

interim report we have received. We look forward to presentation of a more detailed and action-oriented report in 1998.

18. Connecting efforts on climate change: We recognize the importance of accelerating action on a global level to deal with emissions of greenhouse gases. We affirm that this issue is of vital significance, and that it requires cooperative efforts by the international community, in accordance with the principle of common but differentiated responsibilities. We emphasize our strong support for a successful outcome to the Third Conference of the Parties in furthering the objectives of the UN Framework Convention on Climate Change (UN-FCCC). We note that all APEC members can make important contributions to this effort. We also agree that the enhancement of energy efficiency plays an important role in addressing climate change. We affirm the importance of flexible and cost-effective cooperative approaches to reducing greenhouse gas emissions, including by promoting the development and diffusion of beneficial technologies. We recognize the legitimate needs of developing economies to promote their sustainable development in furthering the objectives of the UN-FCCC and, in this respect, the importance of enhancing the availability of beneficial technologies.

19. Connecting emergency response: We recognize that unexpected disasters which affect one of us can affect all of us, and that we can benefit from sharing expertise and collaborating on emergency preparedness and response. We welcome the initiative of Ministers in this regard.

20. Connecting the people of Asia-Pacific: Continued prosperity in the region will depend heavily on our willingness and our ability to vest the next generation of leaders of the region with the skills and knowledge they require. We applaud the initiative to involve youth through-

out APEC's 1997 activities. Education and skill-building remain key objectives for long-term employment of our youth, and we call on Ministers to work with young people, academics, workers and business to share approaches on successful transitions from the learning environment to the work force. We welcome the Electronic Source Book on work, study and exchange opportunities in the region, the establishment and development of the APEC Education Foundation, and the APEC Youth Skills Camp and the APEC Youth Science and Technology Festival, both to be held in 1998 in Seoul. We appreciate the offer by Singapore to establish an APEC Education Hub, which includes the granting of scholarships to APEC students. We welcome the holding of a Ministerial Conference on Education in 1999 in Singapore to explore the possibility to expand this initiative, offering quality programmes to students in the region.

We believe APEC should take specific steps to reinforce the important role of women in economic development. We welcome the offer of the Philippines to host a Ministerial Meeting on Women in 1998 in Manila, to take stock of progress to date in involving women in APEC's agenda and to determine next steps to integrate women into the mainstream of APEC's activities.

21. Spanning twelve time zones from St. John's to Sumatra, APEC bridges both distance and diversity. Through a combination of concrete results and renewed vision, the spirit of community which unites us has been strengthened and broadened this year. The people of the region remain its greatest asset. As Leaders, we are accountable for safeguarding and improving their economic and social well-being. Our people are the foundation on which the APEC community is built. We commit ourselves to ensuring that APEC remains responsive to their concerns.

The Vancouver Framework for Enhanced Public-Private Partnerships in Infrastructure Development

November 25, 1997

Strengthened partnerships between the public and private sectors are needed to put in place and manage the infrastructure required by the

APEC region to meet its economic, environmental and social goals. To this end, we declare the following:

Voluntary Principles

We *reaffirm* the Voluntary Principles for Facilitating Private Sector Participation in Infrastructure developed by Finance Ministers, namely:

- (i) To establish and maintain a sound macro-economic environment.
- (ii) To establish stable and transparent legal frameworks and regulatory systems to provide a high level of investor protection.
- (iii) To adopt sectoral policies that promote, where applicable, competitive and efficient provision of infrastructure services.
- (iv) To increase the availability of long-term capital required for infrastructure investments by accelerating efforts to broaden and deepen domestic financial and capital markets.

Financing and Investment

- (v) We *reaffirm* Finance Ministers' call on multilateral financial institutions to catalyze and support member economies' own efforts in infrastructure development, including by promoting sound framework policies through technical assistance, facilitating flows of private capital while continuing to provide direct financial support for infrastructure development, and developing innovative financing mechanisms to address the long-term financing requirements of infrastructure projects.
- (vi) We *encourage* Finance Ministers to continue to implement the specific initiatives launched in Cebu to facilitate, in collaboration with multilateral financial institutions and the private sector, the development of domestic financial and capital markets. In this regard, we ask them to continue to work with private sector financiers and providers of risk coverage and investment ratings to promote the development of robust and liquid domestic bond markets, including markets for asset-backed securities which, as noted by ABAC, will enhance private investment in large-scale infrastructure projects.
- (vii) We *welcome* the mutual cooperation Protocol signed by participating Export Credit Agencies and Export Financing Institutions to enhance, on a project-by-project basis, the attractiveness of infrastructure investment for private sector participants.

Improving Capacities

Improving capacities is key to accelerating the development of economically viable infrastructure projects that the private sector can support. To this end, we *affirm* the need for action in the following areas:

- (viii) To promote the application of state of the art practices in each phase of the infrastructure planning, development, management, use and retirement cycle.
- (ix) To develop domestic capacities so that public officials involved in infrastructure development in agencies dealing with private investors have appropriate expertise and an understanding of commercial approaches to infrastructure investment, and by promoting technological cooperation, including through private-private and public-private partnerships.
- (x) To promote the application of state of the art practices in risk mitigation and management, including by promoting the most effective use of private and public sector capacities.
- (xi) To promote transparent, predictable and accountable procedures, including for bidding and selection processes, and to encourage the use of international competitive tendering.
- (xii) To ensure that infrastructure supports the achievement of economic, environmental and social goals by incorporating sustainable and equitable development principles in the design and operation of infrastructure facilities.

Information and Consultation

We *recognize* the importance of information in supporting the participation of the private sector, especially small and medium-sized enterprises, in infrastructure projects and *commit* to engaging the broad public in building on the outcomes achieved in key sectors such as information infrastructure, intelligent and integrated transportation systems, economically and environmentally sustainable energy infrastructure, sustainable cities, and infrastructure to support rural integration and diversification.

To these ends, we *call on Ministers*:

- (xiii) To improve the availability of information to support participation in infrastructure investment by the widest possible range

of companies, including by small and medium-sized enterprises, both on a solicited and unsolicited basis.

- (xiv) To foster effective consultations to ensure that planned infrastructure meets our communities' needs.

We direct the relevant Ministers to take the necessary measures to make good these declara-

tions of intent with the express purpose of substantially and measurably increasing the participation of the private sector in infrastructure development in the APEC region and promoting infrastructure development in support of overall economic growth and development goals.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to Iran

November 25, 1997

Dear Mr. Speaker: (Dear Mr. President:)

I hereby report to the Congress on developments since the last Presidential report of May 13, 1997, concerning the national emergency with respect to Iran that was declared in Executive Order 12170 of November 14, 1979. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA). This report covers events through September 30, 1997. My last report, dated May 13, 1997, covered events through March 31, 1997.

1. The Iranian Assets Control Regulations, 31 CFR Part 535 (IACR), were amended on August 25, 1997. General reporting, record keeping, licensing, and other procedural regulations were moved from the IACR to a separate part (31 CFR Part 501) dealing solely with such procedural matters (62 *Fed. Reg.* 45098, August 25, 1997). No substantive changes to the IACR were made. A copy of the amendment is attached.

2. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. Since the period covered in my last report, the Tribunal has rendered five awards. This brings the total number of awards rendered by the Tribunal to 584, the majority of which have been in favor of U.S. claimants. As of September 30, 1997, the value of awards to successful U.S. claimants from the Security Account held by the NV Settlement Bank was \$2,480,897,381.53.

Since my last report, Iran has failed to replenish the Security Account established by the Algiers Accords to ensure payment of awards to successful U.S. claimants. Thus, since November

5, 1992, the Security Account has continuously remained below the \$500 million balance required by the Algiers Accords. As of September 30, 1997, the total amount in the Security Account was \$127,880,441.04, and the total amount in the Interest Account was \$17,771,382.12. Therefore, the United States continues to pursue Case A/28, filed in September 1993, to require Iran to meet its obligation under the Algiers Accords to replenish the Security Account. Iran filed its Rejoinder in Case A/28 on April 7, 1997. The United States has requested that the Tribunal schedule a hearing in the case.

The United States also continues to pursue Case A/29 to require Iran to meet its obligation of timely payment of its equal share of advances for Tribunal expenses when directed to do so by the Tribunal. Iran has not yet filed its Rejoinder in the case.

3. The Department of State continues to respond to claims brought against the United States by Iran, in coordination with concerned government agencies. On August 8, 1997, the United States filed its Statement of Defense in Case A/30, in which Iran alleges that the United States has violated paragraphs 1 and 10 of the General Declaration of the Algiers Accords. Iran bases its claim, *inter alia*, on press statements about an alleged covert action program aimed at Iran and on U.S. economic sanctions.

Under the February 22, 1996, settlement agreement related to the Iran Air case before the International Court of Justice and Iran's bank-related claims against the United States before the Tribunal (reported in my report of May 17, 1996), the Department of State has been processing payments. As of September 30, 1997,