



Handbook *for* Members

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Asia-Pacific Economic Cooperation

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I. HISTORY

The APEC Business Advisory Council was established by the Economic Leaders in November 1995 in response to a call for a private sector body that could advise the Leaders on matters of primary importance to business in the region. The Pacific Basin Forum (PBF) served as the forerunner of ABAC having been established in November 1993 as an ad hoc group of business leaders from APEC member-economies tasked with identifying issues that would facilitate regional trade and investment and encourage the further development of business networks throughout the region.¹

ABAC was established as a permanent body to act as an independent voice of business within the APEC process. It is the sole non-governmental entity that has an official role in the APEC Economic Leaders Summit through a formal dialogue.

In addition, ABAC has been tasked with reviewing the progress of APEC’s work in trade and investment liberalization through the individual action plans. ABAC is also to recommend future work that would improve the overall business environment within the region.

¹ The PBF met through 1994 and 1995 producing two reports for the Economic Leaders with recommendations reflecting business priorities for APEC’s future work. These reports were *A Business Blueprint for APEC: Strategies for Growth and Common Prosperity (1994)* and *The Osaka Action Plan: Roadmap for Realizing the APEC Vision (1995)*.

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Formally, ABAC has two mandates given by the Leaders at the 1995 Osaka Meeting:

- “To provide advice on the implementation of the [Osaka] Action Agenda and on other specific business sector priorities”; and
- “To respond to various APEC fora requests for information about business-related issues or the business perspective on specific areas of cooperation.”

II. MEMBERS

1. **ABAC Members.** Each APEC economy appoints up to three representatives to ABAC from their respective private sector. Members are officially appointed by their respective heads of state. As such they represent their economy’s private sector at all levels, including small and medium enterprises (SME).
2. **Alternate Members.** Alternate Members are also to be appointed officially by their respective heads of state to serve in such capacity in the absence of Members at ABAC Meetings.
3. **Participation in Meetings.** Only Members, and in their absence - Alternate Members - can attend ABAC Meetings and participate in discussion in plenary and have their views reflected in the approved minutes of such meetings. No personal proxies are accepted for participation in ABAC meetings.

4. **Responsibilities of Members.** Members’ responsibilities include:

- (a) Consulting with the private sector in their respective economies on matters to be discussed and agreed on per the ABAC agenda;
- (b) Reflecting these views in ABAC deliberations;
- (c) Reporting ABAC positions to the private sector in their respective economies; and
- (d) Representing their respective private sector in the formal dialogue with APEC Leaders at the APEC Economic Leaders Meeting.

5. **Responsibilities of Alternate Members.**

Alternate Members’ responsibilities are exactly those of members in the absence of the latter.

III. CHAIR AND CO-CHAIRS

1. **ABAC Chair.** The ABAC Chair rotates annually in consonance with the APEC Chair. The host economy for the year (and APEC Chair) is to designate one ABAC Member to serve as ABAC Chair.
2. **ABAC Co-Chairs.** There are two ABAC Co-Chairs designated as the following:
 - (a) The immediate past ABAC Chair; and
 - (b) The immediate future ABAC Chair.

3. Working Group and Committee Co-Chairs.

The Council creates as many working bodies (e.g. working groups, committees) as required to carry out the program of work, headed by Co-Chairs as endorsed in plenary. The Council endeavors to ensure that Co-Chairs represent a range of member economies.

4. Responsibilities of the Chair. The ABAC Chair, with the assistance of the Co-Chairs, has the following responsibilities:

- (a) Preparation of the ABAC agenda and program of work for the year;
- (b) Conduct of ABAC Meetings;
- (c) Presentation of ABAC positions to all external publics, including the media; and
- (d) Shaping of the final report to APEC Economic Leaders.

5. Responsibilities of Working Group/Committee Co-Chairs. Working Group and Committee Co-Chairs have the following responsibilities:

- (a) Ensure that agreed tasks are carried out between ABAC meetings; and
- (b) Represent ABAC at relevant APEC Ministerial meetings, where invited.

6. ABAC Positions on Issues. All official communication and formal positions of ABAC approved in plenary are to be signed by the ABAC Chair. Working group and committee positions represent

preliminary positions and not official ABAC positions until approved in plenary. (The final report to Leaders, however, is to be signed by all ABAC Members.)

7. Absence of the ABAC Chair at ABAC Meeting.

Should the ABAC Chair be absent from an ABAC Meeting, one of the Co-Chairs shall assume chairmanship of the meeting. A member of his or her economy shall be designated as an Acting Co-Chair for that meeting only.

8. Absence of an ABAC Co-Chair at ABAC Meeting.

Should an ABAC Co-Chair be absent from an ABAC Meeting, a member of his or her economy shall be designated as an Acting Co-Chair for that meeting only.

9. Absence of Working Group or Committee Co-Chair at ABAC Meeting.

Should a working group or committee co-chair be absent from an ABAC Meeting, a member of his or her economy shall be designated as an Acting Co-Chair for that meeting only.

IV. AGENDA/PROGRAM OF WORK

1. ABAC Agenda. Each year, ABAC shall deliberate on and approve an agenda and program of work. The incoming ABAC Chair is to propose the agenda for the year, subject to the approval of ABAC in plenary.

2. New Proposals into the Agenda. Member economies may submit new proposals into

the agenda but must do so through the ABAC Chair at least *one month before* the meeting proper. This will eliminate last minute proposals which members will have little or no time to study.

All new proposals must be specific as to suggested and/or required ABAC action to be taken including recommendations to Leaders.

3. **ABAC Structure.** To translate the agenda into a program of work, ABAC can create as many working groups or committees as necessary, the chairs and co-chairs of each to be designated by ABAC in plenary.
4. **Action Plan Monitoring Committee.** ABAC has a single standing committee - Action Plan Monitoring Committee - tasked by APEC to monitor the individual action plans (IAP) of APEC member economies and to report the same to the Economic Leaders at the dialogue with Leaders at each Summit. The additional scope of responsibility of the APMC is to be determined in plenary.

V. COUNCIL MEETINGS

1. **Schedule of Meetings.** ABAC can meet in plenary as often as its program of work demands. In general, however, ABAC has met quarterly.
2. **Hosting of Meetings.** ABAC member economies take turns hosting an ABAC

meeting on a voluntary basis. There is no pre-determined rotation to the hosting of meetings. The hosts for specific ABAC Meetings are required to cover the full costs of the meeting proper including (but not limited to²) the following:

- (a) Plenary and working group/committee sessions;
- (b) Luncheons and dinners (usually with guest speakers and dignitaries; breakfast sponsorship is optional);
- (c) Secretariat costs on-site; and
- (d) Press relations.

ABAC Members and staffers are required to answer for their own transportation, transportation-related expenses (e.g. visas, if necessary), and accommodations.

3. **Last ABAC Meeting for the year.** The last ABAC Meeting for the year is always at the site of the APEC Economic Leaders meeting. At this meeting, all presentations to the Leaders are finalized. At the conclusion of this meeting, a formal turnover to the incoming ABAC Chair is made by the outgoing Chair.
4. **Participation in plenary.** Only Members, and in their absence - Alternate Members - can sit at the plenary table and participate in discussions. No personal proxies will be entertained by the Chair.

² The host economy for the Meeting may choose to include in the overall sponsorship any or all of the following: Hotel-airport transfers, breakfast, spouses/accompanying partners program, golf or other side events. Otherwise, these are for the account of Members and staffers.

5. ***ABAC process for approving positions.*** ABAC positions can only be approved in plenary. In keeping with the APEC process, ABAC positions must be by consensus and voluntary. No division of the house (majority vote) is entertained in ABAC decision-making.
6. ***Working groups and committees.*** Working groups and Committees are the venues for detailed discussion of proposals and position papers. Participation in such discussions are open (but limited) to Members, Alternate Members and staffers.
7. ***Position papers and proposals.*** All position papers to be distributed at any working group or committee session, or to plenary, including working group reports are to be submitted through the International Secretariat which logs and assigns document numbers and controls distribution.
8. ***Matters requiring full Council approval.***³ The Council shall approve the following matters in plenary:
 - ABAC agenda and program of work for the year;
 - Working groups and committees to be set up for the year;
 - Designation of working group and committee chairs and co-chairs;

³ Approved in plenary, May 2000 (Beijing, China)

- Official written communication stating ABAC positions on policy matters including letters to APEC ministers and press statements;
- ABAC Report to APEC Leaders;
- Content and script of presentation to APEC Leaders (Annual Dialogue with Leaders);
- Dates and venues of all ABAC meetings;
- ABAC annual budget and schedule of annual dues;
- Conference report of ABAC meetings;
- All formal association with other organizations other than those identified in the ABAC mandate (see Section VII); and
- Hosting of the ABAC international secretariat.

VI. COMMUNICATION WITH APEC LEADERS AND OTHERS WITHIN THE APEC PROCESS

1. ***Policies relating to communication between ABAC and APEC economies.***⁴ Communication with APEC shall be guided by the following policies:
 - (a) Presentations made to APEC fora, ministerial meetings and senior officials meetings shall faithfully reflect ABAC positions as approved in plenary. Where positions are yet to be finalized, ABAC representatives at such fora should make this clear.

⁴ Approved in plenary, May 2000 (Beijing, China)

- (b) All official letters stating ABAC positions on policy matters shall be approved in plenary and signed by the ABAC Chair. The Chair may edit the letters for style provided there is no change of substance and provided edited letters are circulated to members for review at least one week before final transmittal.
 - (c) The ABAC Report to APEC Leaders must be approved in plenary and signed by every member of the Council.
2. **Dialogue with Economic Leaders.** The culmination of ABAC's work for the year is the dialogue with Economic Leaders. ABAC is the sole private sector group that is officially part of the APEC Economic Leaders' agenda at the annual summit. The dialogue with Economic Leaders takes as long as planned by the host economy. The structure of the dialogue is likewise determined by the host economy. Formal statements of ABAC's position during the dialogue are to be agreed beforehand in plenary.
 3. **Dialogue with Ministers and SOM.** It is customary for the ABAC Chair to present progress reports to SOM Meetings during the year. The ABAC Chair and Co-Chairs also brief Trade Ministers at their annual meeting held in May/June and at the APEC Ministerial Meeting held just prior to the Leaders' Meeting at the end of the year. In addition, ABAC may be invited to attend other Ministerial and Officials' Meetings. In such cases, the Council in plenary shall designate the respective members or working groups/committees

who will represent ABAC. The positions taken by these representatives at such meetings are to be in line with the positions agreed by the Council. ABAC Member representatives are to report back the discussions at those meetings to the Council in plenary.

4. **Written communication with Leaders and Ministers.** ABAC's recommendations for the year are to be contained in a final report to the Economic Leaders, the conclusions and format of which are to be determined by the Council in plenary and signed by all members. Working groups and committees may also write to Ministers in their respective areas of responsibility in the course of the year. Such letters are to be approved in plenary and signed by the Chair.

VII. COLLABORATIVE WORK WITH OTHER GROUPS WITHIN THE APEC PROCESS

1. **Mandate.** One of ABAC's mandates is "to respond when various APEC fora request information about business-related issues or the business perspective on specific areas of cooperation". ABAC will endeavour to do this through communication and participation at Ministerial meetings and Senior Officials' Meetings (SOM) and, when appropriate, to specific APEC working groups.
2. **ABAC Policy.** As a policy, ABAC Member participation will be reserved for the

dialogue with Leaders and/or Ministerial meetings. This ensures that ABAC maintains its strategic importance in the APEC process.

3. **Guidelines on participation.** General guidelines on participation are as follows:

- (a) For items on the ABAC agenda for the year, the Council should ensure that there is an invitation for a co-chair (or member) to participate in the appropriate Ministerial meeting(s).
- (b) For previous years' recommendations that are on the agenda of specific working groups (e.g. intellectual property rights, standards and conformance, cross-border flows, e-commerce, ecotech, etc.), ABAC staff or secretariat are to be appointed to attend and present/follow-up on ABAC recommendations, *subject to approval of an ABAC position on the matter.*
- (c) For items not on ABAC's agenda (but related to business) from any APEC working group or committee, ABAC can recommend the participation of other organizations such as PBEC or PECC.

4. **Requests for participation in other fora.** For specific meetings under 3(b) that request ABAC sponsorship, ABAC participation will be through an assigned Member. If ABAC support (and use of the logo) is required, this should be limited to a statement: "With the support of the APEC Business Advisory Council."

5. **Process for seeking ABAC approval.** All requests for participation or co-sponsorship

are to be referred to the ABAC Chair. The Chair shall refer all such requests to the appropriate working group/committee co-chairs to review the merits of the request and make the proper recommendation. If it is not immediately clear which working group/committee should be responsible, the Chair will refer it to Plenary for consideration. If the request is between ABAC Meetings and requires a more immediate response, the recommendation for participation by the appropriate working group/committee may be circulated and approved through referendum.

VIII. RESEARCH FUND

1. **Research policy.** As a matter of principle, ABAC is a user of research rather than a research-driven institution. As such, it is to use its research fund to contract research from a wide network of research institutions with emphasis on those engaged in APEC-wide work, such as (but not limited to):

- (a) Pacific Economic Cooperation Council (PECC)
- (b) APEC Studies Center Network (ASCN)
- (c) Pacific Basin Economic Council (PBEC)

2. **Proposals to originate from working groups and committee.** Research proposals must originate from ABAC Working Groups or Committee and are to be covered by a research proposal including research output, structure of the research, time lines and

budget. Approval of research proposals and contracts are made in plenary. Upon approval, the Director of Operations of the ABAC International Secretariat shall be authorized to sign the contract on behalf of ABAC.

3. **Research output.** Research output are to be discussed and approved in the respective Working group or Committee prior to presentation to plenary. Research outputs are to serve as input to ABAC deliberations and positions to be approved in plenary.
4. **Payment.** Payment of research shall be based on a schedule reflecting research output delivered, except for the initial mobilization fee. Full payment on the research contract can be made only upon delivery of a completed and accepted research output.
5. **Ownership of research output.** ABAC shall retain full or co-ownership of the research output. No copyright on research output will be effected. Research output shall be made available on a free basis to all parties interested in the APEC process.

IX. MEDIA RELATIONS

1. **Policy.** Media relations and the projection of ABAC positions on strategic issues are a major communication strategy. At the conclusion of every ABAC Meeting, the ABAC Chair and Co-Chairs, together with Working Group and Committee Co-Chairs, will release a press statement and meet with the international press to report on key ABAC positions.
2. **Official ABAC positions.** The ABAC Chair and Co-Chairs shall ensure that only ABAC

positions reached and approved in plenary shall be released to the media. The ABAC media statement at the conclusion of each meeting shall reflect these positions. While there is no restriction on any ABAC member speaking to or being interviewed by the press, care must be made by all members to stress when statements represent a personal opinion rather than an official ABAC position.

3. **Media Access.** All plenary, working group and committee sessions are closed to all non-ABAC members and staffers, including media. At the opening plenary, however, the press will be allowed a few minutes for photo opportunities. Likewise, the press conference at the conclusion of the meeting is open to all media. Further, any luncheon or dinner event involving a guest speaker may be opened to the press at the discretion of the host economy. This is assuming that no ABAC deliberations are included in the program.

X. STAFFERS

1. **Designation of staff.** Member economies have the flexibility to organize their own local secretariats to manage their own staff needs and/or are free to designate their own staff. No formal background is required by ABAC leaving each Member to determine the qualifications and number of their respective staff. The ABAC International Secretariat only requires that a lead staff per Member or member economy is identified for communication purposes.
2. **Responsibilities.** Staffers' responsibilities

include:

- (a) Undertaking support work for their principals and keeping them informed of discussions and positions presented by other ABAC Members and member economies.
 - (b) Presenting the views of their principal(s) with reference to position papers and working group/committee proposals and ABAC reports. This allows for revision and/or corrections to be made before discussion documents are circulated prior to each ABAC Meeting.
3. **Participation in working group and committee meetings.** Staffers must pre-register for specific working groups or committees where they are granted full participation rights. It is understood, however, that staffers' participation reflect their principal's position on the issue(s) at hand and therefore require a high level of preparation.
 4. **In plenary.** Staffers cannot participate in plenary discussions and must occupy the seats immediately behind their principals in the plenary hall.
 5. **Dress and decorum.** Proper dress and decorum is required of staffers at all times. During all working group, committee and plenary sessions, a minimum of movement is required at all times and all forms of electronic communications equipment should be placed in silent mode.
 6. **Staffers' meetings.** Staffers are required to

attend staffers' meetings scheduled before, during and immediately following ABAC Meetings.

XI. ADMINISTRATIVE MATTERS AND DUES

1. **Items included.** Administrative matters include:
 - (a) Payment of annual dues per member economy;
 - (b) Communication;
 - (c) Budget and annual audit; and
 - (d) Office.
2. **Annual dues.** Annual dues are determined at the first ABAC Meeting of the year. The formula is based roughly on the APEC formula with modification. Approval of the schedule is done by the entire Council in plenary. The International Secretariat is to bill each member economy accordingly.
3. **Communication.** The International Secretariat is to communicate with each Member and staffer either through e-mail, fax or hardcopy or a combination thereof. All meeting documents are also posted on the *ABAConline* website.
4. **Budget and external audit.** The budget for the International Secretariat is prepared annually and presented for approval at the first meeting of the year. Plenary approval is required. The annual use of budget is audited by a reputable audit firm and presented to the Council by the second meeting of the year for final approval.
5. **Office.** The office of the International

Secretariat in the Philippines is open to all Members and staffers for administrative support when in the country.

XII. ABAC INTERNATIONAL SECRETARIAT

1. **Designation.** The ABAC International Secretariat was first established in Manila, Philippines in consonance with the first ABAC Chairmanship. Designation of the host economy/institution to manage the International Secretariat shall be decided in plenary. The ABAC International Secretariat is currently being managed by the Philippine Foundation for Global Concerns.
2. **Responsibilities.** The ABAC International Secretariat shall have the following responsibilities:
 - (a) Work with the ABAC Chair in managing the ABAC process and program of work for the year;
 - (b) Provide advise on matters requiring institutional and procedural precedents;
 - (c) Prepare the minutes of meetings and assist in the preparation of the agenda of meetings;
 - (d) Ensure that all members and staffers are duly informed of the program of work and the progress thereof;
 - (e) Work with the respective host economies on the organization and management of ABAC Meetings;
 - (f) Work with the ABAC Chair on preparation and publication of the final report to Leaders;
 - (g) Manage the resources of ABAC,

including the research funds; and

(h) Website maintenance.

3. **Structure.** The ABAC International Secretariat is to be organized with a minimum of qualified staff. Critical staff positions are:

- (a) Executive Director - Designated by the ABAC Chair, the Executive Director is to be a senior adviser to the Chair and will rotate with the chairmanship. The ED will hold office with the Chair.
- (b) Director of Operations - Appointed by ABAC, the Director of Operations is to oversee the day-to-day operations of the international secretariat and is to be based in the Manila office.
- (c) Senior Program Officer/Administrative Manager - Staff of the Director of Operations, the Senior Program Officer works on all matters related to ABAC operations and is based in the international secretariat.

1. **Protocol.** In keeping with the protocol of APEC, ABAC meetings and venues will not display any flags or national colors and will use the accepted names for member economies.
2. **Seating arrangement.** The seating arrangement in plenary shall follow the accepted order of APEC:
 - a) Australia
 - b) Brunei Darussalam
 - c) Canada
 - d) Chile
 - e) People's Republic of China
 - f) Hongkong, China
 - g) Indonesia
 - h) Japan
 - i) Republic of Korea
 - j) Malaysia
 - k) Mexico
 - l) New Zealand
 - m) Papua New Guinea
 - n) Peru
 - o) Republic of the Philippines
 - p) Russian Federation
 - q) Singapore
 - r) Chinese Taipei
 - s) Thailand
 - t) United States
 - u) Vietnam

