadi Shariff of Malaysia was presenter for Group 2, which consisted of Indonesia, Malaysia, the Philippines, PROC, Thailand and Vietnam. He cited the group efforts in coming up with detailed training designs for all three programs of the Practitioner’s Workshop.

Not many issues cropped up in the course of the presentation since Group 2 criteria on the program components did not differ much from those of Group 1. (Annex “C” –2)

### **Agreements**

18. After the two group presentations, the experts decided on the following components per program; namely: program themes; target participants; selection criteria for participants; schedule and duration; host economy; materials and methodologies; and selection criteria for lecturers. Since the components cut across the three programs, they agreed to tackle all three on a per component basis.

- ***Program Themes***

19. To state briefly the outcome of the presentations, Group I proposed to conduct 2 basic courses on trade and investment and one course for middle to senior level, while Group 2 recommended three progressive courses: one course each for basic credit insurance, advance underwriting and risk management. Dr. Barrett clarified that although Group 1 proposed the conduct of 2 basic courses, it does not necessarily imply having 2 courses in a row. Dr Wu, however, explained that duplication of courses under the same program is not allowed in APEC. It was then agreed that the proposal of Group 2 to conduct three courses with three different themes be adopted, provided the topics identified by Group 1 are integrated in the curriculum design of the three programs.

The themes for the three programs are as follows:

Program 1	-	Basic Trade and Investment Insurance Course
Program 2	-	Advanced Underwriting
Program 3	-	Advanced Risk Management

- ***Target Participants***

20. To ensure equitable allocation of participants among the 21 member economies, TNA Consultant, Mr. Derek Hill, suggested to set a 20% ceiling for each program or a maximum of 4 participants per economy. Dr. Wu disagreed saying that participating economies should not be constrained in terms of the number of people they want to send so long as the company will bear their expenses.

Following their arguments, DTI as Project Overseer clarified the issue by explaining that the problem is not only a matter of the company's capability to pay for the airfare and per diem of their participants, but, to a larger extent, its effect on the project fund in general.

The group was then reminded that at the time the proposal was prepared, the budget allocated per program under the Practitioners' Workshop was only for 15 participants. This was based on the information that there were only 15 established ECAs out of the then 18 member economies. The proposal was approved on this basis.

During the conduct of the TNA, in July 2001, it was learned that there were already 18 established ECAs among the 21 member economies in the region. Upon recommendation of the TNA consultants, Vietnam was included in the survey, considering the fact that Vietnam was already in the process of establishing its own ECA.

Having cleared the matter, the group agreed to include all 21 member economies in Program 1, since the topics largely deal with the fundamentals of export credit insurance. Participants shall include economies with no existing ECAs but are planning to establish one in the future, such as the case of Vietnam, and even economies with no intention yet of creating one. In the absence of an established ECA in the economy,



invitation shall be extended to the government agency or private organization engaged in the delivery of related insurance services. The program is envisioned to serve as some kind of orientation course for them.

For Program 1, the general rule is to target junior level staff or new entrants in the ECA. The level of participation from economies with no ECAs shall be at the discretion of the sending agency or organization.

Program 2, being an advanced course in underwriting, would require a participant with actual underwriting experience. Ms. Tambanillo suggested that participants should at least come from upper junior or middle management level, such as Department Manager or its equivalent. She further explained that actual work experience in this field is important for the participant to be actively involved in the discussion. Mr. Shariff added that there are skills needed for the task that are not acquired in school, but can only be learned from actual practice. Hence, it was agreed to limit Program participation only to economies with existing ECAs.

For Program 3, the Chair, Ms. Tambanillo, stipulated that participation should also come from economies with established ECAs, possibly within middle to senior management level. The Canadian experts commented that inclusion of the senior level in the program might raise some questions vis-à-vis the Senior Forum. The Chair explained that the middle to senior level herein referred to are heads of sectors or groups in the ECA, and not the CEOs or top management.

- ***Selection Criteria for the Participants***

21. Ms. Tambanillo stressed that proficiency in oral and written English language should be a must for the participants and the lecturers as well. In retrospect, she cited an instance in one of the TIIPs hosted by the Philippines when a lecturer got a low rating in the evaluation because the audience could not comprehend his lecture, although he was known as very knowledgeable in the subject

The Project Overseer seconded the suggestion of Ms. Tambanillo elaborating further that the courses under the Practitioners' Workshop shall serve as a pilot program towards the goal of standardizing TIIP.

The experts thereupon confirmed that proficiency in the English language, both oral and written, be a requirement in all three programs.

Another criterion identified was the number of years of actual work experience of the participants. The experts agreed that Program 1, being offered for new entrants; may only need 1 year experience, while the courses on advance underwriting and risk management should require 2 years and 5 years respectively.

A third criterion which was heavily debated on was the suggestion to include a bachelor's degree among the minimum requirements, but this did not prosper.

- ***Schedule and Duration***

22. Following the earlier discussion on the scheduling of CBP-TIIP activities, the group agreed to have at least one month in between each program, to wit:

Program 1	-	1 <sup>st</sup> week of April
Program 2	-	1 <sup>st</sup> week of June
Program 3	-	1 <sup>st</sup> week of August

On the duration, the experts agreed to uphold the 5-day per program, as stated in the proposal.

- ***Host Economies***

23. During the presentation by Group 1, four economies were identified as probable hosts for the Practitioners' Workshop. These were Indonesia, Malaysia, Philippines and Thailand. For Group 2, the Philippines and Indonesia volunteered to host one program each. Malaysia and Thailand were likewise interested to host but could not commit due to numerous activities lined up in their respective ECAs and the need for prior clearance from their Board of Directors.

At the plenary session, the Chair invited Ms. Tulyathan of Thailand to host Program 1 but she declined due to a series of holidays in April. Instead, she volunteered to host the second program scheduled in June explaining that it is a fine time to be in Bangkok in the months of May and June when everything is cheap, including accommodation.

The Chair, tried also to offer Program 1 to Malaysia. Mr. Shariff said that that would be alright, but, since it would be their first time to host such an activity, he had to seek approval from the Board of Directors first. Considering the proximity of the schedule, he opted to be assigned to host Program 3 instead.

Ms. Tambanillo volunteered the Philippines to organize the first program after it has been declined twice.

- ***Materials and Methodologies:***

24. For Program 1, the experts agreed on the lecture approach. However, for Programs 2 and 3, the lecturer's role would be more of the facilitative approach.

In Program 1, the preparation of case studies shall be mainly the speaker's responsibility. For Programs 2 and 3, cases will be prepared by both lecturers and participants. It was suggested by Mr. Shariff to advise the participants in advance to bring these cases when they attend the workshop.

Dr. Wu underscored the value of including field study in all the three programs. He rationalized that this is not the typical field visit, but one to bring the participants to manufacturing industries engaged in export, or to the ECA of the host economy to

observe the actual operation of the business in relation to the subject matter. Mr. Braddock supported Dr. Wu by saying that a tour of the company, to be more substantive, has to be related to ECAs' conduct of day-to-day business and its handling of customer procedures. The company, however, should agree on the extent of information the ECA wishes to share.

Dr. Barrett furthermore emphasized that after the field study, the participants should be required to submit a short report on lessons learned from the visit. He also mentioned that while the group is in the process of discussing the materials and methods for the three programs, he anticipates Programs 1 to 3 to apply the same approaches like lectures, case studies, field studies, and others. The only difference is that the pedagogy evolves from working knowledge to facilitative dialogues.

Ms. Tambanillo posed some reservation on the field study for Program 1 in view of the proximity of the schedule of their hosting. She requested that the field study be made optional, depending on the capability of the organizer. However, she added that the Philippines will try its best to arrange one for Program 1.

To follow up on Dr. Barrett's recommendation for the participants' short report after the field study, Mr. Braddock suggested that there should also be an evaluation of the participants by the moderator. He stressed that it is not an examination; rather an indicator whether the methods used were effective and that the participants' level of expectations or requirements were met.

On Ms. Tambanillo's query as to who should prepare the evaluation, Mr. Braddock replied that it is a task for the moderator. Ms. Tambanillo pointed out the fact that there is no budget allocated for said task.

Dr. Barrett subscribed to Mr. Braddock's suggestion and added that a mechanical approach maybe adopted. He expounded that one way to settle the issue is to include the role of the moderator to the lecturer's tasks. He further explained that this concern was a noted defect in the previous programs, when the integration by the lecturers was not what was expected. He felt that it was time to have someone responsible for ensuring assimilation of the content by the participants.

Ms. Tambanillo recalled TIDCORP's experience in the past programs, when the consultant/moderator would stay on for the entire duration of the course to ensure complete and orderly consolidation of the final report and its assessment.

In response to the budgetary constraint, Mr. Braddock advised prospective program hosts of the possibility of identifying someone from their respective companies to act as moderator.

Dr. Wu agreed that a moderator is very important. He further stated that in the past, there were enough funds and the moderator could stay from the beginning until the end of the program. However, for the purpose of the assessment or evaluation, perhaps the organizer can develop some scheme to implement it in view of the now limited funds.

Mr. Shariff suggested that the secretariat of the host ECA could do the task of assessing the performance of the participants.

Finally, the experts agreed to include an assessment of the participants by a moderator and the usual evaluation of training programs by the participants, as part of the methodology.

The group also agreed on the inclusion of two more items in the methodology to be applicable only to programs 2 and 3. These are the syndicated discussions and an optional video documentation of case presentations, to form part of the manual to be used in echo sessions in the ECAs.

For the purpose of ensuring thoroughness of the curriculum design for the three programs, the experts from Malaysia, Singapore and Canada were requested to refine the curricula for Programs 1, 2 and 3, respectively. It was agreed that the refined curricula be submitted by the concerned experts to the Project Overseer according to the following schedule:

Program 1 - Within one week after the conduct of the Experts’ Workshop

Program 2 - Within two weeks after the conduct of the Experts’ Workshop

Program 3 - In consultation with EDC by April 2002

The group also agreed that lecture materials should be submitted to the Program Organizer in both electronic mode and hard copy at least two weeks prior to actual conduct of the program.

- ***Selection Criteria for Lecturers***

25. A general criterion in selecting a speaker, as agreed upon by the group, is for him/her to have at least ten (10) years of relevant experience and is possessed of excellent teaching skills. The more specific requirement would be left to the discretion of the program host, depending on their assigned theme.

To comply with one of the required outputs of the Experts’ Workshop and save time in sourcing for possible lecturers/speakers, it was decided that the experts participating in the workshop shall form part of the pool of possible lecturers/speakers for the three programs. In addition, 12 experts from 7 economies were also identified, namely:

1. Malcolm Stephen - Australia
2. Lindsay Weate - Australia
3. Richard Braddock - Australia
4. Diana Smallridge - Canada
5. Yutaka Miyake - Japan
6. Albert Lei - Hongkong, China
7. KK Cheung - Hongkong, China

8. Liang Zhi Dong - PROC
9. John Pillay - Singapore
10. Chan Cheng Lock - Singapore
11. Dalsun Shin - Korea
12. Yang Hyun Lim - Korea

The Project Overseer sought the assistance of the experts in obtaining copies of the curriculum vitae of their nominated lecturers. These will be collected and made available to program organizers to facilitate their selection of lecturers.

26. In summary, hereunder are the agreements of the experts for the Practitioners' Workshop:

**Program 1 (Course 1):**

**Theme:** Basic program covering the fundamentals of ECA business

**Target Participants:** Junior Level Officers or New Entrants to ECAs

**Selection Criteria:**

- Proficiency in spoken and written English
- At least 1 year work experience in an export credit agency

**Host Economy:** Philippines

**Schedule and Duration:** 1st week of April 2002 (5 days)

**Materials and Methodologies:**

- Lectures
- Case studies prepared by lecturers
- Field study – ECA client / ECA (optional)
- Evaluation of training program by the participants and assessment of participants by a moderator

**Curriculum Refinement:** Mr. Norulhadi Shariff of Malaysia was given this task for Program 1 for submission within one week.

**Program 2 (Course 2)**

**Theme:** Advanced Underwriting Course

**Target Participants:** Upper Junior to Middle Management, such as Dept. Managers

**Selection Criteria:**

- Proficiency in spoken and written English
- At least 2 years relevant work experience in ECA

**Host Economy:** Thailand

**Schedule and Duration:** 1<sup>st</sup> week of June 2002 (5 days)

**Materials and Methodologies:**

- Lectures
- Case studies prepared by participants
- Case studies prepared by lecturers
- Syndicated discussions
- Field study
- Video documentation (optional)

**Curriculum Refinement:** Ms. Jean Phoon of Singapore to refine curriculum, based on the outline developed and drawing from the experience of previous phases of the TIIP, for submission within two weeks

**Program 3 (Course 3)**

**Theme:** Advanced Risk Management Course

**Target:** Middle to Senior Management below CEO level

**Selection Criteria:**

- Proficiency in spoken and written English
- At least 5 years relevant work experience in ECA operation

**Materials and Methodologies:**

- Lectures
- Case studies prepared by participants
- Case studies prepared by lecturers
- Syndicated discussions
- Field study
- Video documentation (optional)

**Host Economy:** Malaysia

**Schedule and Duration:** 1<sup>st</sup> week of August 2002 (5 days)

**Curriculum Refinement:** Dr. Barrett of Canada to firm up curriculum design in consultation with EDC, by April.

## WORKSHOP 2: TRAINORS’ WORKSHOP

27. After the exhaustive plenary session on Workshop 1, which centered on the Practitioners’ Workshop, the experts proceeded to Workshop 2, on Trainors’ Workshop. Ms. Jean Phoon of Singapore acted as moderator.

With regards to the conduct of Workshop 2, the group agreed with Mr. Tse's (of Hongkong, China) suggestion not to divide into two groups, as stated in the workshop mechanics, to facilitate discussion.

28. The conduct of the Trainors’ Workshop was heavily debated upon. The project proposal, as approved, indicated the Trainors’ Workshop as a 5-day activity wherein 15 participants from emerging or developing ECAs will undergo “On-the-Job Learning” or “Internship” in three (3) identified more advanced ECAs. A manual on ECI processes for capacity-building purposes is the expected output to facilitate the replication of the Internship Program in the workplace.

Dr. Barrett explained that while he saw the merit of having such kind of a cooperative arrangement, he had reservations on the possibility of holding the Trainors’ Workshop, particularly on the aspect of engaging host economies. Both Ms. Jean Phoon of Singapore and Mr. Walter Tse of Hongkong then mentioned that since their respective ECAs were currently undergoing reorganization and restructuring, they were not in a position to host the activity. Of the six possible economies present, only Korea graciously offered to conduct one (1) batch with 5 participants. Japan, although similarly not keen on hosting, and citing the same reasons as those of Singapore and Hongkong, offered to share its available training materials with Korea for the conduct of OJT.

Dr. Wu strongly argued on the cost efficiency of conducting one batch OJT with only five (5) participants. He added that given such limitation, it may be difficult to prioritize participation. Both Dr. Barrett and Mr. Okada concurred with these observations.

Mr. Braddock further requested for an explanation of the budget allocation for the group to see how it can be internally modified to achieve the objectives of the Trainors’ Workshop. Explanation from the Project Overseer’s group clarified that despite serious efforts and appeal for reconsideration with the APEC Secretariat and BMC, only the airfare was approved. The per diem was disallowed with the stipulation that it be subsidized by the respective ECAs following the cost-sharing scheme.

In this light, Mr. Braddock suggested that should there be only five (5) participants for the OJT, the remaining budget allocated for the airfare of the other ten (10) be used to edit the training materials, to be compiled into a manual containing the training materials that can be replicated in order to address the sustainability issue of similar trainings. This point was reinforced by Dr. Barrett.



Also in support of Dr. Barrett's point, Mr. Braddock added that the manual, given the goodwill and cooperation of the economies, can be produced at a limited budget in electronic version which can be made available in CDs or even e-mailed on demand to emerging ECAs. The group, thru the Philippines as Project Overseer, can come up with a clear, justifiable reason that fits the APEC prime imperatives to produce a manual that would not only exhibit sustainability and replicability but also be a major deliverable.

When Mr. Shariff sought clarification on the objectives of the OJT, he was enlightened on the very conceptualization of the project starting with agreements in Nanjing, followed by the deliberations at both the Working Group (WG) and Budget Management Committee (BMC) levels. The Trainors' Workshop was explained as an immersion and "hands-on" activity where the ECI practitioners from developing economies get to observe the system and the operation of the more advanced host ECA. Designed for operations people, this activity is supposed to produce a training manual as an output for reference and future use.

Dr. Barrett mentioned that, more importantly, OJT will provide opportunity for emerging ECAs to acquire some insights to develop their own operational policies and procedures. He pointed out the necessity for the activity to include a component that will consolidate all the existing curricular/training resources as a way of making them available to ECAs in the region and addressing the sustainability issue.

With reference to possible dropping of the Trainors' Workshop as a project component, the Project Overseer pointed out the fact that the APEC only allows revisions but not omissions. Some degree of deviation can be accommodated, never omissions, particularly if it concerns a major project component such as the Trainors' Workshop. It was reiterated that the Project was approved at almost half a million, based on the merit of the design and its components.

On the basis of these limitations, the group was cautioned to retain the OJT and come up with a framework as to how the training manual will be achieved.

Dr. Barrett concurred that dropping off any activity may not be a practical suggestion and led the group to consider scaling down the activities from the original concept. He added that OJT and the training manual are both valid activities with valid outputs. To meet the objectives and deliver the expected outputs, he suggested to : 1) conduct pilot OJT with Korea, with the operations manual as its output; and 2) conduct a trainees' workshop to come up with the training manual.

The group finally agreed to adopt Dr. Barrett's suggestions.

Mr. Braddock then recognized Korea's offer to host the pilot OJT. He also suggested that slots preferably be given to those with the greatest development need, but bearing in mind the issues raised by Dr. Wu on prioritization.

Per Dr. Wu's suggestion on prioritization, first consideration was given to the co-sponsors of the original TIIP to constitute the pilot group of OJT. It was mentioned that this will give priority to the co-sponsors from developing economies, without prejudice to some other co-sponsors from developed economies, such as Canada, Japan, and the USA, among others.

## **Agreements**

29. On the pilot **OJT**, the group agreed to adopt the following:

**A. Venue:** The pilot OJT will be conducted in Korea with one (1) participant coming from each of the following economies:

- 1) People's Republic of China
- 2) Indonesia
- 3) Malaysia
- 4) Thailand
- 5) Philippines

**B. Duration:** Five (5) days

**C. Schedule:** Last week of August 2002

**D. Selection Criteria for the Participants:**

- At least three (3) years relevant experience
- Occupying a senior operations position with good knowledge of the overall management of the ECA
- Fluent in oral and written English
- Able to take part in a self-managed study team

**E. Methodology:**

The group, with considerable inputs from Mr. Bang of Korea agreed to structure the OJT to consist of four hours lecture, two hours observation and two hours daily of syndicated work in a self-managed workteam scheme. Indicative training module per day is as follows:

- Day 1 : Short Term Underwriting
- Day 2 : Medium and Long Term Underwriting
- Day 3 : Claims and Recoveries
- Day 4 : Country Evaluation and International Relations
- Day 5 : Wrap up and Field Study

## F. Expected Outputs:

- 1) Individual economy report on how the Korean experience will be applied and replicated (to be submitted within three weeks after training completion)
- 2) Brief collective training report of lessons learned from Korean experience (2-5 pages)

With regards to the manual, Dr. Wu emphasized that it is a very important deliverable which can draw out information from a wealth of available materials. Mr. Shariff clarified that the manual should be a training manual since each ECA, as Mr. Okada has pointed out, has its own peculiarity, and therefore, the material should be used for training purposes and not as guideline to setting up a new ECA. Mr. Shariff then suggested to form a steering committee that will be responsible for the overall preparation of the manual.

As to the query of Dr. Wu regarding the implication of the conduct of the Trainors' Workshop on the budget, Mr. Braddock answered that the workshop is a virtual workshop, and may or may not culminate in a face to face meeting. Dr. Barrett, however, emphasized the need for a physical workshop and that there should be a process for review and transference to all ECAs, not just dissemination, to insure maximum utilization of the manual. He suggested that this will be done only if the resources would allow. The Project Overseer further commented that every activity will be subsidized only under the APEC allowable expenses.

After thorough deliberation, the group agreed to: 1) come up with a Training Manual; 2) create a 5-man Steering Committee (SC) that will oversee its preparation; and, 3) conduct a 2-day Training Resources Workshop for the purpose of reviewing its contents and making recommendations for its improvement.

Specifically, the manual shall contain the training syllabus and all the available resource materials and training guidelines that were used in the conduct of the TIIP I and II. The members of the SC shall be selected on the basis of their knowledge of and exposure to the Project, to include the previous TIIPs.

On the basis of the prescribed criterion, the following were identified to comprise the SC: 1) Dr. Richard Braddock (Australia); 2) Dr. Charles Barrett (Canada); 3) Dr. Wu Wenwu (PROC); 4) Ms. Jane Tambanillo (Philippines), who will be responsible for providing the user input, and 5) Dr. Derek Hill (Australia) who will act as adviser. It was also agreed that given the voluminous scope of work to be done, the SC shall operate through electronic media.

30. With regards the **Training Manual**, the group agreed to adopt the following framework:

### A. Preparation of the Training Manual

**Methodology :** A Steering Committee will be created to oversee the preparation of a training manual. The Committee will operate through electronic media.

**Members :**

- 1.) Richard Braddock - Australia
- 2.) Charles Barrett - Canada
- 3.) Wu Wenwu - China
- 4.) Jane Tambanillo - Philippines
- 5.) Derek Hill (adviser) - Australia

**Duration :** January – Mid-October 2002

**Terms of Reference of the Steering Committee :**

- Collection of all training materials with the help of Program Organizers and Project Overseers
- Development of protocols for the submission of future training materials
- Review of the collected materials, for the purpose of collating, consolidating and editing processes
- Development of policies and procedures regarding updating and dissemination
- Conduct of the Training Resources Workshop prior to finalization of the Manual, for the purpose of reviewing the contents of the manual, making recommendations and producing a report to the Overseer.

**Contents of Training Manual :**

- Training syllabus
- All resource materials
- Training guidelines

**B. Training Resources Workshop** (To be conducted subject to availability of funds)

**Venue :** Indonesia

**Duration :** 2 days

**Schedule :** 1<sup>st</sup> week of October

**Target Participants :**

- 1) Members of the Steering Committee
- 2) Officers responsible for training in ECAs

**Output :** Finalized Training Manual

### WORKSHOP 3: SENIOR EXECUTIVES' FORUM

31. Dr. Charles Barrett of Canada was the designated moderator for Workshop 3. He opened the session by briefly discussing the concept of the Senior Executives' Forum (SEF) and the expected outputs of the workshop. Noting that the SEF will be a gathering of CEOs of export credit institutions, he did some sensing and asked the participants about the likelihood of their respective CEOs' attending the forum. It was noted that of the 11 economies present, all, except one, expressed positive indication of their CEO's participation in the forum. Mr. Richard Braddock, the Australian consultant, said that representation of Australia can be arranged.

Dr. Barrett expressed satisfaction over the participants' positive response and remarked that it is an affirmation of support to the activity. Mr. Shariff emphasized that given the high profile level of participants, the agenda must be properly designed to ensure wider participation. Dr. Barrett added that the agenda must be based on pressing issues and must have specific purposes, other than just simply creating a network.

After Dr. Barrett urged the experts to raise as many issues as possible, they were able to generate the possible areas of discussion, as follows:

- review process of APEC-ECA 1997 MOU (Vancouver Protocol Agreement)
- establishment of on-going CEO network
- round-table exchanges on current challenges
- how to build capacity in the region in the new environment
- changing nature of competitive markets
- how to enhance cooperation
- possible areas of cooperation
- assistance to emergent ECAs
- use of IT in ECA business
- building human resources in regional ECAs
- how to improve electronic communication among ECAs
- how to establish mechanism, e.g. website for information exchange
- association of APEC ECAs
- how to attract attention and support of ECAs

The experts finally prioritized the issues and came up with three major themes, focusing on: 1) review of the past experiences of ECAs in relation to the implementation of the 1997 Vancouver Protocol Agreement (Annex "E"); 2) discussion of the present undertakings of ECAs in relation to the various aspects of the building capacity within APEC ECA; and 3) exploring possibilities of future cooperation among regional ECAs.

When asked to provide input to structuring the agenda, Mr. Okada, of the designated host economy, merely suggested that in the process of drafting the agenda, Japan would want to have it presented first to the participants to secure feedback prior to finalization.

Dr. Barrett noted the suggestion and commented that this approach is not a normal case for the conduct of higher level meeting. He reiterated his earlier suggestion that they use the three themes as working model and make it the basis in structuring the agenda and in determining the modalities of discussion. Given the foregoing discussions, the experts agreed that the specific agenda will be developed by the host economy in consultation with the other APEC members.

As to the query raised by Dr. Wu regarding the target participants and the possibility of substitution, they agreed that all Chief Executive Officers of APEC ECAs will be invited. They also agreed in principle that if there is any substitution at all, this will only be considered on a case to case basis and only at the level of the second in command. On top of the official participant, economies may send additional observers to the meeting to be accommodated on a self-funded basis. It was emphasized that only one participant will be funded by APEC. Upon the suggestion of Dr. Barrett, the group agreed that the invitation letters will be signed jointly by the Philippines as the Project Overseer and Japan as host.

For economies without ECAs but are already in the process of establishing one, it was explained that the invitation will be coursed through the Capability Building Network (CBN) coordinator of that particular economy. However, in an economy where there is no CBN coordinator (such as Vietnam), it was advised that the invitation will be sent to the most appropriate senior official of the ECA. In the case of Vietnam, the invitation will be sent to the National Committee for International Cooperation, which, in turn, will nominate its representative.

The experts also agreed that the forum to be chaired by Japan as host shall adopt an interactive, discussion-oriented approach. Subject to the agreement of the participants, the Forum may also include off-the-record and in-camera sessions, as the case may be. They also agreed to have a preparatory meeting through electronic mode to discuss and finalize the arrangements prior to the conduct of the forum. A secretariat shall be provided by the host to assist in the conduct of the Forum.

The experts proceeded to define the expected outputs of the Forum. Mr. Okada, after having expressed his reservations on the final output, suggested that it can be a joint statement or a revised version of the Vancouver MOU. Dr. Barrett remarked that joint statements coming out of a meeting of this nature do not necessarily have the same significance as the decisions generated from high-level APEC meetings per se, which is a government to government thing and which has to go through a rigid process. Mr. Braddock further clarified that the output of this Forum can be a cooperation agreement containing more or less operational, procedural, sharing and synergistic type of statements, building on the Vancouver MOU; hence, the output will not be politically sensitive. Mr. Shariff strongly supported this idea.

They agreed to have, as an output, a brief statement or a press release focusing on the agreements reached and recommendations for future action, which may include an update of the 1997 MOU among APEC ECAs. It was further emphasized that the

statement would focus on operational, procedural and synergistic issues and not on politically sensitive concerns.

Mr. Tse and Mr. Braddock were one in saying that a follow-up activity is necessary to ensure continuity. Mr. Braddock added that there is no point having a meeting without following-up on the deliverables.

They also agreed that, should the CEOs decide to convene a follow-up meeting (for example in a year's time), the host economy would continue to act as Chair and Secretariat of the informal group until a follow-up meeting is convened.

### **Agreements**

32. After thorough deliberations, it was agreed that the forum has to develop a regional approach to crisis management and shall adopt the following framework:

#### **Themes :**

- 1) Review progress in implementing the 1997 APEC Memorandum of Understanding among APEC ECAs in the light of current challenges
- 2) Discuss various aspects of the building capacity within APEC ECAs
- 3) Explore possibilities for future cooperation among regional ECAs

**Venue :** Japan

**Duration :** 1 day

**Schedule :** EO November 2002

**Participants :** Chief Executive Offices of ECAs in the APEC Region

#### **Methodology**

- Interactive, discussion-oriented
- Include off-the-record discussions
- Host ECA is Chair
- Preparatory Meeting thru electronic mode to be conducted

**Output :** Brief statement or a press release focusing on the agreements reached and recommendations for future action which may include an update on the 1997 MOU among APEC ECAs

32. In summary, the workshop recommended the following overall work plan for CBP-TIIP 2002, with the schedule of major activities and events as follows:

<u>Month</u>	<u>Activity</u>	<u>Responsible Economy</u>
January	Experts' Workshop	Philippines
April (1 <sup>st</sup> week)	Practitioners' Workshop Program I	Philippines
June (1 <sup>st</sup> week)	Practitioners' Workshop Program 2	Thailand
August (1 <sup>st</sup> week)	Practitioner's Workshop Program 3	Malaysia
(last week)	On-The-Job Training	Korea
October (1 <sup>st</sup> week)	Training Resources Workshop	Indonesia
November (last week)	Senior Executive Forum	Japan

33. The Project Overseer emphasized the need to strictly follow the work plan in order to implement and complete all the activities, including the liquidation and reimbursements, by December 2002. All concerned were reminded to submit all reimbursements within five (5) days after completion of each activity. As to the format of the report, it was clarified that the organizers submit a completion report in 5 pages maximum, to include a compendium of all training materials.

#### **Finalization of the Workshop Output**

34. After the completion of all the workshops, the members of the Drafting Committee composed of Dr. Charles Barrett (Canada), Ms. Jane Tambanillo (Philippines), Ms. Jean Phoon (Singapore) and Mr. Norulhadi Shariff (Malaysia), as the presentor, commenced with the preparation of the final Workshop Output.



## **CLOSING CEREMONY**

35. ED Virgilio P. Fulgencio opened the Closing Ceremonies on behalf of the Philippines as Project Overseer. He acknowledged the painstaking efforts exerted by the experts during the 3-day workshop. He made special citation of the economies which will be hosting 6 project components, namely, Philippines (Practitioners’ Workshop I); Thailand (Practitioners’ Workshop II); Malaysia (Practitioners’ Workshop III); Korea (On-the-Job Training); Indonesia (Training Resources Workshop); and Japan (Senior Executives’ Forum).

### **Presentation of Workshop Output**

36. Mr. Norulhadi Md. Shariff, General Manager of the Malaysia Export Credit Insurance Agency, presented, on behalf of the experts, the output of the 3-day workshop. (Annex “D” –1)

### **Closing Remarks**

37. The Closing Remarks delivered by Undersecretary Antonio M. Bernardo, Domestic Finance Group, Department of Finance, Philippines, lauded the Experts Group for lending their expertise in designing training programs on trade and investment insurance in the APEC region. He underscored the significance of the Workshop as a signal for the actualization of a commitment made during the APEC Ministerial meeting held in November 2000 in Brunei, to strengthen the institutional capacity of agencies that provide trade and investment insurance. (Annex “D” – 2)

### **Response (in behalf of Experts)**

38. On behalf of the Experts, Jean Phoon, Vice President and General Manager, Export Credit Insurance Corporation of Singapore Ltd., thanked the host, the Philippines, for its hospitality and for its successful conduct and organization of the workshop.

**WELCOME REMARKS**  
**BY**  
**ASSISTANT SECRETARY JOSE ANTONIO BUENCAMINO**

***APEC-HRD -CAPACITY BUILDING PROGRAM***  
***FOR TRADE AND INVESTMENT INSURANCE PRACTITIONERS WORKSHOP***  
**January 15-17, 2002, Makati City**

A pleasant morning to everyone!

In behalf of the Department of Trade and Industry, I would like to warmly welcome our guests, fellow workers in government and our distinguished Experts on trade and investment insurance from the APEC economies. Thank you for joining us in this Experts Workshop which is the first major component of the APEC-HRD Capability Building Network Capacity Building Program for Trade and Investment Insurance Practitioners.

Phases one and two of this APEC project were implemented in 1997 and 1998, respectively, with China, as the proponent. In these phases, the Department, as the Philippine Coordinator for the APEC Capability Building Network, played an important role, particularly in the hosting of the two training programs. Now that the project is on its third phase, the Department, as the current project overseer, seeks to strengthen its support for this undertaking.

On behalf of the Department and the Philippine government, I look forward substantial results from this 3-day activity. The results should be able to help us collectively address the demands of globalizing world economy that will see long term growth in the volume of investments which will flow under increasingly complex trade and investments regimes. This phenomenon will all the more be punctuated by the recently launched round of WTO MTN at Doha.

Broadly-speaking, I hope that the workshop will contribute to the development of HR in our region to support the continually process of the liberalization and facilitation of trade and investment and also hope that this workshop will be an opportunity for going closer collaboration and cooperation in the other related activities in APEC.

I am optimistic that everyone will actively participate towards the attainment of the workshop's objectives. I am confident that we will ensure a mutuality of interests and advantages as we pursue through the workshop benefits for our constituents.

Once again, a warm welcome to all and a productive New Year to all of you!

Once again, our warm welcome to all the Experts. I am sure it is not too late to greet Happy New Year to all !

**KEYNOTE SPEECH**  
by  
**SECRETARY MAR ROXAS/USEC GREGORY L. DOMINGO**

**APEC-HRD CBN's CAPACITY BUILDING PROGRAM FOR  
TRADE AND INVESTMENT INSURANCE PRACTITIONERS  
EXPERTS' WORKSHOP**  
*Jan. 15, 2002*  
*Makati City*

DISTINGUISHED EXPERTS ON TRADE AND INVESTMENT INSURANCE FROM THE APEC ECONOMIES, MY COLLEAGUES IN THE GOVERNMENT, LADIES AND GENTLEMEN, GOOD MORNING!

AT THE OUTSET, LET ME CONVEY MY DEEP APPRECIATION FOR THIS OPPORTUNITY TO ADDRESS THIS WORKSHOP. I WOULD LIKE TO THANK EVERYONE, ESPECIALLY THE EXPERTS, FOR TAKING TIME OUT FROM THEIR HECTIC SCHEDULES TO BE WITH US AND SHARE THEIR PRECIOUS EXPERTISE IN THIS 3-DAY WORKSHOP. IT IS REALLY A GREAT PLEASURE TO MEET ALL OF YOU.

I CONSIDER THIS AN IMPORTANT EVENT BECAUSE THIS IS THE FIRST TIME THAT WE GATHERED EXPERTS ON TRADE AND INVESTMENT INSURANCE FROM THE VARIOUS APEC ECONOMIES. MOREOVER, THIS IS THE FIRST MAJOR COMPONENT OF THE CAPACITY BUILDING PROGRAM FOR TRADE AND INVESTMENT INSURANCE PRACTITIONERS UNDER THE APEC-HRD

CAPABILITY BUILDING NETWORK. THIS WORKSHOP WILL BE CRUCIAL AS IT WILL SET THE DIRECTION OF THE PROGRAM'S OTHER 3 MAJOR COMPONENTS - PRACTITIONERS' WORKSHOPS, TRAINERS' WORKSHOPS AND THE SENIOR EXECUTIVES FORUM. IT IS EXPECTED THAT IT WILL SERVE AS A VEHICLE FOR BROADER EXPOSURE ON VARIED CULTURES AND MUCH EXCHANGE OF DIFFERENT EXPERIENCES AMONGST ADVANCED AND LESS DEVELOPED COUNTRIES ON THE ASPECT OF TRADE AND INVESTMENT INSURANCE. HOPEFULLY, THIS WILL RESULT TO BETTER COOPERATION AND STIMULATING LINKAGES AMONG EXPORT CREDIT AGENCIES AND OTHER INSTITUTIONS WHICH YOU REPRESENT.

THE SIGNIFICANCE OF WELL-RUN EXPORT CREDIT AGENCIES AND EXPORT CREDIT INSURANCE SYSTEM TO BUSINESS EXPANSION AND ECONOMIC GROWTH IS UNQUESTIONABLE TO COUNTRIES WHICH HAVE BENEFITED FROM SUCH. IN CONTRAST, THIS IS STILL UNKNOWN TO COUNTRIES WHERE EXPORT CREDIT AGENCIES AND EXPORT CREDIT INSURANCE ARE NON-EXISTENT OR ONLY NEWLY-ESTABLISHED.

IN PRINCIPLE, EVERY EXPERT KNOWS THAT EXPORT CREDIT INSURANCE REDUCES INHERENT RISKS IN EXPORTING GOODS AND SERVICES. IT PROVIDES SECURITY TO COMPANIES WHICH TRANSACT WITH OVERSEAS BUYERS THAT THEY MIGHT BE UNFAMILIAR WITH. IT PROTECTS

THE EXPORTING COMPANY AGAINST BAD DEBT LOSSES DUE TO INSOLVENCY, PROLONGED DEFAULT OR POLITICAL RISK.

AS FAR AS THE PHILIPPINES IS CONCERNED, EXPORT CREDIT INSURANCE IS STILL UNPOPULAR AMONG MANY EXPORTERS. BASED ON LATEST AVAILABLE DATA, THERE ARE 10,386 EXPORTERS OF VARIOUS COMMODITIES. OF THIS TOTAL NUMBER, ONLY 5 AVAILED OF EXPORT CREDIT INSURANCE FROM THE TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES FROM JANUARY 1997 TO DECEMBER 2001. THERE ARE MANY APPLICANTS FOR THIS TYPE OF INSURANCE. HOWEVER, SUCH APPLICATIONS DID NOT PUSH THROUGH DUE TO SEVERAL REASONS, SUCH AS PROBLEMS WITH THEIR RESPECTIVE BUYERS, HIGH RISKS IN THE IMPORTING COUNTRY OR MERELY INCOMPLETE DOCUMENT REQUIREMENTS. WITH THESE CONSTRAINTS, THE MAJORITY OF EXPORTERS RESORT TO GUARANTEES AND LETTERS OF CREDIT IN COMMERCIAL BANKS. IN FACT, OUR TOP COMMERCIAL BANK ALONE HAD 8,052 TRANSACTIONS ON LETTERS OF CREDIT LAST YEAR.

THE SAME SITUATION MAYBE OCCURING IN OTHER LESS DEVELOPED APEC ECONOMIES. THIS IMPLIES THAT EXPORT CREDIT AGENCIES NEED TO POPULARIZE OR INTENSIFY ADVOCACY EFFORTS ON THE USE OF EXPORT CREDIT INSURANCE AND TO LESSEN THE COMPLEXITY OF PROCESSES

INVOLVED, PARTICULARLY FOR SMALL AND MEDIUM-SCALE EXPORTERS WHICH ARE STRUGGLING TO SURVIVE. IT WILL REALLY BE CHALLENGING ON YOUR PART TO HELP THEM DEVELOP AMIDST THE CURRENT GLOBAL ECONOMIC DIFFICULTIES.

A KEY ISSUE AMONG TRADE AND INVESTMENT INSURANCE PRACTITIONERS, PARTICULARLY IN LESS ADVANCED ECONOMIES, IS WHETHER THEY CAN PROVIDE LEADING-EDGE SERVICES FOR BOTH SMALL AND BIG EXPORTERS, GIVEN THE DYNAMIC WORLD MARKET COMPETITION. THERE ARE SEVERAL CHANGES IN THE WORLD ECONOMY RESULTING FROM GLOBALIZATION AND LIBERALIZATION, WHICH MUST BE CONFORMED WITH. FURTHER GLOBALIZATION WILL BE DRIVEN BY A NEED FOR A GEOGRAPHIC SPREAD OF RISK . THE PREVALENCE OF INTERNATIONAL COMPANIES WHICH ARE INVESTING HEAVILY IN INFORMATION TECHNOLOGY DATABASES AND E-COMMERCE PRODUCTS HAS TO BE CONSIDERED ALSO. FURTHERMORE, THE INTRODUCTION OF ALTERNATIVE SERVICES FOR EXPORT CREDIT INSURANCE BY THE PRIVATE SECTOR IS WORTH UNDERSTANDING.

ALL THESE NECESSITATE TRAINING PROGRAMS FOR EXPORT CREDIT AGENCIES' SENIOR AND MIDDLE LEVEL MANAGERS WHICH WILL ENHANCE THEIR COMPETENCIES, SKILLS AND CAPABILITIES. THESE ARE ENVISIONED TO ENABLE THEM TO DELIVER HIGH QUALITY, COST EFFECTIVE FRONT-LINE SERVICES TO ALL TYPES OF CUSTOMERS AND SIMULTANEOUSLY PRACTISE

EFFICIENT CAPITAL UTILIZATION, THUS MAINTAINING OR IMPROVING THE AGENCIES' EARNING CAPACITIES (TO BE REALISTIC ABOUT IT). YOUR PROFESSIONAL ADVICES ON THESE ASPECTS WILL TRULY BE APPRECIATED.

INDEED, WE ARE GRATEFUL FOR YOUR PRESENCE AND PARTICIPATION. I AM VERY OPTIMISTIC THAT THIS WORKSHOP WILL BRING FORTH A WEALTH OF IDEAS WHICH WILL BE FAVORABLE TO TRADE AND INVESTMENT INSURANCE PRACTITIONERS, AND CONSEQUENTLY, TO THE INTERNATIONAL TRADING SYSTEM WITHIN AND OUTSIDE THE APEC REGION IN THE LONG RUN.

MAY YOUR STAY IN OUR COUNTRY BE PLEASANT AND FRUITFUL!  
MABUHAY !



## PROPOSED MECHANICS OF THE EXPERTS' WORKSHOP

The Experts' Workshop, being the kick off activity of the Capacity Building Program for Trade and Investment Practitioners is considered to be a very important component of the CBP-TIIP. The success of the whole Project shall depend largely on the result of the Workshop since it is aimed at defining the blueprint of the whole CBP-TIIP.

To ensure that its objectives are met, this Workshop Mechanics is prepared to serve as a guide in the smooth conduct of this activity.

### GENERAL:

1) There will be three (3) workshops, as follows:

ACTIVITY	TOPIC	DESIRED OUTPUTS
A) WORKSHOP I  Moderator: <i>(Philippines)</i>	Discussions for the Practitioners' Workshops	a) Training Program design / curriculum for the Practitioners Workshop b) Training Materials c) Selection Criteria for participants d) 3 Program Hosts identified e) Program Speakers identified
B) WORKSHOP II  Moderator: <i>(Singapore)</i>	Discussions on the Trainors Workshop	a) Framework on the conduct of the Trainors Workshop b) 3 Program Hosts identified c) Selection criteria for participants
C) WORKSHOP III  Moderator: <i>(Canada)</i>	Discussions on Policy Issues/Recommendations	a) Policy Issues for Discussion during the Senior Officials' Meeting

2) For every workshop, the participants will be divided into (3) groups.

For Workshop I, the participants will be grouped **homogeneously**, based on the level of development of their respective ECAs. *This is deemed necessary in order to determine the specific needs of every economy and ensure that such needs are adequately addressed.* Hence, the grouping shall be as follows:

- Group I - Advance
- Group II - Developed
- Group III - Developing

However, it will be the discretion of the participant to choose his/her workshop group. Length of years in business, capitalization, types and number of services provided, and size of existing manpower complement may be considered by the participants in determining as to which group he/she would belong.

For Workshops II & III, grouping shall be **heterogeneous**.

- 3) In every workshop, the members of each group shall select their respective Chairpersons.
- 4) Every Workshop shall be preceded by a plenary where the group outputs shall be presented. A moderator shall be assigned to facilitate discussion during the plenary session. For this purpose, three moderators (Philippines, Singapore, and Canada) have already been pre-determined by the Project Overseer.
- 5) A workshop secretariat shall be on hand to provide assistance to the participants.

### **SPECIFIC:**

#### **Roles of the Moderator (For Workshop Plenary Session)**

- Ensures that the objectives/expected outcomes of each workshop are properly and efficiently met within the allotted time
- Ensures that all expected results are covered properly and efficiently
- Maintains control of the flow of presentation
- Recapitulates final outputs/agreements every after workshop
- Ensures that decisions, information and actions are fully documented

#### **Roles of the Chairperson ( For Workshop Sub-groups)**

- Directs/focuses discussions in his group towards the achievement of the workshop objectives
- Ensures that decisions, information and actions are documented
- Encourages maximum participation of all members in his group
- Provides guidance in the settlement of disagreements among group members on certain issues
- Ensures that the will or consensus of the group is carried out in all decisions
- Organizes materials to be presented
- Presents the output of his group during the plenary session within the allotted time limit

# **Briefing on the Trade and Investment Insurance Training Program (TIITP)**

By Dr. Wu Wenwu  
Department of International Exchange and Cooperation  
Ministry of Personnel, P.R. China

1. The Trade and Investment Insurance Training Program (hereafter TIITP) is the largest project in the APEC history, which includes TIITP '97 and TIITP '98. The Ministry of Personnel of People's Republic of China is the Project Overseer of TIITP and its co-sponsors are Australia; Brunei Darussalam; Canada; Hong Kong; China; Indonesia; Japan; Korea; the Philippines; Singapore and Thailand. The TIITP '97 project was proposed by the Project Overseer at the 14<sup>th</sup> APEC Human Resources Development Working Group (HRD WG) Meeting in Brunei Darussalam in June 1996 and subsequently endorsed by that WG Meeting and approved at the 8<sup>th</sup> APEC Ministerial Meeting held in Manila in November 1996 for inclusion in the 1997 budget with a provision of US \$500,000 from the TILF Account. While being a follow-up project to the TIITP '97, the TIITP '98 project was proposed by the Project Overseer at the 16<sup>th</sup> meeting of the APEC HRDWG in Montreal in May 1997 and subsequently endorsed by that WG Meeting and approved by APEC Ministers in Vancouver in November 1997 as a cooperative project between the HRDWG and the Working Group on Trade Promotion (WGTP) with a 1998 budget provision of US \$500,000 from the TILF Account.

## **Part One: Project Implementation**

2. The purpose of the TIITP is to promote trade and investment liberalization and facilitation in the APEC region by training those who are working or will work with organization which provide trade and investment insurance in the region. To implement the TIITP project, two kick-off meetings were held, one in Beijing in March 1997 with the attendance of 22 experts from 5 member economies and the other in Guilin of China in August 1998 with the attendance of 23 experts from 7 member economies and the APEC Secretariat. With the joint efforts of the cosponsors, organizers, experts/lecturers, trainees, APEC Secretariat and other partners, nine training programs on different themes under the TIITP were successfully implemented in Manila (twice), Jakarta (once), Beijing (twice), Bangkok (twice), Xiamen (once) and Shanghai (once) in 1997 to 1999 with the participation of 238 trainees from 13 APEC member economies. The organizers of individual programs are the People's Insurance (Property) Company of China (two programs), Philippine Export and Foreign Loan Guarantee (two programs), the Export and Import Bank of Thailand (two programs), the Export and Import Bank of China (two programs) and Indonesia PT. Asuransi Ekspor (one program). And a wrap-up meeting was held in Nanjing and Suzhou of China in December 1999 with attendance of 31 delegates from 10 member economies.

## **Part Two: Project Evaluation and Conclusions**

3. A comprehensive evaluation was undertaken in each training program. The reports on all programs indicate that the evaluation survey was conducted mainly through questionnaires though written co-ordinator responses and verbal feedback were also obtained. In general, the evaluations of each training program as well as the TIITP project as a whole was quite positive. The followings are the main conclusions:

- This project is highly innovative and pioneering venture which had not been attempted previously in APEC. It achieved cross-regional participation (utilising the great diversity in APEC), and participation included both senior executives and upwardly mobile management working in a challenging, significant, and rapid growing field of the trade and investment insurance sectors. Significantly it was the first multinational cooperative project specifically aimed at liberalizing trade and investment undertaken by APEC HRDWG and WGTP, and the first project of the HRDWG under the APEC TILF Special Account.
- This project marks a milestone for the HRDWG. It demonstrates the fact that HRD is also vital in the liberalization and facilitation of trade and investment. This project has built in the agenda of the TILF (trade and investment liberalization and facilitation) and ECOTECH (economic and technical cooperation). Also, the project proves the fact that ECOTECH and TILF can work together in pursuing the goals of APEC Osaka Action Agenda.
- The establishment and successful implementation of TIITP is an important deliverable in APEC's economic and technological cooperation, as well as a significant contribution to APEC's human resources development. It has immense current significance to the promotion of economic and trade development in the Asia and Pacific region. By facilitating the effective use of the capital, advancing inter-regional co-operation in human resources development, and especially by improving the professional ability and management skills of those currently, or those in the future, working in international trade, it is major catalysts to the achievement of the Bogor objectives.
- All the programs were designed for, and met, the specific identified needs of the participating APEC member economies. The individual programs were well structured in terms of their content necessarily was repeated in other programs though each had its unique characteristics.
- The host organizations that were tasked with organizing the respective programs did an excellent job of identifying and addressing the training needs of the participants. The fact that the host economies/agencies were located in the region and were familiar with its needs, appeared to be a contributing factor in the overall positive response to the programs.

- The Experts Group was key to ensuring that the TIITP project offers consistently high value for participants. It provided a knowledgeable, independent, multicultural perspective on quality that was necessary on both an individual program basis and an overall project basis. Quality and value was the determinants of the long term sustainability of TIITP. In addition, the Experts Group provided a non partisan mechanism for individual program and overall project evaluation.

### **Part Three: Recommendations on the APEC Training Project**

4. The achievements of the TIITP are a notable success. Nevertheless, to ensure a more effective outcome and to achieve the objectives of an APEC project like the TIITP, there were a number of lessons learned from the TIITP which may be incorporated into the implementation of future APEC training projects. Since the TIITP is unique in the APEC history and all training programs have been successfully conducted, the plan for and the implementation of an APEC project may build on the experience of the TIITP which illustrates the APEC training model to some extent. In general, the following specific issues must be addressed in designing and implementing the APEC training programs in the future.

#### **Implementation Plan**

5. A detailed implementation plan must be developed for a training project. At the strategic level the implementation plan should take into account recent events in the region that have underscored the need for effective risk management in trade and investment insurance activities. At the operational level the implementation plan will build on the experience of the TIITP and the recommendations contained in the evaluation of that program. In details, the implementation Plan of an APEC training program must include the following elements: objective, theme, training target, planned outcomes, program organizer, timing and venue, trainees (including number, sources, level and ability), instructors (number, source, qualifications), content of the curriculum, working language, methods of instruction, program budget and financial administration, responsibility for logistics. All of these items must be clearly described and provided to some senior consultants for consultation and input. The project co-sponsors in consultation with the consultants must give approval for the plan. This must be done well in advance of the delivery of the program.

#### **Duration of the Training Course**

6. The duration of a training course should be compatible with the availability of resources, and perceptions of the time available for managerial level personnel to leave their own work for training purposes. According to the experience with the programs, variations in the duration of individual programs might be considered in the future depending on the specific focus and the level of attendees. If the senior staff or the top executives are the target participants, the duration of the seminar may not be two or three weeks as they cannot be away from office for too long. It appears that one-week or less is an appropriate period for such group.

## **Areas for Future Training**

7. It would be useful to identify a core knowledge area that the future project would cover, as well as areas of specialization that would minimize overlap. This would allow participants to choose the program that most closely met their needs. Since some topic areas would be repeated at the various training programs, it would be important to use different lecturers to provide a unique approach to the issues. Topics for training program can be developed based on the service offering categories in conjunction with the levels of participants within the organization. The training needs include both management and technical skills training to increase the competencies of senior managers in promoting trade and investment liberalization in the APEC region. For different types of participants, the focus of training can be different in terms of knowledge focus, skill development focus, and attitudinal or behavioral change focus. Usually, a training program has a combination of some of the above components. However, it is rarely articulated in the program design so that the lecturers and participants may have different expectations. Even if it appears to be obvious, it is important to articulate those focus and check the design and delivery mode accordingly in advance.

## **Lecturers**

8. The effectiveness of the lecturer is an important factor for trainees in their comprehension of the issues and contributes strongly to their opinion of the relevance of the session. The more effective the lecturer, the greater the likelihood that participants will understand the topic area and benefit from the training. A set of clear but different criteria should be developed for selecting lecturers, including experience in subject matter, experience in cross cultural training and fluency in English. As usual, lecturers will be recruited locally or from other APEC economies depending on the specific needs of the program. But in the future there should be some flexibility on inviting lecturers from non-APEC members. Specifically, lecturers be selected on a global basis, based on a clear learning objective and the intention to recruit the best available expertise.

## **Teaching Materials**

9. Teaching materials should be well prepared by lecturers, reviewed by the project consultants, and delivered to the trainees with enough time prior to the training course. Where possible, more hand-on participative approach should be used. Other than case study reading, there may be alternative ways to engage the participants.

## **Teaching Methods**

10. The basic pedagogic approach to this program has been classroom lecturing supplemented by discussion, case studies and field study. There is a need to more fully develop discussion workshops and case studies to actively involve all participants with reduced lecture time and more time spent in group discussions, field studies and other

forms of participatory learning, and to ensure that practical examples and applications as well as exchange of experiences are integral parts of the curriculum design.

### **Target Participants**

11. The stringent criteria should be developed for screening and selecting participants. The criteria should include the levels of participants in their organization, and their experience and language proficiency. The criteria should also cover the obligations of the trainees in term of their long term interest in working ECAs, their career development, and the passing-on of what they have learned from their colleagues. It will be important for the Program Organizers to adhere to predetermined and agreed selection criteria. It will also be important to ensure that participants have realistic expectations about the foundation for further professional development provided by the Programs, and that there be a measure of homogeneity in terms of background, experience and needs of the participants in the Programs. As the programs will be participatory in nature, with considerable value from the exchange of viewpoints and experiences, trainees will be expected to contribute to the discussions as well as to learn. Care must also be made to ensure that there is a good representation from APEC economies.

### **Program Director of Facilitator**

12. In some cases, the participants will not be able to familiarize themselves to the styles of the lecturers and miss out the opportunity to maximize their learning. For this reason, and for the consistency and integrity of the program, it is desirable to have a facilitator throughout the program, who will sit throughout the course to provide integration and coherence to the program and to provide lecturers of inputs about the participants and topics covered by the prior lecturers. The facilitator can also play a key role in making sure that the relevance of the topic is understood and shared by the trainees and the lecturer, and set the right tone for the program in line with the learning objectives: knowledge, skills and behavior. This type of learning facilitator is an important aspect of the training, whose talent should be developed in-house.

### **Field Studies**

13. It is appropriate to arrange two days of field studies for a training program with ten days. In the case of the TIITP'98, all the field studies prove to be successful, as they also act as case studies which are the exciting form of teaching that promotes the active participation and communication among trainees and lecturers. However, for the sake of further enhancing the effectiveness of the field study, it is quite necessary to design the field study well and make full preparations before it starts. Clear instruction on the purpose of the field study should be given to the trainees in terms of what knowledge and techniques they will need to apply to the field study. Lecturers should be invited to monitor the field study and offer necessary guidance. Just in following up to the field study, lecturers should provide the trainees with an analysis on the field study and encourage them to discuss by groups what they have obtained form the field study. The

host of the field study should be briefed on the composition of the visiting group and advised of their particular interests in the host enterprises.

### **Preparations and Coordination**

14. Lead time is required in order to ensure the suitably qualified instructors are engaged and fully briefed in advance of the program, that all teaching materials are prepared in advance and that appropriate advance materials are circulated to participants in a timely manner. As to the project coordination, it is vital to have clearly defined objectives of the training program that are communicated and understood by all those involved. One step to facilitate achieving this is to move a more centralized project management model which will provide stronger support to the Program Organizers. It is also important to establish a network to ensure effective communications and cooperation among the project lead institute, individual program organizers and participants.

### **Training Support**

15. Although less recognized, Training Support affects the effectiveness of learning. The examples are the physical shape of the training room, break-up rooms for small group discussion, seating arrangement (whether class room type or round table style). These depend again on the trust of the training. For a program, which stresses participation, a round table or U-shape seating is more appropriate than a class room type.

### **Evaluation**

15. The principle methods of assessing outcomes will be an evaluation questionnaire of common design using five-point scale rating system. This will facilitate analysis and comparisons. Feedback will also be sought from the instructors. In case the training project is a serial one, a consistent evaluation framework must be developed and implemented to measure the outcomes of the training programs. The different formats of the questions in the evaluation forms complicated the evaluation of the sessions and weakened the conclusions that could be drawn.

### **Outcomes**

15. It will be important to clearly define the expected outcome of the training project. The Project Overseer will be responsible for producing and maintaining a complete set of the documentation including project proposal, management plan, curriculum, program evaluation, observations and learnings by the organizers and teaching materials, and reporting the outcome to the co-sponsors, network members, working group, APEC Secretariat and other related APEC fora.



### **Extra-curricular Activities**

16. Activities conducted in a social setting, out-side of classroom, would bring the participants (and lecturers) much closer together than the formal setting. If such activity is organized at an early stage of the training program, team spirit may emerge, thus enhancing the understanding among the participants and the lecturers, and helping the program to be more effective.

### **Networking**

17. The participants should take advantage of the networking that exists through such a gathering like the TIITP courses, take the opportunity to get to know one another and keep in touch even after the training program. This is what APEC is all about. Networking in the endeavor to deepen the spirit of the community among the APEC participants. There should be consideration of how to establish an ongoing learning network of alumni.



# APEC HRD Capacity Building

ECA Training Needs  
Assessment Survey

# REPORT

Presentation to the Experts' Workshop  
Manila, January 2002

CONSULTANTS

Derek Hill  
Richard Braddock

# Introduction

- The TNA Survey is the third in a series of studies on Trade Facilitation, and is led by the TNA Secretariat.
- The TNA Survey was commissioned as a part of the above APEC CBP project.

# Introduction 2

## Objectives of the TNA

- **Identify established APEC region ECAs**
- **Determine their fresh and continuing HRD needs**
- **Identify common concerns**

# Introduction 3

## Tasks assigned to TNA project

- Preparation of survey instrument
- Execution of Survey
- Recording of Responses in a Database
- Analysis
- Recommendations
- Presentation of Findings to Experts' Workshop

# Responses to TNA Survey 1

- Of the 21 entities contacted, 16 responded positively from the following APEC economies:
- Australia; Canada; Chile (in part); China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; New Zealand; Philippines; Singapore; Chinese Taipei; Thailand; USA (to be added); and, Vietnam
- No response: Mexico, Peru, Russian Federation

## Operational Res

### Total#

Short term

Medium term

Long Term

Pre-shipment cover

Cover for finance for

exports yet to be

Investment insurance

Various Other

# NB. The figures supplied on Total Business Insurance in the  
Survey have not been included here as they are based on the  
Business and have different bases of calculation (database)

# Existing Training Programs

- Wide variety of training sources
- Emphasis on Basic Training in Newcomers
- Emphasis on Junior Management and Middle Mgt. Involved in more advanced aspects of ECI
- 14 APEC ECAs are Berne Union members and its regular technical workshops utilised.



# Existing Training Programs 2

- Many used previous 2 APEC TITPs, either as Trainers or for Training
- Trainings conducted in China, Indonesia, Philippines, and Thailand
- Participation also extended to Australia, Canada, Hong Kong, Japan, Korea, Chinese Taipei, Singapore, USA, Vietnam, and the Russian Federation.

# Existing Training Programs: Other Providers

- Japan Trade
- COFACE
- First Wash
- MIGA
- The Islamic Corp  
Export Credit (ICIE)
- Japan Bank for Interna
- ADFIAP
- FMJ International Risk Servi
- Credit Alliance
- EFIC, Sydney
- PHILEXPORT, Philippines

# Existing Training Programs: Other Providers 2

- SLECIC
- Universities
- Educational Training Centres
- Public Sector Management
- Korean Universities
- AusAID, Australia
- Australian Institute of Management
- West London Business School

\* training in management subjects only

**New**  
**Professional Qualification**  
**International Institute for Practitioners in  
Credit Insurance and Surety - IPCIS  
(Postgraduate - Leeds University, UK)**

# Existing Training Programs: In House Training

- The larger and well established ECAs have created their own In-house Programs and Training Manuals
- Canada provided a detailed listing of their In-house trainings
- Indicates that **smaller, younger, and/or emergent ECAs are likely main source of demand for APEC TNP trainings.**

# ECA Training Areas of Highest Priority for APEC

- Basic skills of buyer risk assessment
- Premium determination and rating
- Country risk assessment
- Claims and recovery procedures
- Marketing

## Environment

**Increasing Competition  
from the Private Sector**

**Insurance and Reinsurance industry**

# New Facilities under consideration for next 2 years

- Consideration of:
  - Bonding
  - Factoring
  - Cover for banks **confirming letters of credit**

## Other New Services Planned

- Project Financing
- Reinsurance
- Merchanting
- Third Country Trade
- Non-payt re LCs at exporters' fault

# APEC HRD CBP Training Programs

## RECOMMENDATIONS

*“there is a  
highly relevant place  
for further ECA training and  
capacity building under  
the APEC umbrella”*

# Recommendations:

***“Emphasis  
should be on***

- junior and middle management  
staff***
- in emergent or smaller ECAs,  
and***
- in medium sized ECAs looking  
to  
expand their business volumes  
and introduce new facilities”***



# Design of Programs and the Training Curriculum

- It is apparent that, notwithstanding the degree of self sufficiency exhibited by the larger and longer established ECAs and the growing number of external training sources available, there is a highly relevant place for further training and capacity building under the APEC umbrella.

# Design of Programs and the Training Curriculum 2

- Support participants from junior and senior levels of emergent EPCs to expand their business and introduce new facilities

# Design of Programs and the Training Curriculum 3

- Since the curriculum is designed with a focus on the practical aspects of the export credit industry, it constitutes a training program with an emphasis in the practical aspects of imparting the fundamental skills required of individuals in this field of export credit industry.

# Program

- Curriculum should be designed to determine the experience and ensure that it is appropriate for participants.
- Lecture structure should focus on the specific content relevant to each specific group.
- The program should address both theory as well as the practical application of the subject matter.

# Method

- Lectures, practical tasks and sessions of varying degree of interactivity as appropriate.

***“Trainees are currently in the workforce and thus more directly relevant practical case studies and lecturer escorted field work should be included in the programs linked to the classroom lectures, followed by interactive discussion and analysis”***

# Specialist Paper:

by Professor Etsuro  
*of the Expert*

- ☑ *Specialist Report on Curriculum Design after reviewing previous TIITP programs as part of the Wrap-Up to TIITP2 (see Appendix 4)*
- ☑ *It would be of relevance and assistance to those planning programs for the current TIIT program given the current ECA environment as revealed in the response to the TNA Survey.*

# Program 1 New Entrants- Introductory

**F**

- **The**  
**enhance**
- **The term**
- **The role of go**
- **Sources of credit**  
**economic and political** **countries**
- **Relations with exporters** **in other**  
**countries and international**

# Program 2 Advanced for Junior/Middle Management

- A module for junior/middle management required in:
  - Evaluating and selecting buyers
  - Premium rating
  - Claims and recovery
  - Assessing and controlling risk
  - Reinsurance and financial strength
  - Special facilities- factoring, bank letters of credit, bank confirming letters of credit



# Program 3 Train the Trainers

Only five  
specialised  
conducted in  
house training

**NB. The need to train trainers is a key element of the TIITP2 (Nanjing, China) and the development of a training operational tool for all those in a constant change and expansion.**

**...ing for  
...ection ( it  
...ergent ECAs)  
...necessary  
...subject to**

# Program 4

## Top/Secret

### Survey results

invest

work

views

- **Structural changes**
- **Crisis management**
- **Relations**
- **Financial cooperation with government**

– *This would enhance capacity for the new and small and medium sized*

# Impact for APEC SMEs

- The impact of the APEC SME programs suggests that SMEs are a substantial part of their clientele.

# Duration

- 30
- Program 3 - 2 days  
to 4 days  
of participation
- Program 4 - 2 days  
Top/Senior managers

# Training Materials and Techniques

- Modern technological aids, such as bullet point screen presentations (Powerpoint or Overheads) and Multimedia should be encouraged while allowing adequate time for question and answer periods and case studies where experience has shown the value of syndicate discussion and presentation.

# Selection Criteria for Program Participants

- Since participants will be active participants in the APEC syndicate workshop, English fluency is a key selection criterion.

*“Trainees need to have adequate proficiency in English (as used in APEC meetings) so as to fully comprehend the presentations and be able to actively participate. If training in English poses difficulties, program organisers may wish to consider the provision of simultaneous translation.”*

# Selecting Trainees

Important to ensure that:

- participants have realistic expectations about the foundation for further professional development provided by the Programs, and
- there be a measure of homogeneity in terms of background, experience and needs of the Trainee participants in the Programs.

# Requirements re Trainees

- Program 1 - level 1 participants should have had at least 1 year of relevant work experience and their level of knowledge should be relevant to the program.
- Program 2 - level 2 participants should be somewhat higher than level 1 and participants should have at least 3 years of employment in an E.C. position or an executive position in their own organization.



# Program 3

## Trainers

The

- have
- have access to the modus offered by the
- possess the personal ability to become a successful trainer. ability to construct and training manual.

# Host E.C.

- Obvious advantages of being in
- where preferences are reasonable
- Of the established China, Indonesia, they are likely to provide the most centrally
- Appropriate to make the in these economies.

# Ideal Requirements for Presenters

- **In program** training and on the job training
- **For middle management** those with specialized knowledge possessing a degree of specialization
- **For senior executives** business innovations and external training institutions
- **Presenters should be required** in the presentation of their material to have considerable hands on experience of the subject matter presented within an E.C.A.

# Potential Presenters

TIITP2 drew

highly ex

ECAs

- *Now more pressures from the private sector for a ready response*
- **Approaches could include specialist export centres**
  - However, for the proposed Association of ECICS, the Singapore ECA, within its holding company group, could provide an expert presenter.

## **We support the previous TII**

- **Presenters**  
appropr  
inc  
flue
- **List of s**  
presenters  
maintained t
- **Lecturers briefed**  
submit lecture outline  
organiser and/or exper

**This would permit revision to ensure  
appropriate content level with relevance, and  
advance distribution of materials.**

# Performance Evaluation

- **The detailed survey instrument used in the previous programs should be retained.**

# Conclusions re APEC ECAs:

- ❖ **Most business** is at the short term end
- ❖ **Most training needs** are at the Junior to Middle Management level
- ❖ **Significant training** is provided by the Berne Union, APEC, and leading institutions/agencies
- ❖ **Developed economy ECAs** have comprehensive in-house training programs and Training Manuals
- ❖ **Developing economies** have significant training needs but internal training needs
- ❖ **Train the Trainers programs** would assist developing economies and their emergent ECAs to develop internal training programs

- ❖ **Training programs are best hosted near demand**
  - **i.e. centrally located within the region**
- ❖ **Senior executives need to be able to gain skills and knowledge re new business areas and in meeting new challenges in a increasingly changing world**
- ❖ **Trainees should be selected with a high degree of homogeneity in background and needs**
- ❖ **Presenters should have significant levels of experience in ECAs in developed economies, being experienced in training Junior to Middle level staff and at a highly experienced senior managerial/executive level for Senior Executive trainings.**



# Thanks!

**The consultants  
Trade Skills  
Philippine  
Group, and  
executives in  
assistance in  
Survey of Training  
the Asia-Pacific  
University~Sydney, Australia**

Richard Braddock, Australia  
er, 2001.

E-mail: [rbraddock@mq.edu.au](mailto:rbraddock@mq.edu.au)

## **Group 2 Workshop Output**

**Members:** PROC, Indonesia, Vietnam, Thailand and Malaysia

**Moderator:** Philippines

**Chairperson/Presenter:** Malaysia

### **PROGRAM I - BASIC INTRODUCTORY EXPORT CREDIT AGENCIES AND TO LEARN THE FUNDAMENTALS OF ECI**

#### **A. Program Design /Curriculum**

##### **Day 1**

##### **1. Overview on ECA**

- What are ECAs and why is there a need to establish them?
- functions/role of ECAs
- its contributions to the economy
- Evolution of ECAs – historical background
- Government-owned ECAs (pros and cons)
- Profile of ECAs in the APEC region – comparison with world data
- How are ECAs organized ?
  - Basic knowledge on the types of ECAs
  - organizational structure
  - Functional description of various departments (including overseas investment insurance)
  - Inter-relationship of various units

##### **2. Overview on ECI**

- What is ECI?
- Need for Credit Insurance – not only for protection but also for financing
- Difference between credit insurance and guarantee
- Risks faced by exporters in international trade – terms of payment and attendant risks
- Uniform rules on collection –URC/UCP (Berne Union)

## **Day 2**

### **1. Basic Marketing Strategies and Techniques**

- Study of target market
- How to find prospective clients (mapping)
  - Segmentation – according to size, sector or industry, product, volume of sales
- Identify customers and their needs
- Competition
- How to convince exporters to use ECI
  - LCs vs. open account
  - electronic data interchange (EDI)

## **Day 3**

### **1. Basic Underwriting Skills**

- Identify pertinent information required in underwriting
- Credit control management system of exporter – clients
- types and features of ECI policies
  - provide sample policy contracts
- Buyer Underwriting
  - What is Buyer Underwriting?
  - Information used to evaluate buyers
  - Sources of buyer credit information
  - techniques of buyer credit underwriting
  - How to determine buyer underwriting
  - How to determine buyer credit limits
- Country Underwriting
  - Key variables used to determine country rating
  - Different methodologies in country risk assessment
  - country rating system – classification/categories

## **Day 4**

### **1. Claims and Recoveries**

- What are Claims? ; How do they come about?
- How to process claims?

- key elements considered in evaluating claims
  - understanding cause of loss
  - waiting period
  - ex-gratia payment of claims (based on compassion)
- Documentation Requirements
- Procedures
- Recoveries
  - when to pursue recovery?
  - who will pursue (exporter, ECA or Re-insurer)
- Different Recovery Measures available to ECAs
  - pursue yourself
  - debt collection agent
  - law firms
  - trade commercial attaches'
- Fee structure/cost of recovery
- treatment of recovered monies
  - sharing between insured insurer and re insurer

## **Day 5**

### **1. Other Important Topics**

- Credit Risk Monitoring Systems and Procedures
- Re-insurance
  - why is there need for re-insurance?
  - Who are the players in the market?
  - Types of Re-insurance
  - Salient Covenants of Re-insurance contracts
  - Maintenance of re-insurance
- Participants' Evaluation of the Training Program

### **B. Training Materials/Methodologies**

- Lectures with class participation
- Case Studies
- Field Studies/Familiarization tours
- Country reports/presentations

## **C. Selection Criteria for Participants**

- Fluent in spoken and written English
- Less than 1 year work of experience in ECA or related field
- Relevant bachelors' degree
- occupying junior position or new entrant

## **PROGRAM 2 - ADVANCED UNDERWRITING PROGRAM**

*Objective : To enhance the skills and knowledge of underwriters and create networking opportunities*

### **A. Program Design/Curriculum**

#### **Day 1**

##### **1. Trade and Insurance**

- Opportunities and risks in International Trade
- Nature and magnitude of risks
  - Internal/external risks
  - Commercial risk and political risk
- Role of Credit Insurance in mitigating risk
- Role of Credit Insurer to the development of opportunities in International Trade
- Enhancing exporters' competitiveness in International Trade through Credit Insurance

##### **2. Understanding International Trade**

- Common payment terms
- Export Credit Risks – type of risks
- Functions of ECI
  - Risk Assessment
  - Risk Monitoring
  - Receivable Management
  - Export Financing

##### **3. Patterns of International Business for ECAs**

- Transactions on credit within 180 days

- Medium and Long Term Business
  - Specific policy
  - Buyer Credit
- Investment in Overseas Countries

## **Day 2**

### **1. Credit Insurance**

- Definition
- Scope of Cover
- Types of Credit Insurance
- Percentage of Loss Covered
- How ECI helps the Exporters

### **2. Marketing Techniques**

- Potential Market
- Marketing Attitude
- Competition
- Products Offered
- Pricing
- Distribution Channel

## **Day 3 - COURSE ON COUNTRY RISK UNDERWRITING**

### **1. Introduction on Country Risks**

- Define what are Country Risks
- Political and Economic Risks
- Commercial Risk versus Commercial Risks

### **2. How country risks have changed since the 1980s**

- types of crises in the past, present and future

### **3. How to Underwrite Country Risks**

- sourcing country information
- assessing political and economic risks using quantitative/

- qualitative approach
- factors and indicators used
- country risk matrix
- case study

#### **4. Country Risk Assessment in the OECD Export Credit Arrangement**

- Indicators used
- Economic model used
- Application with the system
- Case studies

#### **5. Controlling of Risk Exposure**

- Imposition of special country conditions
- Reinsuring with reinsurers
- Setting country exposure limit; etc

#### **6. International Financial Institutions and multilateral debt Initiatives**

- Debt problem of the Heavily Indebted Poor Countries
- Debt statistics and debt indicators analysis
- Early warning systems

#### **7. Paris Club and Rescheduling of debts**

- Its role and rescheduling arrangements

#### **8. Sovereign Risk Rating of International Credit Agencies**

- Criteria for sovereign risk
- Rating methodology
- Types of ratings – investment, currency, sovereign
- Case study

## **9. Country assessment in medium and long term transaction**

- Project financing
- Overseas investment insurance
- Case study

## **10. Banking system and country risks assessment**

### **Day 4**

#### **1. Underwriting**

- a) Policy underwriting
  - Short term transactions
  - Medium/long term/investment projects
- b) Buyer underwriting – credit analysis
  - Creditworthiness condition
  - Adequacy of the credit terms
  - Sanction of an appropriate credit limit
- c) Sources of information
- d) Credit scoring model
- e) Underwriting bank risks
  - Risk perceived under Export Credit Insurance
  - Risk factors of a bank
  - Bank creditworthiness – management risk  
- country assessment

### **Day 5**

#### **1. Risk Management**

- a) Review and monitoring of credit limits
- b) Extension of due dates and changes in payment terms
- c) Late declarations
- d) Omissions
- e) Over shipment
- f) Overdue payment reported



## 2. Claims and Recoveries

- a) Loss minimization actions
- b) Determine validity of claims
- c) Claims supporting documents
- d) Determining prospects of recoveries

## B. Training Materials/Methodologies

- lectures with class participation
- case studies prepared by lecturers/speakers
- case studies prepared by each participant
- field studies
- participants' evaluation of the training program

## C. Selection Criteria for Participants

- fluent in spoken and written English
- upper junior to middle management
- minimum of 3 years work experience in ECA
- relevant bachelors' degree

## Program 3 - Advanced Risk Management Program for ECI Practitioners (5 days)

*Objective : To equip participants on the latest management tools/techniques in enhancing their competencies*

## A. Program Design/Curriculum

### Day 1 - Overview of ECA Business

A.M.

- Current environment and activities/practices in the industry

- |    |        |  |
|----|--------|--|
| 1) | ASIA   | } indicating strengths and peculiarities |
| 2) | APEC   |  |
| 3) | Europe |  |
| 4) | World  |  |

- Role of public and private ECAs
- Challenges facing ECAs in the region
- Business Volume vs. Claims
- Viability of ECA operations vis-à-vis developmental role

P.M.

- Update on recent techniques
  - 1) Financial Management – accounting, budgeting
  - 2) Treasury Fund Management
  - 3) Derivatives, Swaps, Hedging and other international financial products
  - 4) Consolidations and Mergers of ECAs

## **Day 2 - Strategic Corporate Planning**

A.M.

- Mission/Vision/Objectives
- SWOT Analysis
- Goals and Strategies
- Targets
- Key Performance Indicators
- Mapping Action Plan

P.M.

- Case Studies
- Other Applications

## **Day 3**

A.M.

- e-ECA
  - 1) Importance and development of e-commerce
  - 2) Computer-based application systems for ECA operations
  - 3) Doing ECA business on-line
  - 4) ECA networking on the web

P.M.

- Effective Marketing Techniques
  - 1) Trends in marketing ECI
  - 2) How to market ECI
  - 3) Formulating marketing strategies and plans
  - 4) Case studies

## **Day 4**

A.M.

- Underwriting
  - 1) Policy underwriting/Exporter underwriting
    - Credit control of exporter
    - Identification and assessment of political and commercial risk
    - Buyer credit limit underwriting and premium-setting
    - Country risk evaluation
    - Designing tailor-made policy/customized policy and implications

P.M

- Case Study
- Group discussions and presentation

## **Day 5**

A.M.

- Briefing of each participant's experiences and practices Claims and Recoveries
  - 1) Claim practice and procedures
  - 2) Recovery measures and procedures

P.M.

- International Law
  - 1) Insolvency procedures
  - 2) Jurisdiction of courts and international enforcement procedures
  - 3) Insurance law
  - 4) Legal regulation of the insurers

## **B. Training Materials and Methodologies**

- Lectures with class participations
- Case study – prepared by lecturers and participants
- Field study
- Participant evaluation of the training program

## **C. Host : Philippines**

## **D. Program Speaker**

- ECA Practitioners with more than 10 years of management experience.
- Consultants with recognized reputable experience and expertise in relevant field

## **E. Selection Criteria for Participants**

- Very fluent in spoken and written English
- At least 5 year work experience in ECA operation
- Middle-senior Management Level

# **COURSE I**

## **REQUIREMENTS FOR PARTICIPANTS**

- a) At least one year of experience in an E.C.A. or relevant experience
- b) Should have basic knowledge of terms used in Export Trade and in Banking before attending
- c) No more than 20% should come from one country
- d) Participants to complete a simple form prior to attendance setting out age, position in E.C.A., degree of fluency in English
- e) This information to be made available to presenters prior to commencement of course

- f) Appoint a moderator for each course and moderator to make assessment of performance of each participant. Should have a strong background in training as well as in Export Credit Insurance
- g) Certificates to be withheld if attendance by participant is unsatisfactory
- h) Participants to make assessments on a continuing basis as course proceeds and an overall assessment at conclusion
- i) Course content to include case studies, syndicate work, powerpoint presentation and field visit

## **Program 1 New Entrants- Introductory - Suggested Syllabus**

For new entrants to the credit and investment insurance industry and covering -

- The role and functions of ECA's in supporting and enhancing the export performance of their economies

- The terminology of export trade and of export finance
- The role of governments and of the private market
- Sources of credit information on buyers and on the economic and political situation in individual countries
- Relations with exporters and bankers, ECAs in other countries and international co-operation

**DURATION: 7-10 DAYS**

## **COURSE 2**

### **Program 2 Advanced for Junior/Middle Management - Suggested Syllabus**

A more advanced course designed for junior management covering the basic operational skills required in an E.C.A. such as -

- Evaluating and controlling the credit risk on individual buyers

- Premium rating and charging
- Claims and recovery procedures and techniques
- Assessing and controlling country risk
- Reinsurance and financial control
- Special facilities - factoring, bonding, cover for banks confirming letters of credit

- a) **SUGGESTED DURATION** - 5/6 days with 2 Evening Work Sessions
- b) Participants to be encouraged to bring and introduce their own case studies. Preselected case studies also to be provided by presenters
- c) Consider the use of videos to enliven case studies and illustrate problems.

## **HOST COUNTRIES**

Malaysia, Philippines, Indonesia, Thailand seem the most likely



## **GENERAL**

Consideration should be given to retrieving the training materials used by presenters in previous programs. Since much of the subject matter would be replicated in each program this would reduce the preparation time for future presenters.

## **Capacity Building Program for Trade and Investment Insurance Practitioners (CBP-TIIP)**

Experts' Workshop  
Makati City, Metro Manila, Philippines  
January 15-17, 2002

1. The Experts' Workshop for the APEC Capacity Building Program for Trade and Investment Practitioners (CBP-TIIP) was held at the AIM-ACCEED facility in Makati City, Metro Manila, from January 15-17, 2002. Experts from 11 APEC economies participated in the workshop as well as representatives from the Project Overseer, the Department of Trade and Industry (DTI) of the Republic the Philippines. The objective of the workshop was to finalize the framework for the major components of the CBP-TIIP project.
2. The workshop was opened by Assistant Secretary Joe Antonio S. Buencamino, of the DTI International Trade Group and Executive Director Virgilio P. Fulgencio, who welcomed the Experts. DTI Undersecretary Gregory L. Domingo of the Industry and Investments Group, gave the keynote address.
3. In a series of three working sessions the workshop considered the design of the major components of the project, specifically the framework for the three Practitioners Workshops, the framework for the Trainers' Workshop and the framework for the design of the Senior Executives Forum, respectively. The first workshop identified the proposed learning objectives, the curricula and the designs for the three training courses, also referred to as Practitioners' Workshops. The major components are as follows:

### ***Program 1 (Course 1):***

***Theme:*** Basic program covering the fundamentals of ECA business

***Target*** for Junior Level officers or New Entrants to ECAs

#### ***Selection Criteria:***

- At least 1 year work experience in export credit agency
- Fluent in spoken and written English

***Host economy:*** Philippines

***Timing and Duration:*** 1st week of April 2002 (5 days)

#### ***Materials and Methodologies:***

- Lectures
- Case studies prepared by lecturers
- Field study – ECA client / ECA (optional)
- Evaluation of training program by the participants and assessment of participants by a moderator

***Curriculum development:*** the expert from Malaysia was tasked to refine the curriculum for Program 1 within one week to the Project Overseer.

**Program 2 (Course 2)**

**Theme:** Advanced Underwriting Course

**Target:** Upper Junior to Middle Management, such as Dept. Managers

**Selection Criteria:**

- Fluent in spoken and written English
- At least 2 years relevant work experience in ECA

**Host economy:** Thailand

**Schedule and duration:** 1<sup>st</sup> week of June 2002 (5 days)

**Materials and Methodologies:**

- Lectures
- Case studies (underwriting-3 areas each subject should be followed by one case study at least) prepared by participants
- Case studies prepared by lecturers
- Syndicate discussions
- Field study
- Video documentation optional

**Curriculum development:** Singapore to refine curriculum base on the outlined developed and drawing from the experience of previous phases of the TIITP within two weeks

**Program 3**

**Theme:** Advanced Risk Management Course

**Target:** Middle to Senior Management below CEO level

**Selection Criteria:**

- Fluent in spoken and written English
- At least 5 years relevant work experience in ECA operation

**Materials and Methodologies:**

- Lectures
- Case studies prepared by participants
- Case studies prepared by lecturers
- Syndicate discussions
- Field study
- Video documentation optional

**Curriculum Development:** Canadian expert to firm up curriculum design in consultation with EDC by April.

**Host economy:** Malaysia

**Schedule and duration:** 1<sup>st</sup> week of August 2002 (5 days)

4. For all training programs the following will apply:

**Criteria for selection of lecturers:** At least 10 years experience and excellent teaching skills

**Suggested Lecturers:** In addition to the 11 expert participants in this workshop, 11 possible experts from 8 economies were identified. To facilitate the selection, the Program Organizers will be provided with curriculum vitae of all potential lecturers.

**General:** Lecture materials should be sent to Program Organizer at least two (2) weeks prior to actual conduct of program in both electronic mode and hard copy)

5. In Workshop 2, it was agreed that the project objectives would best be accomplished through two specific components, viz. a pilot on the job training component aimed at enhancing operational managerial skills in developing ECAs and a process to consolidate all of the training materials developed throughout the various phases of the TIITP to facilitate the development of in house training capacity within developing ECAs in the region.

The individual components and their expected outcomes are as follows:

- 1) Pilot On-the-Job Training - for ECA Operations understanding
- 2) Training Resources Workshop - develop and review a consolidated Training Manual

### **On the Job Training (OJT)**

**Overview:** OJT will be conducted in Korea with one participant coming from each of the following economies:

- 1) People's Republic of China
- 2) Indonesia
- 3) Malaysia
- 4) Thailand
- 5) Philippines

**Selection Criteria for the participants of on-job-training:**

- At least 3 years relevant experience
- Occupying a senior operations position with a good knowledge of the overall management of the ECA
- Fluent in oral and written English
- Able to take part in a self managed study team

***Duration:*** 5 days

***Schedule:*** Last week of August 2002

***Design:*** 4 hours lecture, 2 hours observation and 2 hours of syndicate work in a self managed work team each day.

***Expected Outputs:***

- 1) Individual economy report on how the Korean experience can be replicated
- 2) Brief collective training report of lessons learned from Korean experience

### **Training Resources Workshop\***

***Methodology:*** A Steering Committee will be created to oversee the preparation of a training manual. The Committee will operate through electronic media.

***Members:***

- 1) Richard Braddock - Australia
- 2) Charles Barrett - Canada
- 3) Wu Wenwu - China
- 4) Jane Tambanillo - Philippines
- 5) Derek Hill (adviser) - Australia

***Duration :*** January – Mid-October 2002

***Terms of Preference :***

- Collection of all training materials with the help of Program Organizers and Project Overseers
- Develop protocols for the submission of future training materials
- Review of the collected materials, for the purpose of collating, consolidating and editing process
- Develop policies and procedures regarding updating and dissemination
- Conduct of the Training Resources Workshop prior to finalization of the Manual, for the purpose of reviewing the content of the manual, make recommendations and produce a report to the overseer.

*\*Only as far as the budget will allow*

***Content of Training Manual :***

- Training syllabus
- All Resource materials
- Training guidelines

Note: *There is a need to develop and review recommendations for future ECA training guidelines and syllabi*

**Training Resources Workshop**

***Target Participants :***

- 1) Members of the Steering Committee
- 2) Officers responsible for training in ECAs

***Duration :*** 2 days

***Host Economy :*** Indonesia

***Date :*** 1<sup>st</sup> week of October

6. Workshop 3 discussed the organization of the Senior Executives Forum, a one-day event for CEOs from APEC regions ECAs to be hosted by Japan. The Forum has to develop a regional approach to crisis management. The specific agenda will be developed by the host economy in consultation with other APEC members. It was agreed that the meeting would be interactive and would cover three broad themes:

- a) Review progress in implementing the 1997 APEC memorandum of understanding among APEC ECAs in light of current challenges
- b) Discuss various aspects of the building of capacity within APEC ECAs
- c) Explore possibilities for future cooperation among regional ECAs

***Duration :*** 1 day

***Timing :*** EO November 2002

***Attendance :***

- APEC ECA CEOs will be invited, and in principle there will be no substitution. Substitution would only be considered on a case by case basis and only at the level of second in command. For economies where there is no ECA, an invitation will be extended to the most appropriate senior individual.

- Economies may send additional observers to the meeting in addition to the official participant, on a self-funded basis. Only one participant will be funded through APEC.

***Agenda :***

- To be designed by host; verified by attendees

***Methodology :***

- Interactive, discussion oriented
- Include off the record session
- Chair, host ECA

***Secretariat Support :*** To be provided by the host ECA

***Statement :*** Attendees may wish to agree on a brief statement or press release that would focus on the agreements reached and recommendations for future action which may include an update of the 1997 MOU among APEC ECAs.

***Preparatory Meeting :*** Preparation will be through electronic mode.

***Follow up :*** Should the CEOs decide to convene a follow up meeting (for example in a year's time) the host economy would continue to act as Chair and Secretariat of the informal group until the follow up meeting occurred.

7. In Summary the workshop recommended the following overall work plan for CBP-TIIP 2002 with the timing of major activities and events as follows:

<u>Month</u>	<u>Activity</u>	<u>Responsible Economy</u>
January	Experts' Workshops	Philippines
April (1 <sup>st</sup> Week)	Practitioners' Workshop Program I	Philippines
June (1 <sup>st</sup> week)	Practitioners' Workshop Program 2	Thailand
August (1 <sup>st</sup> Week)	Practitioners' Workshop Program 3	Malaysia
(Last Week)	On-The-Job Training	Korea

October (1 <sup>st</sup> Week)	Training Resources Workshop	Indonesia
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November (Last Week)	Senior Executive Forum	Japan
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8. In the closing ceremony Norulhadi Md. Shariff, General Manager of the Malaysia Export Credit Insurance Agency, presented on behalf of the experts, the results of the discussions and the recommendations for the implementation of the project to senior officials of the Government of the Republic of the Philippines. Undersecretary Antonio M. Bernardo, Undersecretary , Domestic Finance Group, Department of Finance, addressed the experts. On behalf of the Experts Group Jean Phoon, Vice President and General Manager, Export Credit Insurance Corporation of Singapore Ltd. thanked the Philippines for the hospitality and the organization of the workshop.



## **SPEECH OF UNDERSECRETARY ANTONIO M. BERNARDO**

### **For the Closing of the Trade and Investment Insurance Practitioners Experts' Workshop Under the APEC-HRD CBN's Capacity Building Program January 17, 2002, Makati City**

Good evening, ladies and gentlemen.

On behalf of Secretary Camacho, allow me to express the appreciation of the Department of Finance for the opportunity to speak at the Closing Ceremonies of this gathering of experts on trade and investment insurance. I consider this a personal privilege and interest, having been in the insurance business prior to my joining government. Indeed insurance as a financial service, has gone a long way from the traditional concepts of life and non-life insurance. Because of the challenges brought to various economies by globalization and open markets, insurance has assumed a new dimension, that of insurance on trade and investments to insure investors against losses arising from commercial and political uncertainties.

This forum is of utmost significance as it signals the actualization of a commitment made during the APEC Ministerial Meeting held in November 2000 in Bandar Seri Begawan, Brunei. Then, we agreed to strengthen the institutional capacity of agencies that provide trade and investment insurance. This experts' workshop, being the first step of the ladder of project components, is most crucial because it is envisioned to design the framework of training and capacity-building. How else can this important

endeavor proceed without the first step -- the roadmap that would give the direction, identify the targeted players or participants, identify the training issues and concerns, and provide the signposts or policy guidelines?

I recognize the hard work that each of you have contributed in the past three days to make this experts' workshop a fruitful and successful event. You deserve the deep appreciation of the Philippines as well as the other APEC member-countries for lending your expertise in designing a training program on trade and investment insurance for APEC participants.

Understanding, institutionalizing and strengthening trade and investment insurance is in full congruence with the policy commitment to build a strong foundation for sustained, broad-based growth in the APEC region. It increases investor's confidence and attracts capital towards the region, thus providing a significant enhancer to attain greater trade and investment.

For the lesser developed economies within the region like the Philippines, understanding and promoting trade and investment insurance will be beneficial. The Philippines has been faced with political and economic challenges affecting both foreign and local investments. The offer of this insurance is very timely and exactly what we need to dampen uncertainties and encourage both foreign and local investments.

We hope to learn from the experiences and successes of the developed and very advanced APEC economies. We gathered that in Japan, the Japanese export credit insurance system is said to have contributed to the Japanese economic growth since its establishment in 1950. The ECI supported Japanese foreign trade by reducing the risk arising from war and prohibition of foreign currency conversion. The total insured amount and amount of claims during the 50 year period is approximately Y 350 trillion and Y 2.3 trillion respectively and this covers about 25 percent of total Japanese exports.

In the United States, The Overseas Private Investment Corporation (OPIC), which has been in operation for the last 29 years, has been insuring investments of eligible US investors in developing countries and emerging markets against the political risks of inconvertibility, expropriation and political violence. Over the past 29 years, OPIC has supported more than \$ 138.7 billion in US investments overseas that will generate \$ 63.6 billion in US exports and create more than 250,000 American jobs.

The Philippine experience in trade and investment insurance is just beginning. The Trade and Investment Development Corporation of the Philippines (TIDCORP), a Department of Finance attached agency, is the only known institution providing export credit insurance (ECI) or the protection given to an exporter against the risk of non-payment by his foreign buyer or an export shipment or credit. It protects the exporter from the commercial and political risks. TIDCORP started providing in 1997, and from 1998 up to 2001, has insured P 5.54 billion on purely trade and insurance or approximately 8 per cent of the merchandise exports. Since 1997, however, no claim has

been made which may generally be considered as a good sign that no partner has defaulted on its obligation.

As the end of September 2001, the Philippines exported a total of P 1,176,936 billion of which only 0.23 per cent of P 2.6 billion has been covered by TIDCORP insurance. Clearly, there is more room for improving TIDCORP's effort as well as allowing private sector to venture into this field, to enhance investments and make the Philippines a better business venture again.

Once again, the outputs, the information exchange and the sharing of expertise in this 3-day workshop be invaluable to all APEC economies. And, we look forward to hosting more workshops like this in the future.

Thank you and good evening.