

## **The 25<sup>th</sup> APEC MINISTERS MEETING**

**Bali, Indonesia  
October 5, 2013**

### **Joint Ministerial Statement**

1. We, the Asia-Pacific Economic Cooperation (APEC) Ministers, met on 4-5 October 2013, in Bali, Indonesia. The meeting was co-chaired by H.E. R.M. Marty M. Natalegawa, Minister for Foreign Affairs of Indonesia and H.E. Gita Wirjawan, Minister for Trade of Indonesia.
2. We welcomed the participation in the meeting of Director General of the WTO, Chair of the APEC Business Advisory Council (ABAC), Secretary General of ASEAN, co-chairs of the Pacific Economic Cooperation Council (PECC), representative of the Pacific Islands Forum (PIF), and representative of the Melanesian Spearhead Group (MSG).
3. We assembled today to reiterate our shared commitment towards a seamless regional economy and to continue our course to integrate to grow and to innovate to prosper. We reviewed the current state of affairs in the Asia-Pacific region, assessed the progress made this year, and discussed the way forward for APEC to ensure the Asia-Pacific region remains resilient and to fulfill our role as the engine of the global growth. Under the APEC 2013 theme of “Resilient Asia Pacific, Engine of Global Growth,” we are committed to deepen our efforts towards attaining the Bogor Goals, promoting connectivity, and achieving sustainable growth with equity.

### **State of the Region**

4. Our economies have taken a number of important policy actions that have helped to contain key tail risks, improve financial market conditions and sustain the recovery. Nevertheless, global growth is too weak, risks remain tilted to the downside, and the economic outlook suggests growth is likely to be slower and less balanced than desired. We recognized the importance of a comprehensive series of structural reforms so to increase productivity, labor force participation and high quality job creation. We will work to achieve stronger and sustainable recovery by, among others, ensuring fiscal sustainability, building human capacity through education and training, boosting domestic sources of growth, increasing domestic savings, providing sources of trade financing and enhancing competitiveness.
5. We are committed to strengthening transparency and sharing information on macroeconomic policies, and to working together to promote common development in Asia-Pacific region.
6. We are determined to strengthen our cooperation to realize a strong and resilient region with the ability to recover swiftly from economic turbulence, so

our region could contribute as the locomotive of global economic growth. With this in mind, we discussed the following outcomes under APEC 2013's priority areas.

### **APEC in the Evolving Cooperative Architecture**

7. We reviewed Asia Pacific's cooperation architecture and noted the development and growing numbers of international and regional cooperation fora and processes. We underscored the importance of enhancing APEC's deeper engagement, mutual reinforcement, synergy and complementarity with these processes so as to ensure a more effective approach in solving complex cross-border challenges, as well as to seize opportunities, such as sustainable development and connectivity. We tasked officials to discuss and make concrete suggestions on ways to take this forward in 2014.

### **Attaining the Bogor Goals**

8. We reaffirmed our commitment to attaining the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2020 and to address the work that remains to be done as identified in 2010. We welcomed the progress made this year in supporting the multilateral trading system and strengthening and deepening our regional economic integration by addressing barriers to trade and investment. We endorsed the 2013 APEC Committee on Trade and Investment (CTI) Annual Report to Ministers.

### **Supporting the Multilateral Trading System**

9. We exchanged views on efforts to strengthen the multilateral trading system, and we highly valued the update by the Director General of the World Trade Organization (WTO) on the current state of WTO negotiations and preparations for the 9th Ministerial Conference in Bali.
10. We reaffirmed our commitment to keep markets open and to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures in all areas, including those that stimulate exports. In support of this commitment, we recommended that our Leaders extend through the end of 2016 our standstill commitment to fight against protectionist measures and our resolve to roll back protectionist and trade distorting measures.
11. We reaffirmed our commitment to the rules based multilateral trading system and the WTO as its preeminent forum. In this regard, we reiterated our collective resolve to achieve successful and balanced outcomes at the 9th WTO Ministerial Conference in Bali, including agreement on trade facilitation, some elements of agriculture and development, including issues of interest to LDCs. Success at Bali would provide a stepping stone to the full conclusion of DDA, consistent with its mandate and its development dimension. We support the

new intensified WTO workplan set out by the Director General and urged Members to come to the table with flexibility and political will.

12. We encouraged the swift conclusion of negotiations to expand product coverage of the WTO Information Technology Agreement (ITA) before MC9, and also seek expanded membership of the ITA. A final ITA expansion outcome should be commercially significant, credible, pragmatic, balanced, and reflective of the dynamic technological developments in the information technology sector over the last 16 years. Such an outcome would strengthen the multilateral trading system, promote connectivity, support regional economic integration, and drive economic development throughout APEC economies and beyond.
13. We recognized accession of new members to the WTO on appropriate terms as one of the priorities for the WTO, which leads to enhanced openness of the markets and thus increased opportunities for both present members and acceding countries. We emphasized the utmost importance of moving forward negotiations on accessions towards their finalization as a supportive symbol of credibility and strength of the WTO as a cornerstone of the multilateral trading system.

#### Advancing Trade and Investment Liberalization

14. In promoting stronger and deeper regional economic integration and advancing work in trade and investment liberalization, we will continue to work to achieve sustainable, balanced, inclusive, and innovative growth in the Asia-Pacific region and take steps to advance towards achievement of a Free Trade Area of the Asia Pacific. We highlighted the importance of assisting developing economies to achieve the Bogor Goals by 2020 while working to ensure the benefits of liberalization are shared by all. We also encouraged developed economies to take more concrete actions towards attaining Bogor Goals, according to the outcomes of the Report on APEC's 2010 Economies' Progress towards the Bogor Goals.
15. We recalled the Leaders' commitment in 2010 to undertake concrete, practical, and measurable steps to realize an economically-integrated community in APEC. We instructed officials to review in 2014 our progress towards the Bogor Goals by providing complete information in the Individual Action Plans as directed by the Bogor Goals Progress Report Guidelines endorsed in 2011.
16. We reaffirmed the pledge made by our Leaders in Honolulu 2011 and Vladivostok 2012 against protectionism and rollback of protectionist and trade-distorting measures. We welcomed the individual progress made by APEC economies on non-tariff measures (NTMs) and instructed our official to advance their work to address them.
17. In 2012, we instructed officials to further study in 2013 the impact of local content requirements (LCRs) on regional integration and economic growth, and to discuss trade enhancing ways through which economies can promote job

creation and competitiveness goals. In 2013, to fulfill this instruction, we agreed on the APEC Best Practices to Create Jobs and Increase Competitiveness (see Annex F).

### Promoting Trade in Services

18. We recognized the critical contribution of services to global trade, and the importance of strong, open and competitive service sectors as drivers of economic activity, growth and job creation. We welcomed APEC's ongoing work to increase the transparency of services trade-related regulations as well as to identify good practices to facilitate services trade and investment and foster the development of open services markets. We commended the practical, business-oriented work examining regulation, trade and investment in various services sectors across the APEC region, including in the areas of financial services, cross-border education, retail services and logistics services.
19. We welcomed the expansion of the APEC Services Trade Access Requirements (STAR) Database and encouraged the further development of this resource as an important tool for business in accessing new services export markets. We also welcomed APEC's work on improving statistical data collection on services trade, including implementation of the Action Plan on Statistics on Trade in Services, recognizing that the importance of services is not adequately reflected in traditional trade statistics.
20. We welcomed the public-private dialogue on services conducted this year and encouraged further engagement between government, private sector and academia to address impediments to services trade growth in the Asia-Pacific region, including through conducting similar public-private dialogues in the future.

### Facilitating Investment

21. We encouraged economies to strengthen ways and means to increase investment flows and maintain economic growth in the Asia-Pacific. To this end, we welcomed the progress made by economies in implementing the APEC Investment Facilitation Action Plan (IFAP).
22. We welcomed the public-private dialogue on Corporate Social Responsibility (CSR) and case studies on sustainable investment, and encourage officials to work with the private sector to build and improve upon CSR practices.

### Promoting Green Growth

23. We endorsed the Proposal on Capacity-Building Activities to Assist Implementation of APEC's Environmental Goods Commitments, and instruct officials to focus capacity-building where needed as economies implement the APEC Leaders' commitment to reduce tariffs on the 54 products in the APEC List of Environmental Goods.

24. We established APEC Public-Private Partnership on Environmental Goods and Services (PPEGS), and instructed officials to use this new forum as a platform for enhanced dialogue in this sector. We look forward to the first meeting of the PPEGS and to the dialogue on clean and renewable energy in 2014.
25. We committed to strengthen regional cooperation on trade and environmental matters in the region and to share our practices for RTAs in this area.
26. We recognized the importance of additional work to explore trade in goods, which contribute to sustainable and inclusive growth through rural development and poverty alleviation. We instructed officials to carry out a PSU study on this topic.

#### *Promoting Industrial Dialogues on Automotives, Life Sciences and Chemicals*

27. We underscored the importance of promoting dialogues with industrial partners to enrich our discussion and provide concrete deliverables and innovative solutions to contribute to attaining the Bogor Goals.
28. We noted work to enhance the participation of small and medium enterprises (SMEs) in the automotive sector and instructed officials to develop ways to facilitate trade and investment in green automotive technologies.
29. We welcomed the continued progress to align and strengthen regulatory procedures for medical products (both drugs and devices) according to international best practices. This includes steps to promote regulatory sciences through the establishment of an Innovative Center of Excellence for the evaluation of multi-regional clinical trials, partnering with the World Health Organization (WHO) on the development of a Good Review Practices document and continued progress in implementing the multi-year roadmap on medical product quality and supply chain integrity.
30. We also welcomed the Chemical Regulator's Forum Action Plan for 2014 to 2015, and welcomed work on regulatory cooperation and convergence; participation in the establishment of the global non mandatory list of chemicals classified according to the Global Harmonized System of classification and labeling of chemicals (GHS) lead by UN Sub-Committee of Experts on GHS; strengthening industry's role as an innovative solutions provider; and chemical product stewardship, safe use and sustainability.

#### *Addressing Next Generation Trade and Investment Issues*

31. We remain committed to address the next-generation trade and investment issues as one of the important steps to achieving the Bogor Goals and to our work to provide leadership and intellectual input into the process of developing Free Trade Area of the Asia-Pacific (FTAAP). We instructed officials to continue to address the 2011 and 2012 next generation trade and investment issues.

including by finalizing the APEC Innovation and Trade Implementation Practices as soon as possible. We also encouraged economies to identify additional next generation trade and investment issues for work in 2014 and beyond.

### Exploring a Free Trade Area of the Asia-Pacific (FTAAP)

32. We reaffirm our commitment to achieve a Free Trade Area of the Asia-Pacific, including by continuing APEC's work to provide leadership and intellectual input into the process of regional economic integration. APEC has an important role to play in coordinating information sharing, transparency, and capacity building, and will hold a policy dialogue on regional RTA/FTAs. We agreed to enhance communication among regional RTAs/FTAs, as well as increase the capacity of APEC economies to engage in substantive negotiations.
33. We encouraged officials to advance the Regional Economic Integration (REI) Capacity-building Needs Initiative (CBNI) Action Plan Framework including in the areas of non-conforming measures, government procurement, safeguards, and dispute settlement proceedings, as a key delivery mechanism for the technical assistance needed to one day make the FTAAP a reality.

### Facilitating Trade Financing

34. We recognized that increasing trade finance and risk reduction during crisis is important to support global recovery and growth. We welcomed the study by APEC Policy Support Unit based on its survey on the recent trends in trade finance in the region. We recognized the work of the Basel Committee to ensure appropriate risk weights for financing activities, including trade finance. We also noted that SMEs face a number of obstacles in accessing finance related to their limited resources and perceived risks by lenders. We encourage financial institutions to enhance trade financing and continue to support trade in the Asia-Pacific region.

### **Promoting Connectivity**

35. We reiterated our Leaders' commitment in 2010 that envisioned the realization of an APEC community. We shared the view that seamless physical, institutional, and people-to-people connectivity are critical prerequisites to achieve the Bogor Goals and attain the APEC community vision. We welcomed the progress made in promoting connectivity in APEC in 2013, and submitted a strategic and long-term APEC Framework on Connectivity to be adopted by Leaders.
36. We welcomed the study on the current state of our connectivity by the APEC Policy Support Unit (PSU). We encouraged economies to take into account the findings as the basis of future endeavor under the Framework.

### Promoting Infrastructure Development and Investment

37. We recognized the importance of well-designed, sustainable and resilient physical infrastructure in enhancing the connectivity of our region, addressing supply-chain chokepoints, increasing productivity, and providing significant positive flow-on effects including in access to markets, job creation and economic growth across sectors.
38. We endorsed the multi-year plan on infrastructure development and investment that aims to assist economies to improve the investment environment, promote public-private partnerships, and enhance government capacity and coordination in preparing and executing infrastructure projects. Improvement in these areas would increase the supply of commercially viable projects. We highlighted the importance of an APEC-wide approach in carrying the work forward in the 2013-2016 period and submitted the APEC Multi-Year Plan on Infrastructure Development and Investment to be adopted by Leaders.
39. We recognized the uneven financing capacity across APEC region in the public sector. We also noted the growing importance of the role of private sector in infrastructure development and investment. We encouraged efforts to strengthen partnership involving government, private sector and international institutions to explore and improve infrastructure financing and investment. In this light, we welcomed the development of Public-Private Partnership Guidebook as a tool to facilitate the development and investment in infrastructure through providing a general overview of APEC economies' PPP processes and requirements and the practical guidance that this may offer the APEC PPP Expert Advisory Panel and pilot PPP centre in Indonesia that Finance Ministers agreed to establish in September 2013.

### Improving Supply-Chain Performance

40. We welcomed the 2013 interim assessment of the Supply-Chain Connectivity Framework Action Plan. Under the Systematic Approach to Supply Chain Performance Improvements, we endorsed the inventories of supply chain policy recommendations for all eight Supply Chain Framework Action Plan (SCFAP) Chokepoints, and instructed officials to complete diagnostic reports for all eight SCFAP Chokepoints; draft a comprehensive capacity building plan; and begin targeted, focused capacity building activities in economies in 2014.
41. We recognized the contribution that global data standards can make to enhancing supply chain efficiency, and welcomed ABAC's contribution in this area. As APEC economies further develop data standards frameworks, we encourage officials to explore what more can be done to facilitate mutual compatibility amongst data standards frameworks, and the compatibility of economies' frameworks with the use of global data standards.
42. We underscored the importance of enhancing value chain resilience, and advancing work to establish more interconnected and resilient APEC region.

We emphasized the importance of evaluating various value chain risks and addressing them through effective risk management and response. We instructed officials to continue to work on this area. We will explore further work in 2014 on the benefit of the development of global value chains, including on the interconnection of supply chains and value chains, so to promote the development of new industries for Asia-Pacific growth.

43. We recognized the continuing threat of terrorism in the Asia-Pacific region and the importance of mitigating this threat as we seek to achieve APEC's vision and objectives. We recalled our Leaders' commitment in 2011 to make regional commerce and travel more secure, efficient, and resilient. We reiterated our commitment to APEC's Consolidated Counter-Terrorism and Secure Trade Strategy, which takes a comprehensive integrated approach to ensuring the resilience of regional commerce by enhancing the ability of member economies to protect their economic systems, recover rapidly from disruptions, and maintain the flow of legitimate trade and travel. We encouraged economies to implement the Strategy, including through capacity building initiatives that support secure regional supply chains, travel, finance and infrastructure. We also noted the importance of continued and close cooperation with the private sector and relevant multilateral organizations in implementing the Strategy.

#### Enhancing Transportation Infrastructure and Developing Quality Transport

44. We reaffirmed our commitment in 2012 to continue exploring opportunities for diversifying and optimizing transportation and supply chain routes across all modes. We welcomed the outcomes of the APEC Transportation Ministerial Meeting held in September 2013, in Tokyo, Japan that reaffirmed our commitment to improving transportation systems to ease the flow of goods, people, services, and capital in the Asia Pacific through developing a transportation "Connectivity Map" and "Quality Transport" vision and sharing experiences and best practices in enhancing transportation infrastructure investment. We encouraged further collaboration by relevant fora in APEC in promoting well-designed, sustainable and resilient transportation infrastructure, as well as convenient, efficient, safe, secure, and sustainable transport in the region. We welcomed the view of our Transport Ministers on the APEC Business Aviation Core Principles that outline best practices in the economic treatment of international business aviation operations, and that an open and liberal international aviation regime is conducive to commercial and economic growth.

#### Advancing Regulatory Coherence and Cooperation

45. We welcomed the progress made by economies towards implementing the 2011 APEC Leaders' commitment to strengthen the implementation of Good Regulatory Practices (GRPs) by ensuring internal coordination of rule-making, assessing the impact of regulations, and conducting public consultations on proposed regulations. We instructed officials to continue carrying out related capacity-building and information sharing activities on voluntary basis so as to



create a high-quality regulatory environment, and advance regulatory coherence and cooperation, taking into account different economies' circumstances. We instructed officials to report on progress made in undertaking this goal in 2014 and 2015. We welcomed the results of the 2013 update to the "Baseline Study of Good Regulatory Practices in APEC Member Economies and instruct officials to update the study by SOM3 2015.

46. We encouraged interested economies to explore the possibility of using additional tools to strengthen their implementation of good regulatory practices, including single on-line locations for regulatory information, prospective regulatory planning, including regulatory agendas, and retrospective reviews of existing regulations. We instructed officials to develop capacity-building programs to assist APEC economies in improving their understanding on these tools.
47. We welcomed the mid-term report on progress made by economies in their efforts to achieve structural reform under the APEC New Strategy on Structural Reform (ANSSR) agenda. We highlighted the importance of identifying common challenges and opportunities in implementing the ANSSR, and encouraged economies to share experiences as a reference for other economies. We instructed officials to continue to collaborate to build more effective and targeted capacity-building initiatives to assist economies to achieve their individual ANSSR targets by the end of 2015.
48. We reaffirmed our commitment to make doing business in the APEC region cheaper, faster and easier. We noted the progress economies are making towards the five percent interim target under the Ease of Doing Business (EoDB) agenda by the end of 2013. We recognized that APEC-wide adoption of the Hague Apostille Convention would facilitate APEC's EoDB targets in the area of trading across borders and advance institutional connectivity among APEC authorities, and we encouraged wider participation in the Hague Apostille Convention. We instructed officials to take into account the findings in the APEC Economic Policy Report on Ease of Doing Business and the PSU Report on EoDB Interim Assessment 2009-2012, and to continue capacity-building activities to assist economies to achieve the aspirational goal of a 25 percent improvement in EoDB by 2015.
49. We encouraged economies to explore the possibility of implementing a one stop shop for online transaction and to provide all the procedures and services to open a business and other procedures and services required to export and e-commerce across boundaries to promote the easiness of doing business.
50. We recognized the work on regulatory approaches on reducing technical barriers to trade and fostering greater regulatory cooperation in the region including through the revised APEC Regulatory Cooperation Advancement Mechanism (ARCAM) on Trade-Related Standards and Technical Regulations and we welcomed discussions on electric vehicles as the topic for the 2014 ARCAM Dialogue. We look forward to the progression of work on advertising

standards in the region.

51. Recognizing the work to help implement the APEC Growth Strategy and the ANSSR, we welcomed the APEC Economic Policy Report on Promoting Fiscal Transparency and Public Accountability. We highlighted the importance of building mechanisms and institutions that help citizens to reduce the costs of obtaining information on fiscal policy and foster transparency and promote public accountability.

#### Enhancing Customs Procedures

52. We noted the importance of enhancing cooperation in efforts to simplify customs procedures to be in line with international standards, such as those developed by the World Customs Organization (WCO). We welcomed the progress in the development of Single Window Systems in each APEC economy towards the promotion of interoperability amongst economies' Single Window Systems and the work regarding transit and suggested guidelines to enhance our institutional connectivity. We welcomed the formation of a Virtual Customs Business Working Group in APEC to enhance collaboration with the private sector on customs-related issues. We welcomed the continued voluntary Intellectual Property Rights (IPR) enforcement operation, as well as the work for IPR border enforcement capacity building activities. We recognized the continued work to build capacity for implementing Authorized Economic Operator (AEO) programs throughout the APEC region in line with the WCO/APEC SAFE Framework of Standards, which contribute to security and facilitation of customs procedures. We supported the work to improve customs risk management for more efficient control on cargo movement, and supported the initiative for future implementation of the Passenger Name Record (PNR) GOV for better passenger profiling whilst providing travel facilitation. We encouraged economies to further implement activities related to capacity-building and sharing of best practices to address at-the-border barriers.

#### Promoting Cross-Border Privacy Rules

53. We welcomed further work to enhance cooperation in promoting cross border privacy rules and encouraged member Economies to participate in the Cross Border Privacy Rules (CBPR) System on a voluntary basis, as agreed by APEC Leaders in 2011, to reduce barriers to information flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes.

#### Promoting Cross Border Education Cooperation

54. Increasing cross-border education cooperation will strengthen regional ties, build people-to-people exchanges, and promote economic development through knowledge and skills transfer. We reiterated the role of education as the pre-eminent source of economic development in the 21st century in creating more and higher quality jobs and bolstering productivity and growth. We welcomed the work in APEC to fulfill the 2012 APEC Leaders' commitment on



promoting cross-border education through a Work Plan on Promoting Cross-Border Education Cooperation on a voluntary basis and consistent with individual economies' circumstances, and 2013 vision of 1 million intra-APEC university-level students per year by 2020. We instructed APEC officials to implement related cross-cutting activities in the work plan to further enhance the mobility of students, researchers, and education providers, as well as the existing network of bilateral agreements (see Annex A). We welcomed Viet Nam's intention to host the 14<sup>th</sup> Human Resources Development Ministerial Meeting (HRDMM) in 2014.

#### Facilitating Emergency Response Travel

55. We recognized the importance and urgency for APEC Economies to share information, experiences and best practices in the area of emergency response in times of natural disasters. Thus, we welcomed and supported the Emergency Response Travel Facilitation (ERTF) initiative aimed at identifying facilitation arrangements that would ensure the ease of mobility for emergency responders and their personal equipment, as well as for the business community to take part in the post disaster business recovery (see Annex B). We instructed officials to develop a work plan on ERTF and to set ERTF as a continuing working agenda item in relevant APEC fora. We also welcomed the outcomes of the 7th Senior Disaster Management Official Forum (SDMOF) held in Bali, August 2013.

#### Enhancing People Mobility

56. We underlined the significance of facilitating the travel of business persons as a way to enhance economic activities and promote people-to-people connectivity. Hence, we committed to further enhance the APEC Business Travel Card scheme. In particular we welcomed the APEC-funded project for an End to End Review of the Scheme to identify further opportunities for enhancement. We welcomed Russia's full participation in the scheme.
57. We recognized the increasing role of the tourism sector in the Asia-Pacific region as a vehicle for quality job creation, economic growth, and development. We welcomed the outcomes of the High Level Policy Dialogue on Travel Facilitation held in October 2013, in Bali, Indonesia. We will advance our work to further promote travel facilitation in the region through leveraging new technology, as appropriate, to the visa requirements of each economy; enhance capabilities to further develop systems of Advance Passenger Information and noted the potential of Trusted Traveler Programs; and promote Tourist Friendly Airports as part of the Airport Partnership Program, including by showcasing their locality, uniqueness, and authenticity. These efforts are aimed at expediting the movement of travelers, enabling more efficient, more secure, and less stressful travel, and promoting a free flow of tourists within the APEC region.

### Promoting Joint Endeavors

58. We welcomed the intellectual inputs provided by our scholars at the APEC Study Centre Consortium Conference 2013. We instructed officials to enhance their engagement with academics to broaden our perspectives and to give more depth to our discussion in APEC. We welcomed the active participation of our youth and young entrepreneurs at the APEC 2013 Youth Summit, and recommendations that resulted from the event. Such joint endeavors are essential in promoting people-to-people connectivity and enhancing the sense of community in APEC. We encouraged the continuation of youth engagement in APEC through similar events in the coming years.

### **Sustainable Growth with Equity**

59. Consistent with the 2010 APEC Leaders' Growth Strategy, we have enhanced our efforts on achieving sustainable growth with equity to ensure a better quality of growth, through strengthening cooperation in the areas of Small and Medium-Sized Enterprises (SMEs), women's economic empowerment, health, ocean, food security, renewable energy, financial inclusion, as well as science, technology and innovation.

### Empowering Women and Small and Medium-Sized Enterprises (SMEs)

60. We recognized the important role of women in the economy to generate employment, drive production and innovation, and contribute to economic development and poverty alleviation. We encouraged work to facilitate women's participation in the economy, by incorporating gender consideration in structural reform practices, developing ICT tools and services which enable women to better participate in the economy, expanding access to social protection programs, providing equal access to quality education and employment opportunities, and developing supporting infrastructure that facilitates women's participation in the labour market at all levels including leadership positions. We welcomed the collaborative work undertaken to highlight the importance of women's leadership in the transportation sector, and look to the work as a model for how women's economic empowerment can be integrated into the objectives of broader APEC fora.
61. We appreciated the convening of the first conference and the public-private partnership network meeting on Innovation for Women and Economic Development. We welcomed the commencement of a multi-year project to facilitate sustainable new business models and policy environment for women, and to address impediments in bridging ICT access gender gap.
62. In supporting women in SMEs in their tremendous endeavor, we welcomed the first collaborative efforts by the Women and SME Ministers to encourage joint work in the areas of promotion of entrepreneurial culture and increasing access to finance and markets for women owned and operated SMEs and promotion of SME's internationalization through financial education, financial literacy, and

greater consumer protection and awareness. We recommended that greater collaborative work to expand financial inclusion to women be undertaken by the private sector and officials from finance, education, central banks, and telecommunication ministries. We recognized the policy and program recommendations to advance women's access to markets by leveraging government procurement opportunities and support greater work by both the public and private sector to build women entrepreneurs skills and capacity to obtain these opportunities.

63. We welcomed collaboration between the Policy Partnership on Women and the Economy and the SME Working Group to take forward this agenda and initiate projects and concrete actions that will benefit women's SMEs.
64. Recognizing the importance of enhancing APEC SMEs' resilience to natural disasters, we encouraged economies to collaborate with the private sector to strengthen SME business continuity planning (BCP), and advance joint efforts to build more resilient communities and businesses.
65. We acknowledged the importance of an enabling environment to accelerate startups and boost development of SMEs. We instructed officials to advance work that foster an entrepreneurial culture and improves the competitiveness of our SMEs to expand to the international market. We underlined the importance of improvement of each economy's business environment to reach out to the international market with Win-Win relationships. We recognized the need for sex-disaggregated data to enable the public and private sector to effectively measure the impact of market interventions to advance women's entrepreneurship. We encouraged work to promote "One Village One Product" that will facilitate women's entrepreneurship and foster creativity and productivity among SMEs.

#### Promoting Financial Inclusion

66. We recognized the importance of financial inclusion to achieving equality and enhancing growth potential in the region. We commit to promote awareness and enhance access, eligibility and capacity of poor households and small-and-medium sized enterprises (SMEs) to interact with financial institutions, together with efforts to develop financial literacy and strengthen consumer protection. We welcomed the guiding principles to implement optimal and innovative approaches to promote financial eligibility of the poor and SMEs through innovative distribution channels such as branchless banking.

#### Promoting Labour and Social Protection

67. We reaffirmed our Leaders commitment in 2010 to promote inclusive growth in APEC region by promoting job creation, human resource development and active labour market policies. We also recognized the importance of close consultation with all sectors of our societies, including business, labour, women, and youth. To this end, we will continue to achieve full and productive

employment, and promoting social protection and decent work for all.

### Promoting Sustainable Healthcare

68. We recognized that health plays an important role as the driver of economic development. We also recognized the role of innovation and innovative approaches, multi-sectoral and multi-stakeholder collaboration, and public private partnerships in APEC in ensuring the physical and mental health of our citizens. We reaffirmed our commitment to improving the capacity of economies to respond to infectious diseases, to control non-communicable diseases, and to strengthen health systems. We supported the efforts to promote understanding on the safe and effective use of Traditional and Complementary Alternative Medicines (TCAM) by integrating traditional medicine into healthcare systems in accordance with economies' priorities and legislation, and involving communities and strengthening public-private partnerships, taking into account economies' circumstances. We instructed officials to progress the work on implementing the strategies for both health promotion and preventive health care. We also committed to work towards zero new HIV infections, zero discrimination and zero HIV-related deaths, especially through HIV prevention programs in the APEC region. We recognized the importance, including toward the economy, of promoting sustainable healthcare systems that deliver Universal Health Coverage in the APEC region (see Annex E).

### Mainstreaming Ocean-Related Issues

69. We underlined the linkage of oceans to the economy, and highlighted in particular that sustainably managed oceans resources contribute to long-term economic benefits. We welcomed the APEC initiative on mainstreaming ocean-related issues and the work plan to promote cross-cutting and cross-fora collaboration to achieve sustainable and inclusive growth. We instructed officials to develop and implement the work plan that will complement our efforts to promote ocean-related issues in APEC. We noted that the work plan will include cooperation on, among others, exchanging best practices in combating Illegal, Unreported and Unregulated (IUU) fishing; sustainable fisheries management and trade, including trade in sustainably harvested fisheries products and aquaculture; new and renewable energy; tourism; science and technology; transportation and marine connectivity. We reaffirmed our commitments on oceans issues at Rio+20, and welcomed the work by the international community to address overfishing and overcapacity.

### Strengthening Food Security and Safety

70. We reiterated our commitment to pursue and strengthen our cooperation in achieving sustainable food security through the implementation of the Niigata Declaration 2010 and Kazan Declaration 2012, including through the Policy Partnership on Food Security (PPFS). We encouraged sharing of best practices on this area through Asia-Pacific Information Platform on Food Security (APIP). We reaffirmed the importance of not applying WTO-

inconsistent trade measures in pursuing food security.

71. We welcomed the Food Security Road Map towards 2020 as a strategic approach in APEC to achieve the goal of improving food security. We instructed officials to develop and start to implement an operational Business Plan in the coming years. We noted that the business plan would address the sustainable development of the food sector; the facilitation of investment and infrastructure development; and enhancing trade and markets. The operational Business Plan should reflect close collaboration among relevant APEC fora and private sector, and not duplicate existing APEC initiatives.
72. We recognized the crucial role of farmers and fishers, especially small holders and women, in increasing food production and attaining food security in the region. Noting their vulnerability to economic turbulence and natural shocks, we underlined the need to enhance their capacity to reduce food losses and further strengthen their role in our investment and environmental conservation policies. We valued the creation and enhancement of partnerships that involve key stakeholders in food security, including by integrating smallholder farmers and fishers with the private sector in food supply-chains. The partnerships should also take into account the importance of gender equality and the significant role of women in ensuring food security from household, to community, economy-wide, and regional levels. We welcomed the multi-year project on Strengthening Public-Private Partnership to Reduce Food Losses in the Supply Chain.
73. We recognized the continued efforts of the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) in developing food safety capacity in the region, strengthening food supply-chains in the region and complementing the efforts in the alignment of domestic regulations with international standards.
74. We recognized that education of SMEs on Food Safety Standards plays an important role to improve the competitiveness of SMEs, facilitate trade and increase food safety which is eventually promoting public health. In this regard, we noted the importance of having comprehensive technical approaches to assist and build the capacity of SMEs to apply and enhance compliance of food safety standards.

#### *Promoting the Application of Innovative Biotechnologies*

75. Acknowledging that agricultural biotechnology advances APEC economies' agricultural sustainability and goals for food security, we agreed to promote the sharing of information and experience on the creation and fostering of science-based regulations, and to identify applications of agricultural biotechnology that address the environmental, food, and health challenges in member economies.
76. We reaffirmed our commitment to promote science-based risk assessments and transparent decision making consistent with domestic laws as part of the continuing effort to educate the public about the importance of global food

security of providing farmers with production choices, including agricultural biotechnology.

77. We demonstrated support for small farmers by directing the HLPDAB to develop a platform to share information on policy and innovative technologies, appropriate for small farmers' use. We encouraged officials to conduct risk communication outreach to improve public understanding on agricultural biotechnology.

#### Enhancing Science, Technology and Innovation Cooperation

78. We welcomed the commencement of work by the Policy Partnership on Science, Technology and Innovation (PPSTI) under the Chairmanship of Indonesia. We instructed officials to enhance the development of science, technology and innovation cooperation and to explore effective innovation policies, mindful of its focus on building science capacity, promoting an enabling environment for innovation, and enhancing regional science and technology connectivity.
79. We appreciated the convening of the first meeting of APEC Chief Science Advisors and Equivalents (CSA) Co-Chaired by Indonesia and New Zealand, which has been able to deliver a unique contribution to APEC Leaders' Vision of Innovation and Cooperation Networking in the Asia Pacific region. We recommended the CSA meeting and its associated network to continue as informal mechanisms to support policy discussions on common regional APEC issues where science and science based innovation challenges need to be addressed.

#### Promoting Sustainable Forest Management

80. We reaffirmed our strong commitment to increase forest cover in the APEC region by 20 million hectares by 2020 as outlined by APEC Leaders in 2007. We welcomed the outcomes of the Meeting of Ministers Responsible for Forestry held in August 2013, in Cusco, Peru, on sustainable forest management promoting and enhancing governance through institutional and legal frameworks that involves management, conservation and rehabilitation measures, increased forest cover, research and innovation, indigenous community participation, enhancement of environmental education, strengthened efforts to combat illegal logging and associated trade, promotion of private investment, and capacity building, so as to promote sustainable forest management and closer forestry cooperation and exchange in the region.

#### Combating Wildlife Trafficking

81. We recognized that wildlife trafficking threatens our sustainable economic development. We committed to treat wildlife trafficking crimes seriously; reduce the supply of and demand for illegally traded wildlife; increase public awareness and education related to wildlife trafficking and its impacts; and enhance

international cooperation through Wildlife Enforcement Networks (WENs) and other existing mechanisms.

*Promoting Clean and Renewable Energy and Sustainable Development Mining and Metallurgy*

82. We are committed to strike a balance between growth rate, quality and efficiency, and to establish a comprehensive and coordinated sustainable development.
83. We welcomed the convening of the Conference on Clean, Renewable and Sustainable Use of Energy that took place in Nusa Dua, Bali in September 2013 to discuss efforts to boost investments in clean and renewable energy, to build capacity and technical cooperation in projects that involve advanced technologies and skilled human resources, and to share the importance of cooperation on low carbon growth.
84. We instructed officials to implement set of specific actions that will strengthen our collective efforts on energy development, specifically on clean and renewable energy, to reach the energy security and sustainability in the region (see Annex C).
85. We reaffirmed our commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We instructed officials to continue to build regional capacity. We welcome the development of a methodology for a Voluntary Peer Review Mechanism of these inefficient fossil fuel subsidies and encourage broad voluntary participation in these reviews as a valuable means of enhanced transparency and accountability. We welcome the initiation of economy-owned peer reviews and use of the voluntary reporting mechanism.
86. We noted the value of the Energy Smart Community Initiative (ESCI) to promote innovation for green growth through knowledge and best practice sharing. We encouraged economies to continue to make efforts to support ESCI related activities.
87. We took note of the challenges in establishing new mining and metallurgical projects and ensuring projects are developed in a sustainable manner that brings greater benefits to society. We reiterated the importance in bringing together common concerns of the APEC economies on sustainable mining and metallurgy, including technical and non-technical risks factors. We identified that to increase the mineral added value of the industrial activities of our people means to increase the regional added value through a wholesome effort of sectoral and regional improvement. As the largest region of ore producers and consumers, we recognized the importance of promoting interregional trade and communication, cooperation and synergy with other regional groupings, such as the EU, by encouraging sharing of knowledge and experiences in mining and

metallurgical business sector.

88. We acknowledged the importance of enhancing and balancing the share of cleaner fossil fuels, such as natural gas and the use of clean coal technology, in the energy mix that would help to reach energy sustainability in the Asia-Pacific region.
89. We underlined the value of cross border mechanism, such as the Joint Crediting Mechanism to disseminate low carbon technologies to achieve sustainable growth.

### Improving Energy Efficiency

90. We also reiterated the importance of improving energy efficiency, particularly in industry, consumer including home appliances, equipment, building and houses, and transport sectors, in order to ensure sustainable energy use in the region. We reaffirmed our commitment in 2011 to aspire to reduce APEC's aggregate energy intensity by 45 percent by 2035, using 2005 as a base year. We encouraged officials, in close cooperation with private sector, to implement policies that improve energy efficiency, including capacity building initiatives, joint studies and harmonization of energy efficiency standards.

### Fighting Corruption and Ensuring Transparency

91. We reaffirmed the importance and the need to enhance prevention and enforcement in addressing corruption, bribery and other financial crimes and illicit trade that imperil our security and prosperity agenda, including the safeguarding of public assets, natural resources, and human capital. We also reaffirmed our commitment to create ethical business environments that support sustainable economic growth, in particular by strengthening ethical standards, and we encouraged all stakeholders to implement APEC's high standard principles for codes of business ethics. We applauded the Anti-Corruption and Transparency Working Group (ACTWG)'s continued leadership in collaborating with other APEC fora. We further committed to establish among member economies an "APEC Network of Anti-Corruption Authorities and Law Enforcement Authorities (ACT-NET)", under the auspices of ACTWG to promote networking and foster relationship-building among anti-corruption and law enforcement officials who can assist one another in detecting, investigating and prosecuting corruption and domestic and foreign bribery, money laundering, and illicit trade cases; to provide a forum that can facilitate bilateral and multilateral discussions of such cases, as appropriate; and to facilitate the sharing of expertise and experiences in detecting, investigating and prosecuting such cases (see Annex D).

### **Strengthening APEC**

92. We reiterated our commitments to Economic and Technical Cooperation (ECOTECH) and Manila Framework as APEC's main pillar in attaining



sustainable growth and equitable development in the Asia-Pacific region and in reducing economic disparities among APEC economies. We also reaffirmed our commitment to continue leveraging ECOTECH activities to help developing economies achieve the Bogor Goals by 2020. We welcomed efforts to maintain focus on ECOTECH and instructed officials to improve the effectiveness of SOM Steering Committee on ECOTECH (SCE)'s work, capacity-building and communication. We commended the progress made this year in advancing the ECOTECH agenda and endorsed the 2013 Senior Official's Report on Economic and Technical Cooperation.

93. We noted an SCE survey was conducted this year and welcome the 12 recommendations formulated as an outcome of the survey. We directed Senior Officials to oversee the implementation of those recommendations and report to the AMM next year and in the years to come.
94. We acknowledged ongoing endeavors to strengthen the coordination between APEC fora and to streamline operating processes of SCE. We instructed Senior Officials to continue improving this coordination and urge APEC fora to enhance communication so as to avoid duplication of work and maximize synergy. We encouraged APEC secretariat to work out the recommendations for streamlining CTI sub-fora. We noted recent work in this area on women's issues, SMEs, oceans, connectivity, food security, education and travel facilitation.
95. We recognized that synergies exist between APEC and other fora, including ASEAN, and welcomed collaborative capacity building activities this year which advanced economic integration goals of both fora. We instructed officials to continue to organize joint activities in areas of mutual interest, where common objectives are shared.
96. We supported the decision of our officials to transform the Counter Terrorism Task Force into a Working Group. We underlined the importance of our work in counter terrorism in securing our supply chains, finance, travel, and infrastructure in the APEC region.
97. We committed to strengthen our deliberation on important issues by enhancing cross fora collaboration and synergy. We noted that such work has been conducted on issues of women's economic empowerment, SMEs, oceans, connectivity, food security, education, as well as travel facilitation and encouraged future joint work on other important issues.
98. We recognized that advancing APEC economic and technical cooperation requires greater levels of funding to the APEC Support Fund. We welcomed generous voluntary contributions from member economies, to be utilized for our goal of bridging development gaps among economies. We also urged economies to continue making voluntary contributions to help support the implementation of targeted capacity building activities.
99. We emphasized the importance of public-private interactions in APEC to

promote growth in the region. We welcomed active participation and valuable inputs that ABAC provided this year on various cross-cutting agenda in APEC.

100. We recognized the importance of budget and management arrangement in APEC as a means to solidify APEC as an institution. In this regard, we welcomed the work of APEC in financial realignment and institutional management issues. We also welcomed the work on project management that would improve capacity-building activities in APEC, including the work by Budget and Management Committee (BMC) to better evaluate the impacts of APEC projects.
101. We welcomed the ongoing work on the institutional arrangements and endorsement of the APEC Secretariat's 2014-2016 strategic plan to strengthen its role and capacity in supporting APEC to achieve its goals. We supported the work of strengthening the operational and institutional capabilities of the APEC Secretariat. We instructed officials to further review the administrative and budgetary issues in APEC so as to further improve the effectiveness of our work in APEC.
102. We acknowledged the continued research and analytical contributions provided by the PSU in progressing APEC's goals. We supported undertakings to strengthen the PSU's institutional capacity to fulfill its mandate through its five-year strategic plan.
103. We endorsed the 2013 Senior Officials' Report on APEC's work program, including the recommendations contained therein, noted the 2013 Annual Report of the APEC Secretariat Executive Director, and approved the 2014 APEC budget and member contributions. We welcomed preparations for APEC 2014 in China.

## **Annexes**

Annex A. Advancing the Promotion of Cross-Border Education Cooperation.

Annex B. Emergency Response Travel Facilitation (ERTF).

Annex C. Promoting Clean, Renewable, and Sustainable Use of Energy.

Annex D. Enhancing APEC Network in Combating Corruption and Ensuring Transparency.

Annex E. Sustainable Healthcare System in the Asia Pacific.

Annex F. APEC Best Practices to Create Jobs and Increase Competitiveness.

## **ANNEX A ADVANCING THE PROMOTION OF CROSS-BORDER EDUCATION COOPERATION**

Education is a significant driver of innovative growth, contributing to higher quality jobs and economic productivity. Cross-border education cooperation will strengthen regional ties, build people-to-people exchanges, and promote economic development through knowledge and skills transfer. It will also contribute to the implementation of APEC's multi-year connectivity agenda.

APEC Leaders in 2012 encouraged further development, on a voluntary basis and consistent with individual economies' circumstances, of cross-border education cooperation and facilitation of exchange in education services within APEC. APEC will work towards enhancing the mobility of students, researchers, and education providers, as well as the existing network of bilateral agreements.

To implement the 2012 Leaders' commitment, APEC in 2013 established a Work Plan on Promoting Cross-Border Education Cooperation. It set up an Ad Hoc Coordinating Committee to progress the work plan by compiling activities that support the promotion of cross-border education cooperation from across relevant APEC fora. The work plan is a living document and we encourage economies to contribute additional activities that would assist in deepening education cooperation in our region.

We instructed officials to implement and develop this initiative and deliver strong outcomes on cross-border education cooperation, on a voluntary basis and consistent with individual economies' circumstances, including work on the following areas:

- Technical assistance to improve cross-border education data collection and experience-sharing in cross-border education in the region.
- Information sharing of policies on qualification frameworks systems, quality assurance frameworks, accreditation, and recognition.
- Facilitation of trade and investment in education services.
- Developing guidelines for education cooperation based on best practices.
- Sharing cross-border education cooperation strategies.
- Capacity building to enhance economies' institutions' ability to sustain cross-border education services and provide consumer protections.

--o0o--

## **ANNEX B EMERGENCY RESPONSE TRAVEL FACILITATION (ERTF)**

Natural disasters, in particular in the APEC region, have had a devastating impact on our people and economies. They can have adverse ramifications on other economies by disrupting production, trade and the supply chain, and overall become a major obstacle to Asia-Pacific's resilience.

The APEC High Level Policy Dialogue on Disaster Resiliency, meeting in Honolulu in November 2011, recognized the importance of the supply chain and related infrastructure in the delivery of goods and services following a disaster. To this end, we recognized that a timely delivery of international support, including the rapid deployment and acceptance of assistance personnel and supplies, will save lives in the immediate aftermath of disasters, and subsequently assist the supply chain rehabilitation, business resumption, and economic recovery.

The APEC report on the Stocktaking Study of Emergency Response Travel Facilitation for Personnel, Goods and Equipment in Times of Crisis confirms the importance and urgency of cross-border movement of international responders and their personal equipment in assisting at the initial stages of recovery in the aftermath of a large-scale disaster.

Considering the different circumstances of the APEC member economies, we recognized the following best practices and recommendations from the wide survey that are provided in the aforementioned stock take report:

1. To encourage review and self-assessment of domestic policies and procedures with regard to providing and hosting international relief assistance.
2. Update and improve—within individual economies—current domestic legislation to align with new domestic and global realities, and with the international framework proposed by institutions such as International Federation of Red Cross and Red Crescent Societies, United Nations, APEC and ASEAN.
3. Intensify partnerships among government organizations, businesses, and local communities for exploring scenarios of relief coordination and recovery, with business continuity and economic and social development as the end goal.
4. To promote the establishment of a virtual information network to support and promote weather prediction, disaster monitoring, loss and needs assessment, as well as, bilateral, regional and international arrangements on entry facilitation for foreign personnel, volunteers, special goods and equipment. These would help enhance efficiency and effectiveness of international relief assistance.
5. To engage in regular training, workshops and exercises on topics focused on entry facilitation of international responders, goods, and equipment.

6. To explore the extent and application experience of the APEC Business Travel Card to which it could be appropriately used by those responding in an emergency to assist with business continuity.

Against this backdrop, we instruct Senior Officials to carry the initiative forward by developing a Workplan on ERTF as a living document that consists of activities and efforts to facilitate the movement of international responders in times of disaster. We also instruct Senior Officials to include ERTF as a continuing agenda of discussion at the Emergency Preparedness Working Group in collaboration with the Business Mobility Group (BMG), and Sub-Committee on Customs and Procedures (SCCP).

--o0o--

## **ANNEX C**

### **PROMOTING CLEAN, RENEWABLE, AND SUSTAINABLE USE OF ENERGY**

APEC member economies have long supported the development of clean and renewable energy. The 2011 APEC Economic Leaders' Declaration called on economies to speed up the transition towards a global low-carbon economy in a way that enhances energy security and supports APEC's aspiration to reduce aggregate energy intensity by 45 percent by 2035. The 2012 Leaders' Declaration also recognized the need to further promote energy efficiency and cleaner energy supplies as a priority to boost sustainable development and energy security, and reduce carbon emissions.

This year, emphasis has been placed on energy security as an important ingredient towards sustainable growth and equitable development in our region. APEC member economies need to strengthen their works to promote clean and renewable energy resources. To this end, we supported the outcome of the Conference on Clean, Renewable, and Sustainable Use of Energy in the Asia Pacific Region held in Bali in September 2013.

Under the APEC framework, while taking into consideration the circumstances of individual economies, we encourage concrete actions to facilitate the development clean, renewable and sustainable energy use through (i) Boosting Investments in Clean Energy and Renewables, (ii) Capacity Building and Technical Cooperation, (iii) Fostering Cooperation on Clean and Renewable Energy Development Projects, and (iv) Enhancing Energy Efficiency to Support Sustainable Cities, Communities and Industries. These actions could include:

- a) Developing and sharing information and best practices on appropriate policies, laws and regulations that support the implementation of these objectives.
- b) Encouraging APEC member economies to manage their dependence on oil and broaden use of natural gas for transportation through policies and measures to promote energy efficiency in transportation and to diversify the fuel mix.
- c) Recognizing the importance of sustainable energy, as one of the contributing factors to our energy security and to the reduction of global greenhouse gas emissions. Such concerns have long been a priority in many member economies. We recognize that energy sustainability is dependent on a transformation of energy systems along low-carbon pathways and the efficient use of energy resources. We are also cognizant that amongst the key components to achieve sustainable energy use are the balanced development and utilization of clean and renewable energy, the efficient and smart usage of our energy resources, and energy efficient homes, transportation and industry.
- d) Developing conducive policies and regulations in open and transparent regulatory systems for the promotion of private sector financial investment in the clean and renewable energy sector.

- e) Reaffirming our commitment to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services, continuing to build regional capacity, welcoming the development of a methodology for a Voluntary Peer Review Mechanism of these inefficient fossil fuel subsidies and the initiation of economy-owned peer reviews and use of the voluntary reporting mechanism, and encouraging broad voluntary participation in these reviews as a valuable means of enhanced transparency and accountability.
- f) Encouraging policies and sharing best practices to boost clean and renewable energy development, and stimulate growth of industries and jobs throughout the APEC region.
- g) Promoting trade and investment in clean and renewable energy goods and services.
- h) Recognizing the importance of cross-border mechanisms, such as the Joint Crediting Mechanism (JCM), to disseminate low-carbon and clean and renewable energy to achieve sustainable growth.
- i) Strengthening technical capabilities in sustainable energy development as well as the exchange of knowledge and best practices to boost trade and investment.
- j) Acknowledging that further cooperation amongst relevant APEC member economies to engage in optimum and sustainable bio-energy development projects could help make APEC a world leader in bio-fuels production without compromising food security, environment and wildlife habitat. This cooperation could make significant contributions to energy conservation and to mitigating the impact of global climate change.
- k) Strengthening regional and international cooperation to advance clean and renewable technology development and enhance deployment, and encourage all APEC member economies to cooperate proactively to meet the challenges of clean and sustainable energy future.
- l) Encouraging the APEC Energy Working Group (EWG) to expand engagement in the following types of activities, working with other APEC fora and Working Groups, existing APEC entities, such as the Asia-Pacific Energy Research Center (APEREC) and other organizations and networks, where appropriate, to advance the aforementioned objectives by:
  - Strengthening mutual cooperation on energy, specifically clean and renewable energy and energy efficiency, among APEC member economies, with the aim of achieving enhanced energy security and sustainable development in the APEC region;
  - Creating an environment that supports greater private sector investments in clean and renewable energy as well as supporting supply chains;
  - Increasing the capacity of APEC member economies by sharing knowledge and information, policy best practices, and conducting

technology demonstrations and rigorous capacity building programs in all aspects of clean and renewable energy development; and

- Developing a comprehensive Work Plan of APEC projects to help implement the above concrete actions.
- Working with existing organizations and networks, where appropriate, to advance the goals outlined above.

--oOo--

## **ANNEX D**

### **ENHANCING APEC NETWORK IN COMBATING CORRUPTION AND ENSURING TRANSPARENCY**

We recognized that corruption is not only a significant impediment to social and economic development, but also a contributing factor in lowering public trust and investor confidence. Corruption hampers and distorts market competition, threatens consumer safety, and raises the costs of doing business, providing public services, and completing infrastructure projects.

In 2004, through the Santiago Commitment to Fight Corruption and Ensure Transparency, APEC Leaders acknowledged the threat that corruption poses to good governance and economic growth in the Asia-Pacific and underlined the need to nurture and sustain good governance, economic development, and prosperity through collective cooperation in combating corruption and ensuring transparency.

In 2012 APEC Leaders endorsed the Vladivostok Declaration to renew their commitment to fight corruption and ensure transparency and to outline common activities in the future. Accordingly, in order to enhance the enforcement of members' laws addressing corruption and bribery in compliance with the APEC Course of Action on Fighting Corruption and Ensuring Transparency this year we endorsed the establishment of the APEC Network of Anti-Corruption and Law Enforcement Authorities (ACT-NET), a network that will meet annually and bring together law enforcement authorities, anti-corruption agencies (investigators and prosecutors), and authorities responsible for mutual legal assistance and extradition from APEC member economies.

ACT-NET will provide APEC member economies with an additional instrument to address and respond dynamically to the most important issues of law enforcement in combating corruption, bribery, money laundering, and illicit trade issues in the Asia-Pacific region.

ACT-NET will operate under the auspices of the Anti-Corruption and Transparency Working Group (ACT) and in compliance with the APEC Course of Action on Fighting Corruption and Ensuring Transparency.

We instructed officials to use ACT-NET to conduct the following:

- To facilitate the sharing of expertise and experiences in detecting, investigating, and prosecuting corruption and domestic and foreign bribery, money laundering, and illicit trade cases;
- To provide a forum that can facilitate bilateral and multilateral discussions of such cases, as appropriate; and
- To promote networking and foster relationship-building among anti-corruption and law enforcement authorities who can assist one another in detecting, investigating and prosecuting such cases.

--o0o--

## **ANNEX E**

### **SUSTAINABLE HEALTHCARE SYSTEM IN THE ASIA PACIFIC**

Improving health is an important contributor to increase productivity and economic growth, as well as to achieve sustainable growth with equity. We recognize the importance of providing quality health care through systems that are sustainable and responsive to the health care needs of our people to ensure the continued prosperity of the Asia Pacific region.

We welcome the work undertaken by APEC for this year to develop sustainable healthcare systems in the region through inclusive access to universal health coverage. The sustainability of universal health coverage is a key priority for economies in the APEC region.

We also recognize that a collaborative, whole of government approach to establishing health priorities and health resource allocation is desirable to improve health and health innovation outcomes. There is benefit in sharing information and best practices in these areas through cross-fora APEC collaboration.

To advance APEC's work on developing sustainable healthcare systems in the Asia-Pacific, we note the views of the 3rd High level Meeting on Health and the Economy and encourage officials to conduct activities consistent with the circumstances in the individual APEC economies, including but not limited, to:

- form a consultative mechanism of relevant APEC groups and stakeholders, including SOM, SFOM, LSIF and HWG, to prepare for a high level discussion on ways to ensure sustainability of health financing systems in cooperation, where appropriate and necessary, with relevant international organizations such as OECD and WHO;
- undertake a study on health care budget setting, allocation processes and technology assessment, and financing mechanisms in the region;
- acknowledge the need to address including through public-private partnerships the significant burden of mental illness, the changing demands on health systems as populations age and lifestyles change, and the continued rise in chronic non-communicable disease in the face of growing infectious disease threats;
- support ways that APEC can contribute to building innovative capacity in medical life sciences, for example in regulatory sciences and the commercialization of research;
- undertake further work to secure the pharmaceutical and medical products pipeline including by supporting initiatives to improve, safe access to legitimate pharmaceuticals and medical products;

- welcome the Medan Principles and APEC Policy Tool Kit for building capacity of health systems to address healthcare-associated infections and anti-microbial resistance;
- Recognizing that Traditional and Complementary Alternative Medicine (TCAM) has the potential to strengthen primary health care and complementary modalities for handling degenerative diseases, the economies call for (i) developing the knowledge and practice of safe and effective traditional medicine through research and development as well as structured education and training, (ii) integrating safe and effective traditional medicine into national health care systems as appropriate by taking into consideration economies' capacities, priorities, legislation and circumstances, (iii) involving communities and strengthening public-private partnership in promoting the socio-economic value of safe and effective TCAM;
- welcome emerging initiatives to strengthen the competencies of the health workforce and its distribution in the region and to reaffirm primary healthcare.

---o0o---

## ANNEX F

### APEC BEST PRACTICES TO CREATE JOBS AND INCREASE COMPETITIVENESS

Economies are increasingly grappling with challenges they face in trying to create jobs and promote domestic manufacturing in order to generate economic growth, particularly in the wake of the 2008-2009 recession. As a result, there has been a significant increase in the adoption of local content requirements and related measures in economies around the world. While these measures may appear to policymakers to be a simple and powerful tool to promote domestic economic goals, in reality they distort trade and investment, hinder the private sector's ability to reach its economic potential, and can have long-term detrimental effects on economies by stifling competition and the innovations and best practices that flow from competition.

In light of these trends and to enhance more productive long-term economic growth, APEC economies recognize the following policies as an indicative model for driving new and expanded job creation, enhancing competitiveness, and attracting sustainable new investment, innovative technologies, and business activity, that are more productive for long term economic growth and trade and investment than imposing local content requirements and related policies.

#### **Making Economies Cost-Competitive for Production**

- **Promote an internationally attractive business environment:** By improving the environment for doing business, economies can make it more attractive for companies to invest and manufacture within their borders. Specifically, economies can accomplish this by increasing the ease of doing business in their markets by making it easier to start a business, deal with permits, employ workers, register property, get credit, protect investors, pay taxes, trade across borders, enforce contracts, and close a business.
- **Support investment in infrastructure development:** The development of well-designed, sustainable, and resilient transportation systems (e.g., roads, rails, and runways) and information and communications networks can attract potential investors and manufacturers, including by reducing the costs of moving products and supplies to market. Economies can maximize the positive impact of infrastructure investment by selecting projects that result in system-wide benefits. Researchers estimate that for every billion dollars spent on infrastructure development, more than 10,000 jobs are created.

#### **Spurring Innovation through New Technologies**

- **Support research and development:** Commercial innovations that drive economic progress often depend on breakthroughs in science and technology. Increasing research and development support consistent with market-based principles can help drive economic growth and competitiveness.
- **Promote research collaboration:** Collaboration among the private sector, academia, and governments encourages accelerated adoption of innovations,

faster synthesis of scientific breakthroughs, and the deployment of new technologies. In addition, more open access to research results, publications, and data can enable more research collaboration, and therefore, more rapid discovery, synthesis, and adoption of innovations.

- **Provide effective protection and enforcement of intellectual property rights:** Protection and enforcement of intellectual property rights incentivizes innovators to invest in the research, development, and commercialization of leading-edge technologies. Additionally, this encourages high-technology foreign direct investment and provides necessary protection to innovative small and medium-sized enterprises (SMEs).

### **Attracting Investment**

- **Improve the investment climate:** Investment drives productivity, supports jobs, raises income, strengthens trade flows, and spreads international best practices and technologies. In order to capitalize on these benefits, economies should employ sound strategies to improve their investment climates, including by:
  - Ensuring that all investment applications are dealt with expeditiously, fairly, and equitably;
  - Creating and maintaining transparent and sound administration procedures that apply for the lifetime of the investment, including effective deterrents to corrupt practices;
  - Ensuring the availability of quality physical infrastructure, including reliable utility service, high-standard business services, skilled labor forces; and
  - Promoting fair and non-discriminatory treatment of all investors, including through access to effective dispute settlement, strong protections for property rights, and consistent application of laws and regulations.

Economies should also consider ways that they can provide coordinated assistance to communities to strengthen their ability to attract investment, including by dedicating adequate resources to infrastructure projects, research facilities, and training programs.

- **Invest in education and workforce training:** An educated workforce is vital to economic success. In order to attract investment, it is essential to ensure that potential employers can find skilled workers in an economy's market. Job training programs help workers with the skills needed by employers. Training programs targeted at specific sectors and developed in cooperation with individual employers have proven to be most effective in preparing workers for jobs. Improving science, technology, engineering, and mathematics (STEM) education at all levels among men and women is necessary to develop the scientific and technical workforce necessary for economies to be competitive. Finally, economies can benefit substantially from promoting STEM education and occupations to those who are disproportionately underrepresented in this field, particularly women.

- **Strengthen manufacturing supply chains and improve logistics:** High performing supply chains and efficient logistics systems attract investment and boost exports, particularly for small businesses. Economies should look at improving ports and intermodal connections to inland transport infrastructure, streamlining customs procedures, and addressing unwarranted and inconsistent regulation as a way to promote domestic manufacturing and create jobs.
- **Promote access to the digital economy:** Nearly every modern business relies on the Internet, information flows, and information and communication technologies to operate. Overall small businesses that make use of the Internet export twice as much as those that do not. Consequently, taking steps to improve access to the digital marketplace by supporting investment in high-speed interconnected broadband networks; promoting digital literacy; and encouraging the use of innovative electronic payments methods can support economic development and job creation by drawing investment capital into the fast growing technology sector, while also facilitating job growth in traditional industries that rely on technology and digital services.

### Opening Markets

- **Address market access barriers:** Increasing trade and investment is critical for economies' economic growth and development. A central part of this effort is to address both tariff and non-tariff and investment barriers in order to expand market access for products and services.

### Assisting SMEs

- **Increase SMEs' export opportunities:** SMEs, including start-up companies, are integral to economic growth and development in the Asia-Pacific region, accounting for around 90 percent of all businesses and as much as 60 percent of the workforce. These businesses are an important source of the innovative and forward-thinking ideas that are often the starting point of new approaches to doing business that can engender tremendous economic growth. Making it easier for SMEs to export, including by helping them find sources of financing, increasing the transparency of customs information and business environments, streamlining customs procedures, increasing their access to information about specialized services (e.g., freight consolidation, trade shows, and certification programs), and improving their understanding of how to utilize regional free trade agreements, is an important step that APEC economies can take to encourage the growth and development of SMEs in the region.
- **Facilitate SMEs' access to supply chains:** SMEs participate in the global economy not only as direct exporters, but also indirectly as providers of inputs to exporters and via intermediaries, such as wholesalers. SMEs contribute a substantial portion of the intermediate inputs used by manufacturing firms. As such, taking steps to enhance the ability of SMEs to participate in supply chains in order to indirectly export is important to job creation and economic growth.

- **Facilitate SMEs access to capital and to emerging technologies:** SMEs formed to develop and commercialize new technologies and innovations can be a source of economic growth in the region. Economies can establish public-private partnerships to give SMEs access to the capital and innovative ideas they need to nurture innovative businesses. Collaboration among APEC economies can assist in improving technology transfer and commercialization from government-sponsored research.
- **Provide SME manufacturers information and tools to improve efficiency and profitability:** Manufacturers that accelerate innovation and acquire and improve their use of technology are far more successful and realize greater opportunities to participate in global supply chains. APEC economies can support this progress by establishing programs and virtual networks to provide SME manufacturers with resources to solve manufacturing problems and identify opportunities for growth, ultimately helping them to create and retain jobs, increase profits, and save both time and money. Examples of specific functions these programs can perform include enhancing efficiency of “shop floor” manufacturing processes and techniques; incentivizing adoption of higher-tech plan and equipment; and creating training programs to increase productivity and use of digital technologies.

--oOo--