



Asia-Pacific  
Economic Cooperation

Advancing Free Trade  
for Asia-Pacific Prosperity

# Key APEC Documents 2015

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# Introduction

*Key APEC Documents 2015* is the 22nd in a series produced by the APEC Secretariat. The Key Documents' publication provides a reference set of the key policy decisions and initiatives endorsed by APEC Leaders and Ministers each year. Collectively, these documents frame the policy directions for APEC's annual work programs.

This issue presents a compilation of the statements from each of the APEC Ministerial Meetings held during 2015 together with the APEC Economic Leaders' Declaration from their recent meeting in Manila, Philippines.

The APEC website, [www.apec.org](http://www.apec.org), offers a further source of documentation of policy and reference papers; APEC committee reports; and information relating to APEC's wide-ranging activities.

APEC Secretariat  
December 2015

## **The 23rd APEC Economic Leaders' Declaration**

**Manila, Philippines**

**November 19, 2015**

### **Building Inclusive Economies, Building a Better World:**

#### **A Vision for an Asia-Pacific Community**

We, the Leaders of APEC, met in Manila under the theme of 'Building Inclusive Economies, Building a Better World,' determined to take action to fully realize the vision laid down by our predecessors of a stable, integrated, and prosperous community in the Asia-Pacific, in which all our people can enjoy the benefits of economic growth and technological progress. Our enduring commitment will underwrite the peace, stability, development, and common prosperity of the Asia-Pacific.

Under the shadow cast by the terrorist attacks in Paris, Beirut, and against Russian aircraft over the Sinai, and elsewhere, we strongly condemn all acts, methods, and practices of terrorism in all their forms and manifestations. We will not allow terrorism to threaten the fundamental values that underpin our free and open economies. Economic growth, prosperity, and opportunity are among the most powerful tools to address the root causes of terrorism and radicalization. We stress the urgent need for increased international cooperation and solidarity in the fight against terrorism.

We met at a time when global growth is uneven and continues to fall short of expectation. Risks and uncertainties remain in the global economy, including inadequate demand growth, financial volatility, and structural problems weighing on actual and potential growth. While APEC economies have remained resilient, they face challenges in boosting growth prospects.

Weakening external demand growth highlights the importance of promoting domestic demand. The rapidly changing structures and competitiveness of our economies necessitate that we develop new drivers of growth, such as productivity-enhancing structural reform, services and trade in services, investment liberalization and facilitation, infrastructure investment, science, technology and innovation, that lead to more balanced and sustainable outcomes.

We are mindful that despite the unprecedented economic growth that has lifted millions of people out of poverty, it continues to be a reality for millions of others in our region. We call for more intensive efforts for its reduction and eradication. We also acknowledge that inequality acts as a brake on economic growth and that reducing it is essential to spurring development and prosperity in the Asia-Pacific.

We recognize the significance of enabling the full participation of all sectors and segments of our society, especially women, youth, people with disabilities, indigenous peoples, low-income groups, and micro, small and medium enterprises (MSMEs), to achieving inclusive growth. We underscore the importance of empowering them with the ability to contribute to and benefit from future growth.

We remain united and steadfast in supporting an open, predictable, rules-based, and transparent environment for trade and investment that enables meaningful access to economic opportunities. This provides the best means to deliver sustained and inclusive growth, quality job creation, and

financial market stability. We reaffirm the commitment to jointly build an open economy in the Asia-Pacific that is based on innovative development, interconnected growth, and shared interests.

We reaffirm the value, centrality, and primacy of the multilateral trading system under the auspices of the World Trade Organization (WTO). We are committed to strengthening the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system. To further reinforce our commitment on the occasion of the 20th anniversary of the WTO, we have decided to issue a separate statement supporting the multilateral trading system and the 10th Ministerial Conference of the WTO.

We reaffirm previous commitments on monetary and exchange rate policies. We will refrain from competitive devaluation and resist all forms of protectionism.

We reiterate our commitment to achieve the Bogor Goals of free and open trade and investment by 2020 and to the eventual realization of the Free Trade Area of the Asia-Pacific (FTAAP). We appreciate the work by our officials to ensure that regional trade agreements complement and strengthen the multilateral trading system. We welcome the progress made by many APEC members in completing their respective processes to submit the instruments of acceptance to the WTO Trade Facilitation Agreement, which will reduce the cost of trading across borders.

While achieving ongoing economic transformation will not be easy, we are confident that we will continue to drive regional and global economic prosperity through quality economic growth.

To this end, we collectively commit:

### **Building Inclusive Economies**

1. To support comprehensive and ambitious structural reforms; achieve positive economic, social, and environmental outcomes; and promote good governance.

a. We reiterate our commitment to ensure that future growth is strong, balanced, sustainable, inclusive, driven by innovation, and secure against natural disasters and other threats. It should be supportive of gender equality. We remain alert to the risks of the “middle income trap.”

b. We adopt the APEC Strategy for Strengthening Quality Growth that will prioritize institution building, social cohesion, and environmental impact to give further focus to our efforts to pursue quality growth, building upon the commitments in the 2010 APEC Growth Strategy, and bearing in mind the commitments in the 2014 APEC Accord on Innovative Development, Economic Reform and Growth. We instruct officials to report, for our review, on APEC’s progress in promoting the APEC Strategy for Strengthening Quality Growth.

c. We welcome the assessment of the 2010 APEC Growth Strategy, especially the finding that more than 300 million people were lifted out of poverty in the APEC region, mainly due to rapid growth in developing economies. We support further efforts in narrowing the development gap in order to end poverty.

d. We commend the work done under the APEC New Strategy for Structural Reform and welcome the Renewed APEC Agenda for Structural Reform (RAASR). Promoting structural reform is critical to improving economic efficiency and increasing productivity. We recognize that much more remains to be done to ensure that growth is experienced at all levels of our communities. We therefore support economies in their efforts to explore new growth areas,

including reforms aimed at further strengthening the services sector by fostering creativity and innovation through an enhanced regulatory environment.

e. We welcome the progress made on the Ease of Doing Business (EoDB) initiative and affirm the EoDB Action Plan (2016-2018) with a new aspirational target of a 10-percent improvement by 2018 in the existing five priority areas on starting a business, dealing with construction permits, trading across borders, getting credit, and enforcing contracts. We welcome the development of an Implementation Plan to guide our efforts to reach this target.

f. We reaffirm our commitment to implementing the 2030 Agenda for Sustainable Development (“2030 Agenda”), which sets a comprehensive, universal, and ambitious framework for global development efforts for the next 15 years, and to ensuring that no one is left behind in our efforts to eradicate poverty and build an inclusive and sustainable future for all. We also reaffirm our commitment to implementing the Addis Ababa Action Agenda, which provides a comprehensive roadmap to help economies implement policies to attract and mobilize diverse sources of financing critical for the realization of the Sustainable Development Goals.

g. We encourage further progress and practical initiatives to carry out the 2013 mandate of exploring trade in products that contribute to sustainable and inclusive growth through rural development and poverty alleviation.

h. We recognize that corruption impedes economic sustainability and development and agree to combat the harmful effects of the illegal economy and to promote cultures of integrity across borders, markets, and supply chains. We reaffirm our commitment to open and accountable governance and to promoting international cooperation in the areas of repatriation or extradition of corrupt officials, asset recovery, criminalization, and prevention of corruption among APEC member-economies. We support the APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies in advancing pragmatic anti-corruption cooperation and welcome the Cebu Manifesto for the Protection of Anti-Corruption Officials.

i. We welcome the efforts and activities that APEC members have undertaken to counter terrorism, including capacity-building initiatives to combat terrorist financing, and to prevent foreign terrorist fighter travel through advance passenger risk analysis and other measures. We further encourage economies to implement fully the APEC Consolidated Counter-Terrorism and Secure Trade Strategy and to continue taking collective and individual actions and sharing best practices to secure infrastructure, travel, supply chains, and financial systems from terrorist activities.

2. To deepen our financial markets and mitigate risks.

a. We recognize that in spite of the progress we have made, millions of our citizens do not have access to reliable financial services, leaving them with insufficient access to capital to invest in their futures. We highlight the importance of financial inclusion and literacy to poverty alleviation, ensuring that our people can fully benefit from the access to cheaper capital and financing that comes with it.

b. We recognize that financial integration through moving towards more liberalized financial services and capital accounts, while maintaining adequate safeguards as well as increased access to finance for MSMEs and businesses in the supply chain, will foster greater trade and investment in the region.

c. We welcome the Cebu Action Plan (CAP) and commend our Finance Ministers for their collaborative efforts in crafting a multi-year roadmap of deliverables and initiatives to build an Asia-Pacific community that is more financially integrated, transparent, resilient, and connected. We emphasize the importance of macroeconomic cooperation including the sharing of experiences in macro-prudential policy frameworks to minimize systemic risks and promote financial stability in the APEC region.

### **Fostering Micro, Small and Medium Enterprises' Participation in Regional and Global Markets**

3. To foster an enabling trading environment that is responsive to new ways in which goods and services are produced and delivered and that promotes inclusiveness, especially for MSMEs.

a. We live in a connected world in which many goods and services are no longer produced in one location but are the result of firms cooperating within and across our borders. This benefits consumers, creates jobs, and fosters development. We need all our businesses, regardless of size, to connect to where opportunities exist. We need to develop policies that take full advantage of global value chains (GVC) and encourage greater participation and added value. We will promote competition, entrepreneurship, and innovation through effective and comprehensive measures, including balanced intellectual property (IP) systems and capacity-building.

b. We underscore the significance of the participation of MSMEs in global commerce to inclusive growth and will take action to facilitate such participation. We recognize that internationally-oriented MSMEs can make substantial contributions to poverty reduction through employment creation, productivity improvements, and economies of scale. However, because the costs of doing business impact disproportionately on our MSMEs, especially in terms of cumbersome rules and regulations, we need to address the barriers to their internationalization and integration into GVCs. Towards this end, we adopt the Boracay Action Agenda to Globalize MSMEs and instruct Ministers to implement actions laid out in the Agenda and report their progress to us by 2020.

c. We welcome the APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development, and support the creation of the APEC MSME Marketplace to provide opportunities for business and strengthen collaboration with public and private organizations to support MSME development. We also welcome progress in collaborative efforts to enhance GVC resilience in this region.

d. We recognize the importance of MSMEs' access to finance as a key enabler of MSME expansion, internationalization, and productivity improvement. We welcome the commitment made by the private sector and international finance organizations to collaborate with the public sector through the recently launched Financial Infrastructure Development Network under the CAP. We emphasize the importance of promoting MSMEs' resilience against disasters, financial crises, and other unexpected events. In addressing these challenges, we recognize the important role of public finance such as credit guarantee systems designed for MSME operational continuity and the importance of enhancing closer collaboration with relevant public and private sector institutions.

e. We emphasize opportunities that the internet and digital economy offers to achieve innovative, sustainable, inclusive, and secure growth, with a view to improving connectivity. The internet and digital economy will allow businesses, especially MSMEs, to participate in GVCs and reach a wider consumer base through new business models, creating a truly global market

place for the exchange of goods, services, capital, and ideas. With regard to MSME development, we commit to continue to promote cross-border privacy, and to protect consumer interests. We instruct our officials to advance the work to facilitate the internet and digital economy. We also instruct officials to implement the Work Plan for Facilitating Digital Trade for Inclusive Growth as a Potential Next Generation Trade and Investment Issue.

### **Building Sustainable and Resilient Communities**

4. To build sustainable and disaster-resilient economies.

a. We recognize that our region, located in the Pacific Ring of Fire, is particularly vulnerable and exposed to disasters. We face typhoons, earthquakes, volcanic eruptions, rising sea levels, and pandemics, the impacts of which are magnified by our densely populated cities. It has become a “new normal” for us to face natural disasters of increasing frequency, magnitude and scope, and their resulting disruption of the increasingly integrated and interlinked production and supply chains.

b. We welcome and adopt the APEC Disaster Risk Reduction (DRR) Framework to facilitate collective work in building adaptive and disaster-resilient economies supporting inclusive and sustainable development in the face of the “new normal.” Through the APEC DRR Framework, we will minimize the losses we endure and ensure that our communities have the support to overcome adversity and to build back better. We instruct Ministers to craft an action plan in 2016 to operationalize the APEC DRR Framework and renew existing efforts such as business continuity planning, strengthening early warning systems, search and rescue, post-disaster recovery, promoting appropriate donations, and enhancing capacity building. We welcome the APEC Principles for the Movement of Humanitarian Goods and Equipment during Emergencies to better protect lives and livelihoods. We also note the Sendai Framework for Disaster Risk Reduction 2015-2030.

c. We welcome Finance Ministers’ efforts to build financial resilience through the CAP, noting that this also entails developing innovative disaster risk financing and insurance mechanisms, in light of the heavy fiscal burden experienced by some economies due to the increasing damage of natural disasters.

d. We request the Chief Science Advisors and Equivalents to explore further the provision of coordinated scientific advice surrounding and during emergencies, in coordination with other relevant APEC fora.

e. We recognize that disaster resilience includes the ability to collaborate in detecting and preventing the spread of communicable disease. We welcome the development of the Healthy Asia-Pacific 2020 Roadmap. We welcome APEC’s working partnership with other relevant global initiatives for strengthening infectious disease control, and the training network established to ensure the safety of our region’s blood supply.

f. In line with our goal to promote sustainable communities, we are firmly committed to achieving a fair, balanced, ambitious, durable, and dynamic agreement on climate change at the Paris Climate Conference (COP21) in December. We therefore reaffirm our aspirational goals to reduce aggregate energy intensity by 45 percent by 2035 and double renewable energy in the regional energy mix by 2030 to achieve sustainable and resilient energy development within the Asia-Pacific.

g. We reaffirm our commitment to rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption while recognizing the importance of providing those in need with essential energy services. We welcome progress made to date while recognizing the need for further ambitious efforts to meet our goal. We express our appreciation to those economies who have volunteered to undergo a voluntary inefficient fossil fuel subsidy peer review. We welcome ongoing initiatives to share best practices and facilitate capacity building to further progress toward this goal.

h. We affirm the importance of energy resiliency in promoting energy security and sustainable development and in providing energy access. We commend the initiative of creating a Task Force on Energy Resiliency, the initiative for enhancing the quality of electric power infrastructure in the Asia-Pacific region, and the establishment of the APEC Sustainable Energy Center. In transitioning to low-carbon economy, we will explore the contribution of biofuels, civil nuclear power as a base load power source, advanced coal technologies, liquefied natural gas, solar, wind, and marine energy technologies. We appreciate efforts towards a diversified, flexible, and integrated natural gas market in the APEC region.

i. We emphasize the need for improved sustainable agriculture, food security, food safety, and nutrition to build resilient communities across the region. We therefore instruct Ministers to implement the APEC High-Level Policy Dialogue on Food Security and Blue Economy Plan of Action in the areas of resilient oceans and coastal resources, fish loss reduction, and agri-business development. We support the APEC Food Safety Co-operation Forum and its Partnership Training Institute Network. We encourage progress on the APEC Food Security Roadmap toward 2020, to contribute to the achievement of APEC's food security goal.

j. We recognize the important role of forests in supporting our communities, conserving biodiversity, and mitigating and adapting to climate change. We reaffirm our commitment to the aspirational goal in the Sydney Declaration of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020 and to promote sustainable forest management, conservation and rehabilitation, and combat illegal logging and associated trade. We welcome the report of assessment of progress towards the aspirational goal on forests in the Sydney Declaration.

k. Building on our commitments in previous years, we will take actions to combat wildlife trafficking and related corruption through further reducing illegal supply, transit, and demand; strengthening domestic and global enforcement, enhancing legislative frameworks, and other criminal justice tools; enhancing efforts in each of our economies to treat wildlife trafficking crime seriously; and increasing cross-border law enforcement cooperation and other interaction among wildlife enforcement networks as appropriate.

5. To make urbanization work for growth.

a. Our cities are potential centers of creativity and innovation, providing jobs and livelihoods for billions of people. We emphasize the importance of proper planning and adequate infrastructure for sustainable city development. We therefore welcome the work of our officials to discuss the challenges of rapid urbanization in APEC, including innovative ways of addressing waste management and water-related challenges.

b. We remain committed to a new type of urbanization featuring green, energy-efficient, low-carbon, and people-oriented development. We commend the efforts of member economies in implementing the APEC Cooperation Initiative for Jointly Establishing an Asia-Pacific Urbanization Partnership. In this regard, we welcome China's initiative to host an APEC high-level forum on urbanization in 2016. We encourage ongoing efforts in this direction toward energy efficient and low-carbon development in urban settings, including the implementation of the APEC Low-Carbon Model Town Project, use of green codes and standards for buildings, and the Energy Smart Communities Initiative.

c. We recognize that the region's shifting demography, including ageing populations and urbanization, has profound implications for the region's food system. We will enhance efforts to improve security and safety of the region's food supply, sustainable agricultural and water management, and seek to increase citizens' access to food including through better connectivity between urban, rural, and remote areas; facilitation of investment and infrastructure development; and reduction of food loss and waste along the food value chain.

d. At the same time, we acknowledge that our rural communities should not be left behind in the economic and social development of the region. In this regard, we are determined to make efforts to strengthen rural communities through sharing experiences of rural development, with a view to forging comprehensive strategies to eradicate poverty and enhance the welfare of rural communities in the region.

e. We commend efforts to develop safe, secure, resilient, efficient, and sustainable transportation systems, and to promote innovations in the transportation sector as we move towards achieving inclusive mobility and global supply chain resilience. We instruct our officials to continue to enhance their work on connectivity of transportation networks.

### **Investing in Human Capital Development**

6. To redouble our efforts to empower our people with the tools to benefit from and participate in economic growth.

a. In 1996, we endorsed a framework for economic and technical cooperation to ensure that all APEC members can fully participate in and benefit from an open trading environment. We are pleased with the joint efforts and progress made in improving the delivery of capacity building and cross-fora collaboration among working groups and fora. We underscore the need to avoid the emergence of a divided community in the region - those connected to global markets benefitting from integration and those left behind being unable to realize their potential.

b. We emphasize the importance of investment in human capital through the development of skills that industry needs to effectively contribute to the next phase of our region's economic growth. In the current environment characterized by the rapid and ubiquitous use of technology, our people, in particular women and youth, need to be equipped not only with technical skills in science, technology, and innovation but must also be adaptable and resilient. We therefore instruct our officials to work closely with businesses, education and training providers, employment services, and civil society to understand the skills needed by the industry and to develop education and training programs that will equip people with the skills and competencies to join the workforce and fulfill their potential.

c. We underscore the synergy between our ambition to improve human capital development and our goals to improve people-to-people connectivity and to continue the promotion of cross-

border cooperation in education. We welcome the early realization of our 2020 student mobility target of 1 million intra-APEC university-level students per year. We also recognize the close correlation between human capital development and progress in ICT and its benefits.

d. We remain committed to advancing women's full participation in the economy in concrete, actionable, and measurable ways, including through enhancement of women's representation in leadership. We therefore call for strengthened efforts to support the mainstreaming of gender equality and women's empowerment across APEC's work streams, including the Women and the Economy Dashboard as a tool for identifying priorities for policy action.

e. We welcome the progress of APEC cooperation to enhance economic empowerment of persons with disabilities and encourage further collaboration among member economies in promoting inclusive development.

f. We recognize the importance of our health systems in promoting the development of human capital and inclusive growth and look forward to further work in 2016 to address the fiscal and economic impacts of ill-health.

#### Enhancing the Regional Economic Integration Agenda

7. To achieve our vision for an integrated community in a comprehensive and systematic manner.

a. We reaffirm our commitment to advance the process in a comprehensive and systematic manner towards the eventual realization of the FTAAP as a major instrument to further APEC's regional economic integration agenda. We commend the progress made by our officials on the work on the implementation of the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP, which includes the Collective Strategic Study on Issues Related to the Realization of the FTAAP, the Information Sharing Mechanism, and the 2nd Capacity Building Needs Initiative (CBNI). We instruct Ministers and officials to continue this work and, in particular, we look forward to receiving the findings and accompanying recommendations of the Collective Strategic Study when we meet again next year in Peru.

b. We reiterate our belief that the FTAAP should be pursued as a comprehensive free trade agreement by building on ongoing regional undertakings. We also reaffirm our vision contained in the Pathways to FTAAP that it should be high-quality and incorporate and address next generation trade and investment issues. In this connection, we note the recent development on the free trade agreements in the region and the progress of the possible Pathways to the FTAAP, including the finalization of Trans-Pacific Partnership (TPP) negotiations, and we encourage the early completion of negotiations for Regional Comprehensive Economic Partnership (RCEP).

c. We reaffirm the commitment we made in 2012 to reduce our applied tariffs on the APEC List of Environmental Goods to five per cent or less by the end of this year. We congratulate those economies that are on track to fulfill this ground-breaking commitment and strongly urge those that have yet to fully implement this commitment to redouble efforts to meet the end of the year deadline.

d. We welcome the progress that has been made under the work streams of the APEC Strategic Blueprint for Promoting Global Value Chain Development and Cooperation and instruct officials to further develop this work.

e. We reaffirm our commitment to achieve a seamlessly and comprehensively integrated, innovative, and interconnected Asia-Pacific. We welcome progress implementing the APEC Connectivity Blueprint for 2015-2025 under the pillars of physical, institutional and people-to-people connectivity. We will take further action to ensure continued implementation of this Blueprint and to promote regional and sub-regional connectivity in the Asia-Pacific region.

f. We appreciate progress in implementation of initiatives which will greatly improve connectivity and infrastructure in the Asia-Pacific region, and progress of the initiatives which help resolve the bottleneck of financing in this field. We encourage further collaboration among these initiatives in order to promote regional economic integration and the common development of the Asia-Pacific.

g. We emphasize the importance of investment in quality infrastructure and connectivity to realize our vision for an Asia-Pacific community. We welcome the initiatives set out by the CAP to maximize the Public-Private Partnership (PPP) modality for infrastructure delivery, to tap long-term investments for infrastructure through capital market development, and to continue efforts in inclusive infrastructure, in urban development, and in regional connectivity.

8. To develop the services sector as an enabler of economic growth and inclusion.

a. We acknowledge that international trade in services facilitates cross-border business activity, reduces costs, spurs innovation, boosts competition and productivity, raises the standard of domestic services suppliers, and widens the range of choice for consumers. We also acknowledge that trade in services has an enormous potential for creating jobs, and for increasing competitiveness in the global market, providing whole-of-economy benefits. Inclusive growth cannot be achieved without addressing services-related issues, as many MSMEs operate in this sector.

b. For these reasons, we endorse the APEC Services Cooperation Framework to ensure that all our citizens can benefit from and contribute to high quality growth. We instruct our officials to develop a strategic and long-term Services Competitiveness Roadmap in 2016 with the adoption of a concerted set of actions and mutually agreed targets to be achieved by 2025. We appreciate services-related initiatives such as manufacturing-related services.

## **Strengthening Collaboration**

9. To work with stakeholders to address common challenges.

a. Given our diversity, our achievements thus far in APEC provide a benchmark for how, through cooperation, we can advance regional economic integration and achieve shared prosperity. Building on our achievements, we commit to engage in an enhanced degree of cooperation within and across our economies with a broad range of stakeholders. We reaffirm the need to have a well-coordinated and whole-of-government approach to rulemaking in our economies. This should rely on open and inclusive public consultation processes involving the full range of domestic and international stakeholders.

b. We therefore welcome our increased collaboration with the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), international and regional organizations, the private sector, local government executives, civil society, academia, MSMEs,

women, youth, persons with disabilities, and industry experts, engaging in constructive dialogues that allow us to find solutions to the challenges we face and build a better, more inclusive world.

10. To strongly support the work of our Ministers, the APEC Process, and all its Committees and Fora.

a. We therefore endorse the 2015 APEC Joint Ministerial Statement and commend the work of our Ministers and officials as reflected in the results of the Sectoral Ministerial Meetings, High-Level Policy Dialogues, the Finance Ministers' Process, the Committees and Working Groups of the Senior Officials' Meeting, and all related mechanisms.

b. We instruct our Ministers and officials to continue their work, including implementation of the recommendations, work programs, and action plans of the outcome documents for 2015 sectoral ministerial meetings and high-level policy dialogues, bearing in mind the vision contained in this Declaration, as well as our previous meetings.

c. We express our appreciation for the contributions by relevant members to the APEC Fund, the establishment of Sub-Funds on the Free Trade Area of the Asia-Pacific and Global Value Chains, Innovative Development, Economic Reform and Growth, and Connectivity, and Mining, and the voluntary provision of training opportunities to developing economy members. We look forward to future work to better align our resources with our priorities.

Through economic integration driven by technological progress, urbanization, trade and investment liberalization and facilitation, and improved connectivity, our lives have become increasingly intertwined. It is incumbent upon all of us to work together to ensure our common destiny. In spite of the challenges we face, the future of our region will be bright as we stand true to our pledge to shape the future through Asia-Pacific partnership, with a view to fulfilling our goals of common development, prosperity, and progress, by harnessing our people's collective abilities in the spirit of mutual respect and trust, inclusiveness, and win-win cooperation.

Recognizing that APEC work is a continuing process and that continuity of agenda is key to APEC's relevance, we thank the Philippines for its leadership this year as it has built on the vision and work of the previous APEC hosts.

We look forward to meeting again in Peru in 2016 and will work closely with the future hosts from 2017 to 2022, namely Viet Nam, Papua New Guinea, Chile, Malaysia, New Zealand, and Thailand. We welcome the offer of the Republic of Korea to host APEC in 2025.

Annex A: APEC Strategy for Strengthening Quality Growth

Annex B: APEC Services Cooperation Framework

## **Annex A**

### **APEC Strategy for Strengthening Quality Growth**

1. We, the APEC Leaders, reaffirm our commitment to the 2010 APEC Leaders' Growth Strategy. We recognize its continuing relevance in guiding APEC towards its fundamental purpose of providing prosperity to the region through trade and investment liberalization and facilitation.
2. This year, in Manila, we reaffirm our aspirations towards a balanced, inclusive, sustainable, innovative, and secure growth in the APEC region, by agreeing on an APEC Strategy for Strengthening Quality Growth for the period until 2020 to bring greater focus to the importance of pursuing quality growth as envisaged in the 2010 APEC Growth Strategy.

### **Strengthening the 2010 APEC Growth Strategy to Respond to Emerging Challenges**

3. We recognize the continued important contribution of the APEC region to global economic growth. We emphasize that liberalization and facilitation in trade and investment continue to be core drivers of economic growth and development in the region. Improving the quality of growth and ensuring that it remains dynamic requires greater impetus for a concerted effort among APEC members.
4. We recognize that global economic growth continues to face major challenges and note that regional growth remains moderate and uneven. The Asia-Pacific region is faced with such challenges as: 1) potential volatility in financial markets; 2) increasing inequality; 3) the gap in physical infrastructure; 4) the need to foster innovation and increase access to skills; 5) environmental concerns that include the impact of climate change; and 6) food security and sustainable management of agriculture. We support the APEC Finance Ministers' work to strengthen economic growth and promote financial stability in the APEC region.
5. We welcome global efforts to lift economic growth, including the existing work of the G20 and the United Nations, which recently released the 2030 Agenda for Sustainable Development. We reaffirm APEC's commitment in complementing the global efforts in addressing the many challenges to sustainable economic growth. The APEC Strategy for Strengthening Quality Growth will bring more synergy between the APEC Growth Strategy and the Sustainable Development Goals.

### **The APEC Growth Strategy and Related Initiatives**

6. The 2010 APEC Growth Strategy includes action agendas for each attribute. We welcome the effort to evaluate the progress of APEC member economies vis-à-vis the action agendas. While APEC as a region has made progress in achieving growth in all its attributes, much still remains to be done, particularly in making sure that the gains already achieved are further expanded and sustained. We enjoin APEC fora to continue their efforts, guided by their

respective strategic plans, in contributing to the ultimate goals of the 2010 APEC Growth Strategy, as enriched by the 2015 APEC Strategy for Strengthening Quality Growth.

7. We endorse the agreement on the Renewed APEC Agenda on Structural Reform (RAASR) which covers the areas of inclusive growth, innovation, and services. The RAASR builds on APEC New Strategy for Structural Reform (ANSSR), which we endorsed in 2010, to help economies attain high quality growth and become more resilient. This initiative encourages APEC economies to implement structural reforms in priority areas, and also provides the chance for APEC economies to participate in capacity-building programs and other technical cooperation activities to train government officials in the implementation of those reforms.
8. We also endorsed in 2014 the Accord on Innovative Development, Economic Reform and Growth which aims to promote closer cooperation in five areas: 1) economic reform; 2) new economy; 3) innovative growth; 4) inclusive support; and 5) urbanization. We reaffirm the commitment to accelerate the pace of reform and innovation, and explore new growth areas. We note that this Accord includes policy actions in each of the five Growth Strategy attributes and thus provides strong support to the implementation of the Growth Strategy.

### **The 2015 APEC Strategy for Strengthening Quality Growth**

9. The APEC Strategy for Strengthening Quality Growth builds on the 2010 APEC Growth Strategy by strengthening and sustaining quality growth as expressed by the Key Accountability Areas (KAAs) of institution building, social cohesion, and environmental impact. Without institution building, social cohesion, and addressing environmental impacts, we will not be able to sustain quality growth. The KAAs are also intended to give more traction to the five attributes and help align the Growth Strategy with the Sustainable Development Goals.
10. We agree to strengthen cooperation that directly relate to and contribute to the achievement of the KAAs.
  - a. *Institution Building*

Institutions matter for economic growth and development because they shape the incentives of key economic actors in society; in particular, they influence investments in physical and human capital and technology, and the organization of production.

We recognize that different development levels and economic conditions affect the prioritization of the various aspects of institution building. Some of the more important economic institutions are: (i) rules-based economy that promotes legal certainty and reduces the cost of doing business; (ii) a market-based economy supported by sound public institutions and regulations; (iii) deep financial markets that efficiently intermediate savings combined with effective regulatory systems that promote financial stability; (iv) a shareholder-oriented corporate governance system; (v) mechanisms that support trade and investment liberalization and facilitation; and (vi) a labor market that

allows re-allocation of labor in response to market demand but at the same time protects the welfare of workers.

The action agenda in the area of institution building should recognize different levels of development and therefore feature a multi-track and multi-speed program.

b. *Social Cohesion*

We see social cohesion as both an end and a means to achieve economic growth and development. We see the role of society in working cohesively towards the well-being of all its members by fighting exclusion and marginalization, by creating a sense of belonging, by promoting trust, and by offering to its members the opportunity of upward mobility.

Public policies are often more effective in socially cohesive societies resulting in greater poverty reduction and a more stable growth process. Lack of social cohesion hampers the ability to implement efficient fiscal policy aimed at reducing inequality. Social cohesion also reduces transaction costs, that is, the costs incurred in making economic exchanges, such as information gathering, communications, and contract enforcement. Finally, social cohesion enhances growth by facilitating collective action, that is cooperation among individuals in pursuit of shared objectives.

c. *Environmental Impact*

Responses to climate change include measures to reduce greenhouse gas emissions, to increase carbon sequestration, and to adapt to the effects of climate change. Measures to reduce emissions will encourage economies to move toward low carbon societies. Meanwhile, we emphasize the need to adapt to climate change through disaster preparedness and risk reduction. Adaptation entails investments in science and technology, disaster resilient infrastructure, and eco-system based adaptation, among other strategies. Both adaptation and mitigation measures will be important for agriculture, fishery, forestry and industrialization policies. We reiterate the call of Leaders through the 2010 APEC Growth Strategy to develop more resource-efficient economies that will enable us to prosper as low-carbon and resilient societies. We continue to encourage new green industries and jobs.

## **The Role of the Private Sector**

11. We recognize that the private sector plays an important role in economic growth and development, especially in achieving ‘growth that matters’ – as they foster innovation, create employment, and promote corporate social responsibility. We encourage private sector

participation in developing whole-of-economy, whole-of-society approaches towards ensuring dynamic and quality growth.

## **Implementation**

12. We resolve to implement the APEC Strategy for Strengthening Quality Growth, building upon our commitment to the 2010 Growth Strategy and bearing in mind the commitments in past and ongoing APEC initiatives in various APEC fora. We commit to work to support individual economies in their implementation of the APEC Strategy for Strengthening Quality Growth – consistent with the KAAs as presented in the Annex which we adopt as a living document – by sharing experience and capacity building.
13. We instruct the Senior Officials to commission the PSU to report in 2020 on the impact of the extensive APEC work program on improving growth, and to report to Leaders, for their review, on APEC's progress in promoting the APEC Strategy for Strengthening Quality Growth. At that point, Leaders may consider the future direction of this Strategy.

## **Annex B**

### **APEC Services Cooperation Framework**

We, the Leaders of APEC, gathered in Manila on 19 November 2015 to reaffirm our commitment to achieve inclusive growth in the APEC region. We recognize the important role of services in realizing this goal.

The services sector accounts for a dominant share of our economies, providing high quality jobs and new avenues for growth. Efficient and competitive services sectors provide whole-of-economy benefits.

We acknowledge that international trade in services facilitates the transfer of technology and management know-how, spurs innovation, boosts competition and productivity, raises the standard of domestic services suppliers, reduces costs, and widens the range of choice for consumers.

Recognizing that the development of services including their efficient delivery requires a strategic approach, we therefore adopt this APEC Services Cooperation Framework (ASCF) as follows:

#### **Advancing the Services Agenda**

1. As part of our commitment to realizing APEC's vision as outlined in the Bogor Leaders' Declaration and achieving APEC's goal of free and open trade and investment in the Asia-Pacific no later than the year 2020, we recognize the importance of advancing regional cooperation in services.
2. We value APEC's past and ongoing work on services across the various APEC sub-fora, contributing significantly to efforts towards implementing the APEC Leaders' Growth Strategy, the APEC Connectivity Blueprint, and the 2014 APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation.
3. We welcome the outcomes of the second meeting of the APEC Ministers Responsible for Structural Reform and the emphasis they placed on services.
4. We commend APEC for its work in services trade and investment, such as the Services Action Plan, the APEC Principles for Cross-Border Trade in Services, and the Services Trade Access Requirements (STAR) Database. We also recognize the significant contribution of the Manufacturing Related Services Action Plan, the Environmental Goods and Services Work Programme, the Environmental Services Action Plan, and the establishment of the APEC Public Private Partnership on Environmental Goods and Services (PPEGS) to APEC's ongoing work on services.
5. We have explored ways to further deepen cross-fora collaboration on services such as through the first joint meeting of the Economic Committee, the Group on Services, and the Pacific Economic Cooperation Council (PECC) on Regulatory Reform and Services held in 2015. The Public-Private Dialogues on Services, initiated by Indonesia in 2013, were undertaken in cooperation with the APEC Business Advisory Council (ABAC) and PECC,

to broaden the base for consultation. These dialogues stressed the value of intensified focus on services and facilitated the sharing of regulatory experiences and challenges, as well as generated views on ways to improve services competitiveness taking into account APEC economies' circumstances.

6. We recognize the rapid changes taking place in the delivery of services, such as through digitally-enabled trade. To boost services trade and investments in the region, APEC needs to further deepen and build momentum in its work on services.

## **Vision**

7. We agree to set our long-term vision for services in APEC.
8. Recalling the Bogor Goals of 1994, we resolve to strengthen our efforts in services through the following principles of cooperation:
  - Free and open trade and investment in services consistent with World Trade Organization (WTO) principles;
  - Transparent and improved communication;
  - Collaboration and engagement across the APEC platform and with various stakeholders;
  - Competitiveness in services through human and institutional capacity building and increased participation of developing member economies; and
  - Cross-sectoral and sector-specific approaches.
9. In line with the 1995 Osaka Action Agenda, the 2000 Policy Framework for Work on Services, and the 2009 APEC Principles for Cross-Border Trade in Services, taking into account individual economies' situations, we affirm the importance of the following strategic directions:
  - Transparency of laws, regulations, and administrative procedures;
  - Progressively reducing restrictions to services trade and investment, including unnecessary localization requirements;
  - Non-discrimination between domestic and foreign service suppliers;
  - Good regulatory practices and effective competition policy;
  - Facilitating the mobility of service suppliers and business persons; and
  - Supporting capacity building to develop the ability of economies to competitively supply services.
10. We believe that the 2015 ASCF will play a pivotal role in fully achieving the Bogor Goals, in providing a common strategic direction and in promoting coherence in APEC's work on services. The ASCF will ensure that APEC's multi-fora and multi-stakeholder services agenda will remain dynamic and responsive to economic, market, and technological developments of each APEC member economy.

## **The Way Forward**

11. We agree to develop a strategic and long-term APEC Services Competitiveness Roadmap in 2016 with the adoption of a concerted set of actions and mutually agreed targets to be achieved by 2025. The process of drafting the Roadmap will begin with discussion of the elements of the Roadmap followed by deliberations on actions and mutually agreed targets. The Roadmap will, among others:
  - Build on APEC's past and ongoing work on services;

- Promote increased and strengthened APEC cross-fora dialogue and collaboration such as joint meetings, projects, and initiatives;
- Pursue close collaboration with ABAC, PECC, and other stakeholders through regular Public-Private Dialogues on Services;
- Broaden multi-stakeholder engagement through the APEC Virtual Knowledge Center on Services – a virtual knowledge-sharing platform on information and best practices of services-related policies and programs of APEC;
- Foster exchange of good regulatory practices and promote effective competition policy;
- Seek better ways to produce services-related statistics and increase the number of APEC economies with indices for measuring the regulatory environment in services including by providing capacity building and exploring the development of an APEC index, taking into account, as appropriate, existing indices maintained by other fora such as the OECD;
- Regularly organize, through the relevant APEC Working Groups and Committees, discussion fora among services regulators; officials responsible for trade, investment, and competition policies; and the private sector; and
- Leverage partnerships with regional and global bodies such as the World Trade Organization (WTO), United Nations (UN) Bodies, International Trade Center (ITC), the Organization for Economic Cooperation and Development (OECD), the Economic Research Institute for ASEAN and East Asia (ERIA), the Asian Development Bank (ADB), Inter-American Development Bank (IADB), and the World Bank, among other institutions, to implement the Roadmap, and avoid duplication and ensure coherence with existing initiatives.

12. The desired outcomes of the ASCF are:

- Increased services value-adding capacity of APEC economies;
- Cultivation of globally competitive services sectors of APEC economies;
- Expansion of trade and investment in services in APEC economies via improvements in physical, institutional, and people-to-people connectivity;
- Enhancement of GVC participation of all businesses especially micro, small, and medium enterprises (MSMEs);
- Wider access to more efficient and greater variety of services for APEC and its people;
- Job creation and growth while promoting social inclusion and human development; and
- Addition of measures in pursuit of the APEC Leaders' Growth Strategy for inclusive, innovative, balanced, secure, and sustainable growth.

13. We urge our Ministers and Senior Officials to mainstream this Framework into the strategic and long-term planning of APEC's work program through all the relevant Committees and Working Groups, in particular the Group on Services (GOS).

14. Finally, we instruct Senior Officials to develop a mechanism for implementing the ASCF beginning 2016.

## **2015 APEC Ministerial Meeting**

**Manila, Philippines**

**November 17, 2015**

### **Joint Ministerial Statement**

1. We, the Asia Pacific Economic Cooperation (APEC) Ministers convened on 16-17 November 2015 in Manila, the Philippines under the chairmanship of Albert F. del Rosario, Secretary of Foreign Affairs, and Gregory L. Domingo, Secretary of Trade and Industry.
2. In APEC's 26<sup>th</sup> year, we chose the theme "Building Inclusive Economies, Building a Better World," representing our vision for an Asia-Pacific region that embraces an economic growth agenda that benefits everyone and future generations – reiterating the vision our APEC Leaders set twenty years ago in Subic for sustainable growth and equitable development. This year, as we continue to chart a course for the region into the 21<sup>st</sup> century, we pursued this vision through four priorities: Enhancing the Regional Economic Integration (REI) Agenda; Fostering Micro, Small and Medium Enterprises' (MSME) Participation in Regional and Global Markets; Investing in Human Capital Development; and Building Sustainable and Resilient Communities.
3. We welcomed the participation of the APEC Business Advisory Council (ABAC), the Association of Southeast Asian Nations (ASEAN), the Pacific Economic Cooperation Council (PECC), the Pacific Islands Forum (PIF), the World Trade Organization (WTO), as well as the APEC Secretariat and APEC Policy Support Unit (PSU).
4. Global economic performance remains modest and uneven overall. We welcome the strengthening economic activity in some economies, but note that global growth has fallen short of our expectations. Economies continue to face headwinds including weak final demand and volatility in financial markets. We acknowledge the Finance Ministers' Statement reaffirming their previous commitments on monetary and exchange rate policies, and on refraining from competitive devaluation and on resisting all forms of protectionism.
5. The Asia-Pacific continues to be the world's most dynamic region and has outperformed most other regions. This positive result flows from our commitment to the Bogor Goals of free and open trade and investment, and our work to achieve regional economic integration which builds our economic foundations on the basis of individual and collective efforts to free and open trade.
6. Now more than ever, we need a comprehensive, strategic, and broad-based approach to confront the challenges and to seize opportunities, founded on the principles of accountability, transparency, openness, and inclusion. Institution building, financial inclusion, environmental protection, disaster risk reduction, and social cohesion will be critical to sustaining inclusive growth. Our innovative, resourceful, and entrepreneurial people compel us to provide them with an enabling environment in which to grow and flourish. Our region's rich natural resources in both land and sea, if managed wisely with due regard for the environment and sustainability, will provide significant means to achieve wealth and economic and job security.

7. We welcome continued efforts to mainstream gender equality in APEC processes and activities and we reaffirm the vital contribution of women to economic development and prosperity in the Asia-Pacific and beyond. Women, as prime movers of inclusive growth, make significant contributions to the economy through their participation in labor markets, inclusive business, international markets, and global value chains (GVCs).
8. We will structure our policies to support strong, sustainable, balanced, innovative, secure, and inclusive growth. We are committed to taking concrete steps and joint actions to foster peace, stability, prosperity, economic growth and development in the region, for a sustainable Asia-Pacific partnership, and to jointly build an open economy in the Asia-Pacific that is based on innovative development, interconnected growth, and shared interest. We commend the substantial work to implement undertakings from previous years.
9. To this end, here in Manila we commit to the following actions:

### **APEC OVERARCHING INITIATIVES**

#### *Support for the Multilateral Trading System*

10. We uphold the commitment to strengthen the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system as embodied in the WTO. Recognizing the significant achievements of the WTO since its establishment twenty years ago and the importance of the 10<sup>th</sup> WTO Ministerial Conference in Nairobi on 15-18 December 2015, we recommend that Leaders issue a separate Statement on Supporting the Multilateral Trading System and the 10<sup>th</sup> WTO Ministerial Conference.

#### *Bogor Goals*

11. We uphold our commitment towards achieving the Bogor Goals by 2020, and note additional initiatives to address vulnerable populations, bridge the development gaps, and alleviate poverty. We reaffirm the importance of APEC's Individual Action Plan (IAP) process, and its continuous improvement through the revised IAP template as a means to track our progress in achieving the Bogor Goals. We look forward to the Second-Term Review in 2016 of economies' progress towards the Bogor Goals.

#### *APEC Strategy for Strengthening Quality Growth*

12. We endorse for Leaders' adoption the APEC Strategy for Strengthening Quality Growth. Building on the 2010 APEC Leaders' Growth Strategy and bearing in mind the commitments in the 2014 APEC Accord on Innovative Development, Economic Reform and Growth, the APEC Strategy for Strengthening Quality Growth strengthens cooperation and capacity building in achieving balanced, inclusive, innovative, secure, and sustainable growth by focusing on key accountability areas: institution building, social cohesion, and environmental impact. We encourage the private sector's participation in developing whole-of-economy, whole-of-society approaches towards ensuring dynamic and quality growth.

#### *Anti-Corruption*

13. Guided by the Santiago Commitment to Fight Corruption and Ensure Transparency, the APEC Course of Action on Fighting Corruption and Ensuring Transparency, the Vladivostok Declaration on Fighting Corruption and Ensuring Transparency and the Beijing Declaration on Fighting Corruption, we reaffirm our strong commitment to fighting corruption and bribery, and promoting international cooperation in the areas of repatriation or extradition of

corrupt officials, asset recovery, criminalization, and prevention of corruption among APEC member economies.

14. We welcome the work of the recently organized APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) to advance pragmatic cooperation in fighting corruption, bribery, money laundering, and illicit trade, as well as in the identification and return of the proceeds of those crimes, where appropriate, and subject to domestic laws and policies.
15. We recognize the need to disrupt the growing convergence of corruption and illicit trade including environmental crimes. We encourage stronger cross-border cooperation and more innovative pathfinding approaches among economies including through public-private partnerships, in order to better combat the harmful effects of the illegal economy and to promote cultures of integrity across borders, markets, and supply chains.
16. We welcome the Cebu Manifesto for the Protection of Anti-Corruption Officials and acknowledge the important role of anti-corruption officials in the detection, investigation, prosecution, and prevention of corrupt activities. We further encourage economies to take all appropriate measures to protect anti-corruption officials at the domestic and international fronts.

*APEC Services Cooperation Framework*

17. Trade in services is growing rapidly, and is projected to outpace our trade in goods not just in value, but in the depth and breadth of economic engagement throughout society. We endorse for Leaders' adoption the APEC Services Cooperation Framework (ASCF) to provide impetus for a deeper understanding of services and the policy and regulatory settings that will best facilitate innovative, productive, and vibrant services sectors. This will equip economies with the right tools to formulate policies appropriate to their needs, recognizing that open, transparent, and competitive services sectors help create jobs, produce quality goods, harness opportunities for businesses, spur economic growth, widen choices for consumers, improve living standards, and alleviate poverty. We support the development of an APEC Services Competitiveness Roadmap in 2016, consistent with the ASCF.

***SUPPORT FOR THE APEC 2015 PRIORITIES***

***Priority 1: Enhancing the Regional Economic Integration Agenda***

*Free Trade Area of the Asia-Pacific (FTAAP)*

18. We commend the progress in the implementation of the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP and welcome its Progress Report. We also commend the launch of the Collective Strategic Study on Issues Related to the Realization of the FTAAP, including the establishment of the task force and core drafting group, the development of the Terms of Reference, Consolidated Work Plan, and Editing Mechanism for final editing of the study. We look forward to Senior Officials' submission of a comprehensive study and accompanying recommendations by the end of 2016. We welcome the summary report of the outcomes of the Seminar on the FTAAP held in August 2015, various workshops under the 2<sup>nd</sup> phase of the Capacity Building Needs Initiative (CBNI) and policy dialogues under the Information Sharing Mechanism for RTAs/FTAs. Noting the recent developments in the free trade agreement (FTA) negotiations in the region, we reaffirm our belief contained in the Pathways to FTAAP that an FTAAP should be pursued as a

comprehensive free trade agreement by developing and building on ongoing regional undertakings.

*Environmental Goods and Services*

19. We recognize the importance of trade-enhancing solutions to address environmental challenges and achieve green growth. We commend the economies that are on track to fulfill the ground-breaking commitment to reduce applied tariffs on the APEC List of 54 Environmental Goods to five percent or less by the end of this year, as agreed by our Leaders in 2012. We urge economies yet to fully implement the commitment to intensify their efforts to meet the deadline. We instruct officials to consolidate all economies' final implementation plans by the end of the year and to publish these plans on the APEC website.
20. We welcome the endorsement of the Environmental Services Action Plan (ESAP) to promote liberalization, facilitation, and cooperation in environmental services. We instruct officials to implement actions under the ESAP. We look forward to the progress in implementation by 2018 for interim review and 2020 for final review.

*Structural Reform*

21. We endorse the Renewed APEC Agenda for Structural Reform (RAASR) as the continuation of APEC's structural reform work program until 2020, which strives to stimulate balanced and sustainable growth and reduce inequality. We commit to accelerate our efforts to address institution building in our economies through structural reform and capacity building focused on economic governance, encouraging unilateral reforms aimed at further improving the services sector, regulatory infrastructure, and competition policy. In endorsing the RAASR, we welcome the APEC PSU report Assessing the APEC New Strategy for Structural Reform (ANSSR) and Advancing the APEC Structural Reform Agenda Beyond 2015 and its recommendations to strengthen APEC's structural reform agenda going forward.
22. We commit to work across the APEC platform, particularly through the Economic Committee (EC), on the RAASR by incorporating the fundamental elements of structural reform, including regulatory reform, strengthening economic and legal infrastructure, competition policy, corporate governance, and public sector management.
23. We commend member economies' contributions to the ongoing Ease of Doing Business (EoDB) initiative and welcome the EC's plans to develop the APEC EoDB Implementation Plan to guide capacity building as we strive to meet a new aspirational target of a 10 percent improvement by 2018.
24. We endorse the 2015 APEC Economic Policy Report on Structural Reform and Innovation, and its recommendations to harness the growth potential that innovation can provide through effective structural reform policies. We look forward to the 2016 APEC Economic Policy Report on Structural Reform and Services, as well as the 2016 Conference on Good Regulatory Practice on the topic of "building high level support for reform".

*Finance*

25. We welcome the launch of the Cebu Action Plan (CAP) under the APEC Finance Ministers' Process (FMP), which works on four pillars: (i) promoting financial integration; (ii) advancing fiscal reforms and transparency; (iii) enhancing financial resiliency; and (iv) accelerating infrastructure development and financing. We recognize that regional financial development and integration in APEC are needed, while balancing other considerations, such as investor protection, market integrity, regulatory conditions, monitoring de-risking, and financial

stability, as these will pave the way for greater intra-regional trade and investment, and facilitate the development of more inclusive financial markets across APEC. We acknowledge that fiscal reforms to improve governance and fiscal transparency can achieve greater inclusiveness and fiscal sustainability, allow for broad participation in the budgeting process, and enhance management of tax expenditures, subsidies, and government liabilities. We value the role of financial resilience to sustainable and inclusive growth. Financial resilience can be boosted through continued macroeconomic cooperation among economies, including the sharing of experiences in macroprudential policy frameworks and resilience to external capital flow volatility. We reiterate that quality infrastructure development and financing is a key priority for the region, given the demands for connectivity across economies and within economies.

26. We recognize that given the varying levels of development and domestic circumstances across APEC economies, the CAP is voluntary and non-binding, and that the initiatives and deliverables in the roadmap are broadly beneficial to APEC as a whole. The CAP continues the progress towards the Bogor Goals of free and open trade and investment, as well as the Kyoto Report on the growth strategy and finance of identifying priorities for future growth in the APEC region and a living document that can be used as a reference for the activities of the FMP. We encourage economies to work together to implement domestically, regionally, and globally applicable CAP initiatives and deliverables to promote intra-regional trade and investments, connectivity, infrastructure development, and MSME and supply chain financing.

#### *Investment Facilitation*

27. We welcome the Investment Facilitation Action Plan (IFAP) priority actions for 2015-2016 and encourage members to take on specific IFAP actions, on a voluntary basis, to support a more predictable and transparent investment climate and strengthen the role of investment as a driver of growth and jobs.

#### *Infrastructure Investment*

28. We welcome the publication of the Guidebook on Public-Private Partnership (PPP) Frameworks in the APEC Region and recognize the value of the report as a reference for APEC economies in developing PPP infrastructure frameworks. We also commit to build on ongoing initiatives outlined in the 2014 and 2015 Finance Ministerial Statements including capacity building, continuing to build on the work and implement initiatives laid out by the PPP Experts Advisory Panel. We likewise support partnerships with international organizations and long-term financing and funding support for PPP projects in the region.

#### *Continuing Work on Services*

29. We welcome continued work to increase the transparency of services trade-related regulations, facilitate services trade and investment, and develop open services markets. We welcome the APEC Virtual Knowledge Center on Services as a knowledge-sharing and collaborative platform which directly contributes to the pursuit of the objectives of the ASCF. We welcome the updated Services Trade Access Requirements (STAR) Database and agree to explore expansion to additional services sectors. We encourage officials to leverage existing services work and indices developed by other international fora in pursuing the ASCF objectives.
30. We welcome the PSU study on APEC Work on Services and Baseline Indicators. We encourage economies to consider the recommendations of the PSU study in the multi-year

implementation of the Action Plan on Statistics on Trade in Services and other areas of APEC's work on services.

31. We welcome the recommendations of the APEC 2015 Public-Private Dialogues (PPDs) on Services and the Regional Conference of Services Coalitions, and encourage further engagement between the public and private sectors to address impediments to and to facilitate services trade growth.
32. We welcome the results of the APEC Symposia on Good Policy and Regulatory Practices for Facilitating Trade and Investment in Mining and Energy Services, and Telecommunication and ICT Services, and look forward to the upcoming Symposium on Good Policy and Regulatory Practices for Facilitating Trade and Investment in Architecture and Engineering Services. We look forward to the publication of an APEC Compendium of good practice in services in 2016, based on the eight symposia organized to date.

*Next Generation Trade and Investment Issues (NGeTI)*

33. We commend the work on manufacturing-related services as a next generation trade and investment issue and welcome the endorsement of the Manufacturing Related Services Action Plan and the case studies undertaken by the PSU this year. We recognize the contributions of the Action Plan to the Bogor Goals and to the vision of the ASCF, with its sector-specific approach. Looking forward to the outcome of the implementation of the Action Plan, we urge economies to take concrete actions under the Key Action Agenda.
34. We also welcome the development of the Work Plan for Advancing Facilitating Digital Trade for Inclusive Growth as a Potential NGeTI and instruct officials to implement the Work Plan's activities including the conduct of Trade Policy Dialogues and independent research by the PSU.

*Transparency and Trade Facilitation*

35. We welcome the launch of the APEC Trade Repository (APECTR) as a one-stop portal for information on trade-related regulations. We instruct officials to ensure its relevance and comprehensiveness in line with our commitment to greater transparency and predictability in trade.

*Global Value Chain Cooperation*

36. We welcome the Progress Report on the APEC Strategic Blueprint for Promoting Global Value Chain (GVC) Development and Cooperation and instruct officials to advance the implementation of the Strategic Blueprint through the initiatives and work plans under the different work streams. We commit to work towards a more focused GVC evolution inclusive of MSMEs to facilitate sustainable, inclusive, and balanced growth in the Asia-Pacific region including through enhancing the resilience of GVCs to various risks such as natural and man-made disasters.
37. We welcome the work to explore actions on improving the investment climate for GVC development through the study and the related public-private dialogues to be conducted in sub-regions in 2016. We instruct officials to advance this work with a view to further facilitating cross-border investment flows in GVCs.
38. We welcome the meetings of the Technical Group on Measurement of APEC Trade in Value Added (TiVA) under Global Value Chains and urge officials to implement the Terms of Reference on the Operational Mechanism and Work Plan of the Technical Group. We

welcome the preparatory work undertaken on the construction of the APEC TiVA Database and anticipate its completion by 2018. We encourage more inputs from members and other stakeholders to the construction of the database. We note that information on MSMEs is crucial to the design of policies and programs aimed at MSME growth and internationalization by fostering the linking and matching of sources of MSME-relevant information.

39. We welcome the results of the trade policy dialogue on how the 2013 APEC Best Practices to Create Jobs and Increase Competitiveness could be applied to other types of localization policies. We instruct officials to continue to identify alternatives to localization policies and develop best practices as a means to foster job creation and increase competitiveness.
40. We reiterate the importance of collaborative efforts to enhance cross-border value chain resilience as an emerging trade and investment issue in the region. We welcome the endorsement of the APEC Guidebook on Resilience of GVCs to Natural Disasters and the capacity building seminar in 2016 for promoting efforts to enhance resilience of GVCs to natural disasters, contributing in particular to improving the investment environment and enhancing MSMEs' participation in GVCs, as well as to disaster risk reduction.
41. In view of the important elements of complementarity in trade and investment in strengthening Regional Value Chains in Asia and Latin America and the Caribbean (LAC), we look forward to the Study on the Enhancement of Integration of Regional Value Chains in Asia and LAC, as well as PPD to be held in 2016.

#### *Supply Chain Connectivity*

42. We note the interim progress report on the Supply Chain Connectivity Framework Action Plan (SCFAP) provided by the PSU and the implementation of the Action Plan in support of our Leaders' APEC-wide target of achieving a 10 percent improvement in supply chain performance as we progress towards a complete final assessment of SCFAP in 2016.
43. We encourage APEC's continued participation in the Capacity Building Plan to Improve Supply Chain Performance (CBPISCP), particularly on pre-arrival processing, expedited shipments, advance rulings, release of goods, and electronic payments. We appreciate the contributions of the APEC Alliance on Supply Chain Connectivity (A2C2) as an advisory group in the implementation of the CBPISCP and look forward to A2C2 continuing this important work.
44. We welcome the progress of pilot projects by volunteer economies to demonstrate the benefits and challenges in using interoperable Global Data Standards (GDS). We look forward to the outcomes of the PSU study on the Application of GDS for Supply Chain Connectivity, which will assess GDS costs and benefits based on the pilot projects and establish a set of policy-based recommendations to promote the wider use of interoperable GDS. We encourage more economies to make use of pilot projects for first-hand experience and capacity building on GDS, and note that the wine pilot has already commenced in November 2015, and other pilots including pharmaceutical products are expected to be launched in 2016.
45. We welcome the launch of the Tianjin Pilot Center of APEC Cooperation Network on Green Supply Chains (GSCNET), and the outcomes of the GSCNET Dialogue held in May. We endorse the Work Plan of the GSCNET and encourage members to establish more Pilot Centers to promote cooperation to this end.

#### *Customs Procedures*

46. We commend the work on customs trade facilitation and secure travel and trade. We welcome the endorsement of the APEC Principles on the Movement of Humanitarian Goods and Equipment during Emergencies and encourage officials to apply them to our continuing efforts to reduce barriers to the movement of goods to disaster areas. We look forward to the progress of work on the Single Window, Advanced Risk Management, Passenger Name Record, and Authorized Economic Operators (AEO). We also look forward to the completion of APEC Best Practices on Authorized Economic Operators in 2016 which will help develop trade facilitation frameworks that allow efficient transport of legitimate cargo processing, in line with World Customs Organization instruments, tools and standards, and will widen the network of AEO mutual recognition arrangements.
47. We commend the work on the Asia-Pacific Model E-Port Network (APMEN) and welcome the establishment of the APMEN Operational Center, the PPD and the second meeting of the Joint Operational Group of APMEN in Shanghai. We endorse the Strategic Framework and the Working Mechanism of APMEN and encourage more economies to join the APMEN.
48. As we harness ICT for cross-border trade, we instruct officials to look into the development of the e-port and single window systems, taking into consideration ICT technology accessibility, economies' levels of development, and the ongoing work in APEC.
49. We welcome the progress achieved by APEC member economies in the area of cross border e-commerce aiming at facilitating its development and the result of the first APEC workshop on customs control over cross border e-commerce.

#### *Rural Development*

50. We welcome the work undertaken in carrying out the 2013 mandate of exploring trade in products which contribute to sustainable and inclusive growth through rural development and poverty alleviation, and task officials to continue work in this area.

#### *Inclusive Business*

51. We welcome the results of the PPD on Investment: Fostering MSME Growth through Inclusive Business and the High-Level Dialogue on Inclusive Business. We instruct officials to undertake more work on understanding inclusive business in major sectors, especially agribusiness, manufacturing, housing, tourism, forestry and fisheries, and its role in sustainable and inclusive growth through sharing of experiences and by collaborating with relevant international organizations.

#### *Strengthening Comprehensive Connectivity*

52. We reaffirm our commitment to the overarching goal of a seamless, comprehensively connected, and integrated Asia-Pacific by implementing the APEC Connectivity Blueprint for 2015-2025. We encourage member economies to undertake specific actions under the pillars of physical, institutional, and people-to-people connectivity. We encourage Senior Officials to implement the agreed Dedicated Arrangement to Monitor, Review, and Evaluate the Implementation of the Blueprint.
53. We commend member economies' efforts to advance infrastructure development including through the APEC Multi-Year Plan on Infrastructure Development and Investment (MYPIDI). We welcome the Reference Guide for Peer Review and Capacity Building on APEC Infrastructure Development and Investment, the progress of the Study on Infrastructure Investment in the APEC Region, and the progress on the Promoting Cruise Visits to Ports in

the APEC Region, and on the Exploration on the Strengthening of Maritime Connectivity initiatives.

54. We also commend economies' initiatives to achieve comprehensive regional connectivity, which is being jointly built through consultation to meet the interests of all. We encourage economies to further implement these initiatives in order to promote policy coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds in the Asia-Pacific region.

#### *Transportation*

55. We commit to accelerate our efforts to enhance productivity through safe, secure, efficient, and sustainable transportation systems, and to promote innovations in the transportation sector as we move towards achieving inclusive mobility and global supply chain resilience, while recognizing the importance of aviation and maritime safety and security.
56. We support the diversification of transport and logistics supply chains in the Asia-Pacific region to enhance APEC's connectivity and economic growth. We recognize that the ITS and Global Navigation Satellite Systems are crucial to create commercial, safe, and secure supply chains.
57. We encourage the Transportation Working Group (TPTWG) to begin working on reducing marine pollution from ships operating in the APEC region through capacity building, aimed at enhancing economies' ability to effectively enforce the MARPOL 73/78.
58. We welcome the work to support the implementation of the APEC Supply-Chain Connectivity Framework Action Plan through projects including: Promoting Regional Economic Integration by Deriving Supply Chain Connectivity Benefits over Cross-Cutting Issues in Transport, Energy, Environment and Human Health; Global Supply Chain Resilience (Phase 3); and International Ship and Port Facility Security (ISPS) Code Implementation Assistance Program (ICIAP). We support the APEC Seven Principles of Supply Chain Resilience and commit to its multi-year implementation.
59. We recognize that an open and liberal international aviation regime and developed international air services are essential to continued economic growth and trade facilitation in the APEC region. We encourage economies to actively continue to pursue the goal of market access liberalization through existing avenues including bilateral and multilateral agreements, for example, the Multilateral Agreement on the Liberalization of International Air Transportation, and the exploration of additional avenues in line with the International Civil Aviation Organization's (ICAO) long-term vision for international air transport liberalization.
60. We also welcome the progress of various initiatives including the development of an APEC Connectivity Map, an APEC Inclusive Mobility Framework, PPP Best Practices, and Quality Transport Vision, and efforts to reduce aviation emissions. We acknowledge the establishment of a task force for an APEC-wide transport card in the TPTWG.

#### *Tourism*

61. We endorse the State of APEC Tourism Report and encourage efforts to achieve the target of 800 million international tourists among APEC economies by 2025 as stated by Tourism Ministers in the 2014 Macao Declaration.

62. We endorse the Tourism Working Group's (TWG) Strategic Plan 2015-2019 to promote competitiveness and regional economic integration through policy alignment and structural reform, and welcome Peru's hosting of the Tourism Ministerial Meeting in 2016.
63. We encourage relevant Working Groups to work closely with the TWG to promote green, sustainable, and inclusive tourism development, increase connectivity, improve travel facilitation, invest in infrastructure to support demand, ensure sustainable use of cultural and environmental assets, and develop a mobile and skilled workforce to propel the growth of travel and tourism in the APEC region.

#### *Travel Facilitation*

64. We note the mid-term assessment of the Travel Facilitation Initiative (TFI) and we instruct officials to consider and implement the necessary recommendations to make the TFI as effective and efficient as possible.
65. We commend the extension of validity of the APEC Business Travel Card (ABTC) from three to a maximum of five years beginning 1 September 2015. We appreciate the efforts of transitional members of the ABTC scheme to become full members.

#### *Internet and Digital Economy*

66. We commit to take a constructive role in promoting the internet and digital economy and strengthening efforts to harness its full potential as an enabler of inclusive economic growth, and encourage secure cross-border flows of information, taking into account the need to bridge the digital divide. We welcome the progress in implementing the APEC Initiative of Cooperation to Promote Internet Economy. We recognize the importance of the APEC Cross-Border Privacy Rule (CBPR) Systems to facilitate trade, and welcome the increased participation of APEC economies in the CBPR System. We note the role of the Ad Hoc Steering Group on the Internet Economy which will promote cooperation and facilitate technological and policy exchanges, and look forward to its stock-take of APEC initiatives on cross-cutting internet and digital economy issues.

#### *Telecommunications and Information*

67. We welcome the increased collaboration by the Telecommunication and Information Working Group (TELWG) with other APEC fora, including coordination with the Emergency Preparedness Working Group (EPWG) on disaster preparedness, response, and recovery through the development of ICTs and appropriate systems; with the Ad Hoc Steering Group on the Internet Economy and the Electronic-Commerce Steering Group (ECSG) on the benefits of the Internet and Digital Economy; with the Small and Medium Enterprises Working Group (SMEWG) on the promotion of safe, efficient, low-cost, and inclusive internet financial services for MSMEs; and with the Policy Partnership on Women and the Economy (PPWE) on facilitating women's livelihood development and resilience with ICTs.
68. We encourage the implementation of the TELWG Strategic Action Plan 2016-2020 which promotes online connectivity, and the development of the ECSG strategic plan, which together will help maximize the potential of the internet in unlocking next generation growth across Asia-Pacific. We welcome the efforts of TELWG to cooperate with other fora to ensure a secure and trusted ICT environment, which would foster economic development.

#### *Regulatory Coherence and Cooperation*

69. We welcome the results of the 8<sup>th</sup> Conference on Good Regulatory Practices and its contribution to creating a sound regulatory environment and advancing regulatory coherence

and cooperation. We welcome the update on the 2013 Baseline Study of Good Regulatory Practices in APEC Member Economies and the outcomes of the EC workshop on International Regulatory Cooperation: Cooperation in Action, and encourage economies to continue sharing practical experiences and knowledge about undertaking regulatory cooperation in different ways. We support the theme of building high level support for regulatory reform (including international regulatory cooperation) at next year's Conference on Good Regulatory Practices in Peru.

70. We will continue to implement initiatives on regulatory coherence and cooperation and maximize the role of the internet and information technology to strengthen the implementation of public consultation and other good regulatory practices.
71. Through the APEC Regulatory Cooperation Advancement Mechanism (ARCAM) on Trade-related Standards and Technical Regulations, we note the endorsement of the Principles for Government's Role in Promoting Effective Advertising Standards and instruct officials to advance work in this area in 2016, and encourage continued discussions on implementation of the APEC Action Agenda on Advertising Standards and Practices and other relevant issues that may be identified.

#### *Intellectual Property*

72. We recognize the importance of promoting the protection and enforcement of an effective, comprehensive, and balanced intellectual property (IP) system to incentivize creativity and create an enabling environment for innovation. We recognize that MSMEs can leverage their IP assets such as brands and trademarks for growth and expansion to assist MSMEs develop competitive and global brands. We welcome the report on Trade Secrets Protection and Enforcement in APEC Economies and acknowledge that trade secrets protections are useful in helping MSMEs go global and we welcome further work on this issue. We welcome the progress towards developing the APEC Best Practices in Trade Secrets Protection and Enforcement and encourage officials to continue the work and to complete it on the basis of consensus at the earliest possible time. We agree to foster cooperation in intellectual property rights promotion, protection and enforcement, and enhance MSMEs' capacity for IP commercialization, IP marketing, and reduction of innovation risks in IP management.
73. We recognize the need to support quality research activities of academic and research institutions particularly in the areas of innovation and technological advancements and to promote their resulting IP assets towards adoption and utilization.

#### *Standards and Conformance*

74. We note the work of the Wine Regulatory Forum, under the Sub-Committee on Standards and Conformance (SCSC), on the model wine export certificate as a means to streamline export certificate requirements. We instruct officials to explore other areas where similar trade facilitative initiatives may be applied.

#### *Food Safety Cooperation*

75. We commend the efforts of the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) to promote regulatory frameworks harmonized with science-based international standards, improve food safety, and ensure predictability and transparency in agri-food trade and the role it can play in building capacity and confidence, ultimately reducing non-tariff barriers (NTBs.) We look forward to the outcomes of the APEC FSCF's continued work on regulatory convergence through continuation of work in the areas of export certificates and pesticide maximum residue limits as part of the APEC Regulatory

Cooperation Plan. We note the successful completion of the FSCF PTIN capacity building activities in food inspections systems, laboratories and proficiency testing, aquaculture, antimicrobial resistance control strategies, and updates on domestic food safety standards. We commend the outcomes achieved through the FSCF PTIN Roundtable on Effective Industry/Regulator Cooperation and affirm the roundtable's emphasis on the critical role stakeholders play in developing food safety regulation.

76. We welcome the establishment of centers of excellence for biomedical regulatory sciences in the region and look forward to strengthening our ability to reach regulatory convergence for medical product approval procedures among others by 2020.

#### *Industry Dialogues*

77. We welcome the adoption of the Roadmap for Electric Vehicles to facilitate the adoption and implementation of international standards for electric vehicles, and we encourage officials to continue work on this issue in 2016.
78. We welcome the research undertaken by the Chemical Dialogue to better understand divergences in the implementation of the Globally Harmonized System for Classification and Labeling of Chemicals (GHS) and look forward to a report from the Chemical Dialogue in 2016 on the implementation of measures to reduce these divergences. We welcome the work of the APEC regulatory community to strengthen capacity in the scientific assessment of metals and metal compounds, as well as the work of the Chemical Dialogue with EC on Good Regulatory Practices.

#### ***Priority 2: Fostering Micro, Small and Medium Enterprises (MSMEs)' Participation in Regional and Global Markets***

79. We support the Boracay Action Agenda to Globalize MSMEs and welcome its Implementation Plan which demonstrates our firm commitment to pursue actions that are practical and important for MSMEs' participation in global trade. We instruct officials to identify areas of convergence across relevant APEC fora and work with ABAC on the complementarity of projects and efficient use of resources in implementing MSME initiatives.
80. We welcome the collaboration between the SCSC and SMEWG on standards and conformance as key to enhancing the competitiveness of MSMEs. We look forward to the development of a workplan to address standards and conformance issues faced by MSMEs.
81. We uphold our commitment to a fair and accountable competition policy regime to facilitate inclusive growth and provide a predictable business environment, particularly for MSMEs, consistent with the principles of good regulatory practices approved by the APEC Ministers in 2014.
82. We remain committed to realizing the full potential of women as economic actors in the global economy and encourage the promotion of women's entrepreneurship as vital to sustainable and inclusive growth. We shall continue to support women-owned MSMEs to strengthen their competitiveness and ability to participate in local and global value chains.

#### *MSMEs in Global Supply and Value Chains*

83. We welcome the work on SMEs' Participation in GVCs to implement the APEC Strategic Blueprint on GVC Development and Cooperation. We note the progress reports on the five major industries: information technology and electronics, automotive, textiles, healthcare products, and agribusiness. We instruct officials to continue cross-fora and industry consultations and networking activities in developing practical initiatives that will integrate MSMEs in GVCs. We welcome continued efforts in strengthening and developing the APEC Accelerator Network through early investment.

84. We welcome the results of the GVC MSME Automotive Sector survey which identified non-tariff measures that continue to challenge MSMEs' participation in the automotive sector GVC. We will address these challenges through better policies and targeted capacity building.
85. We welcome the APEC Iloilo Initiative: Growing Global SMEs for Inclusive Development, a guiding framework for integrating SMEs into international trade and GVCs. We welcome the APEC MSME Marketplace as a tool to promote cooperation and linkage across MSMEs and other stakeholders. We look forward to the development in 2016 of SME internationalization indices that would serve as a measurement of the degree of SMEs' integration into GVCs.

*ICT and E-Commerce for MSMEs*

86. We recognize the important role of e-commerce as a vehicle for MSMEs to participate in the global market. We welcome the proposal to Promote E-commerce to Globalize MSMEs, and note the proposal on Enabling Inclusive Growth through the Internet Economy and member economies' efforts to promote Online-to-Offline (O2O) new business models.
87. We welcome the Digital Economy Action Plan for MSMEs and Work Agenda for MSMEs as concrete and practical steps that APEC could undertake to accelerate MSMEs' access to international markets.

*Access to Finance for MSMEs*

88. We recognize the importance of encouraging financial institutions to evaluate the business models and growth potential of individual MSMEs in order to improve access to finance, and of creating a seamless financial environment for MSMEs to enhance access to GVCs. We recognize the role of public finance, such as credit guarantee systems designed for MSMEs' operational continuity. We support efforts for closer collaboration with relevant public and private sector institutions. We welcome the commitment by the private sector and international finance organizations to collaborate with the public sector to promote legal and policy reforms that will help expand financing for MSMEs and support their participation in supply chains. We welcome the collaborative efforts of the World Bank Group, SME Finance Forum, Organization for Economic Cooperation and Development (OECD), ABAC, and interested APEC member economies, in establishing a Financial Infrastructure Development Network under the CAP.

*Resilient MSMEs*

89. We call for greater efforts to promote MSMEs' resilience against unexpected events, disasters, and financial crises in order to improve global supply chain resilience. We welcome the publication of the Business Continuity Planning Guidebook in seven languages and the APEC SME Disaster Resilient Policy Framework.
90. We welcome the progress of the APEC Business Ethics for SME Initiative in addressing unethical practices in sectors of export interest to MSMEs, doubling the number of medical devices and biopharmaceutical industry association codes of ethics from 33 in 2012 to 66 in 2015. We welcome the APEC Guide to Implement Multi-Stakeholder Ethical Collaborations in these sectors and encourage member economies to advance the goals of the Nanjing Declaration to Promote Ethical Business Environments through 2020.

***Priority 3: Investing in Human Capital Development***

91. We recognize human capital development as an essential measure to achieve and sustain economic growth, especially through the services sector. We commit to follow through on the goals of the APEC's work programs in line with this priority area.

*Human Resource Development and Skills Training*

92. We commit to the goals of the Port Moresby Joint Statement on the 2015 High-Level Policy Dialogue on Human Capacity Building to enhance strategic cooperation in human capital development geared towards developing 21<sup>st</sup> century skills that are aligned with global education and training best practices, and that increase people's employability, productivity, and ability to respond to emerging business demands.
93. We welcome efforts to advance human resource development competitiveness in the region, to facilitate the mobility of skilled labor, and to ensure the quality of skills and competencies that meet the supply chain demands of the region. We commit to promote projects such as the APEC Labor Market Portal, APEC Occupational Standards Referencing Framework, APEC Skills Development Capacity Building Alliance, APEC Vocational Training Project in Cooperation with Enterprises, and efforts to ensure quality of training.
94. We support the APEC Human Resource Development Working Group (HRDWG) 2015-2018 Action Plan and its initiatives directed towards vulnerable and disadvantaged groups in society, such as persons with disabilities, women and youth, as well as mobile workers. We welcome the outcomes of the APEC Seminar on Facilitating Human Resource Mobility by Enhancing Social Protection, which recognizes the contributions of global workers to economic growth. We call on the APEC HRDWG to identify policy priorities concerning global workers and address gaps in enhancing their social protection.
95. We recognize that the success of a safe, secure, effective and seamless transport system in the APEC region depends largely on the competence of human resources. Therefore, we encourage economies to put more effort into collaborating on developing joint personnel training on smart and green supply chain connectivity.

*Education*

96. We endorse the Joint Statement of the 1<sup>st</sup> High-Level Policy Dialogue on Science and Technology in Higher Education aimed at advancing cross-border education, inter-university collaboration on science and technology, and the international mobility of academics, researchers, and students as drivers of technological advancements, innovation, and economic growth. We commit to strengthen efforts that put science, technology, and innovation as well as higher education at the forefront of economic policy-making and strategic planning, following the mandate of the APEC 2012 Leaders' Declaration on Promoting Cross-Border Education Cooperation.
97. We welcome the results of the 4<sup>th</sup> APEC Conference on Cooperation in Higher Education in Vladivostok, which met under the theme Human Capital Development for Inclusive Economic Growth to explore human resource development, to enhance the link between human capacity building and employment needs through effective mechanisms for cross-border education and collaboration between universities and businesses across APEC.
98. We welcome the preparations for the 2016 APEC Education Ministerial Meeting (AEMM), to advance our work on cross-border education, Science, Technology, Engineering, and Mathematics (STEM) education, educational innovation, work-integrated learning, qualifications frameworks, among others. The 6<sup>th</sup> AEMM will be co-chaired by Peru, as host, and Russia and organized in coordination with the HRDWG and its networks (Education Network (EDNET), Labor and Social Protection Network (LSPN), and Capacity Building Network (CBN)).
99. We welcome the early realization of our 2020 target of 1 million intra-APEC university-level students per year. We will further support the enhancement of mobility of students,

researchers, and education providers, including economies' contributions to the APEC Scholarship Initiative. We welcome the establishment of the APEC Higher Education Research Center and its initiatives and activities that strengthen higher education exchange and cooperation in the Asia-Pacific region. We support efforts for economies to cooperate on education best practices such as through the development of APEC Education Cooperation strategies, based on the report of the Education Cooperation Project to be submitted to the 6<sup>th</sup> AEMM. We reaffirm our Leaders' commitment to promote cross-border education cooperation and encourage economies to update and advance the APEC Workplan on Promoting Cross-Border Education Cooperation.

*Science & Technology*

100. We endorse the Policy Partnership of Science, Technology and Innovation (PPSTI) Policy Statement on the development of common approaches to STI policies that encourage joint R&D and STI activities, advise APEC policy-making, and support commercialization and popularization of research and market-based innovations through policy translation.
101. We welcome the continuous efforts to stimulate health science innovation through the APEC Bio-Medical Technology Commercialization Training Centers.
102. We note the importance of science in disaster risk reduction and welcome the recent discussion of the Chief Science Advisors and Equivalent (CSAE) Meeting on how the provision of science advice before, during and after emergencies can contribute to risk reduction and effective disaster response. We look forward to the CSAE's continued inputs that support the activities of existing APEC policy partnerships and working groups. The CSAE is well positioned to provide effective science advice in an APEC context, acting as a collective resource within the region, in a manner similar to the roles played in their individual economies.
103. We encourage continued engagement of all stakeholders, including the science community, in finding long-term solutions and integrated approaches to addressing the effects of climate change. We welcome the results of the 2015. APEC Science Prize for Innovation, Research and Education (ASPIRE) with its theme Disaster Risk Reduction: Understanding the Role of Climate Change and Variability which promotes the cross-border scientific collaboration that is critical to solving the region's shared challenges. We welcome the progress of the APEC Internet of Vehicles and APEC Smart City projects, and the APEC Regional Workshop on Measurement Challenges in Renewable Energy and Climate Science.

*Women and the Economy*

104. We endorse the Strategic Plan of the PPWE 2015-2018 to advance women's full and equal economic participation across the APEC work streams, in particular through improved access to capital and assets; access to markets; skills, capacity building, and health; women's leadership, voice, and agency; and innovation and technology. We welcome the revision of the PPWE Terms of Reference which now allows the holding of up to two annual PPWE meetings, if necessary.
105. We welcome initiatives to ensure mainstreaming of gender perspectives in APEC. These include: Women and the Economy Dashboard; Policy Toolkit on Healthy Women, Healthy Economies; Women's Entrepreneurship in APEC (WE-APEC); the 50 Leading Companies for Women in APEC; the Individual Action Plan for the Enhancement of the Ratio of Women's Representation in Leadership; the Multi-Year project on Innovation for Women and Economic Development on women's access to technology and ICT tools; the Good Practices of Women's Entrepreneurship in Local Communities in the Process of Disaster

Reconstruction initiative; Promoting SME development: Assisting Women-led SMEs Access the Global Market; and the Guide on Gender Criteria for APEC Project Proposals.

106. We commend the work of the Women in Transportation Task Force within the TPTWG and the framework for women's inclusion in transportation through education, recruitment, retention, leadership, and safe use and access to transportation systems. We support the use of data collection to track the effectiveness of actions to increase women's inclusion in transportation.
107. We also encourage economies to promote women's representation and leadership in all sectors and encourage fora to share best practices for expanding women's education, recruitment, and retention.

#### *Health*

108. We encourage economies to implement the Roadmap for the Healthy Asia Pacific 2020 which identifies five critical success factors in overcoming health challenges: (a) securing a whole-of-government commitment to health; (b) establishing platforms for policy dialogue and stakeholder engagement; (c) promote prevention, control and awareness in health care; (d) enabling innovation; and (e) enhance intersectoral and cross-border collaboration. We urge economies to develop sustainable and high performing health systems and promote health development and well-being through a holistic approach with a view to achieving Universal Health Coverage as outlined in the statement from the 5<sup>th</sup> High-Level Meeting on Health and the Economy. We recommend convening a cross-fora dialogue in 2016 to discuss innovative ways of ensuring that our workforce remains healthy and competitive. We welcome the launch of the APEC Health Sciences Academy at Peking University.
109. We urge all APEC economies to focus on improving health emergency preparedness, surveillance, and response and recovery systems for public health events. We call on economies to continue to implement the World Health Organization's (WHO) International Health Regulations (2005), where appropriate. We welcome the development of the APEC Working Manual of Health Hotline Responding to Public Health Emergencies, the APEC Healthcare Acquired Infections Policy Guidelines, the APEC Blood Supply Chain 2020 Roadmap, and the establishment of the Blood Supply Chain Partnership Training Network.
110. We recognize addressing mental illness as a priority health need and we affirm our support to the WHO Mental Health Action Plan. We welcome initiatives in APEC to share best practices and promote innovative partnerships to improve access to mental health services such as efforts to establish an interactive digital hub by year's end to promote mental wellness in the region.
111. We call on economies to reduce barriers to trade and investment in the supply chain of healthcare products. We support the establishment of an APEC Regulatory Sciences Center of Excellence (COE) for multi-regional clinical trials to promote global drug development and training on good clinical practices and reach regulatory convergence for medical product approval procedures by 2020.
112. We commit to support one another in building the necessary capacity to effectively prevent, detect, and respond to infectious disease threats. We welcome private sector contributions in some economies to infection prevention and control through initiatives, such as the Global Health Security Agenda (GHSA), including through support packages, such as hand hygiene that will help to accelerate capacity to implement WHO International Health Regulations and programs related to bolstering infection prevention and control, and reducing anti-microbial resistance, provided that such efforts do not duplicate or substitute the WHO and other pertinent universal organizations and international legal instruments in this area.

#### *Persons with Disabilities*

113. We commit to enhance the economic empowerment of persons with disabilities and endeavor to eliminate barriers to their economic participation. We reaffirm their significant role in

economic development as agents and beneficiaries in the process of building inclusive economies and we encourage officials to take measures to promote the value of persons with disabilities as workers, investors and participants in economic development. We commend the work of the APEC Group of Friends on Disability to promote sharing of information, resources, and good practices that will advance the inclusion of persons with disabilities in the economy.

***Priority 4: Building Sustainable and Resilient Communities***

*Climate Change*

114. Bearing in mind that climate change is one of the greatest challenges of our time and its adverse impacts undermine the ability of all economies to achieve sustainable development, we recognize that urgent and concrete action is required to address climate change. We affirm our commitment to cooperate closely toward the adoption of a protocol, another legal instrument or an agreed outcome with legal force applicable to all Parties under the United Nations Framework Convention on Climate Change (UNFCCC) at the 21<sup>st</sup> Conference of Parties (COP21) in Paris to be held in December 2015.
115. We acknowledge the importance of strengthening early warning systems for climate resilient development and adaptation to climate change. We encourage continued engagement of all stakeholders, including the science community, in finding long-term solutions and integrated approaches to adapting to climate change. We support activities of the APEC Climate Center (APCC), including the provision of reliable climate information and development of application techniques by utilizing the most advanced scientific technologies.

*Energy*

116. We encourage efforts to achieve the APEC aspirational target of reducing aggregate energy intensity by 45 percent from 2005 levels by 2035 through collaboration on energy-efficient and low carbon development including efforts to reduce the energy intensity of growing data centers in APEC. We also encourage economies to prioritize clean and renewable energy technologies, taking into account APEC's aspirational goal of doubling the share of renewables in the APEC energy mix, including in power generation, from 2010 levels by 2030.
117. We endorse the Energy Ministers' establishment of an Energy Resilience Task Force to work towards increasing the resiliency of our energy infrastructure to natural disasters and climate change. We welcome the initiative for enhancing the quality of electric power infrastructure in the Asia-Pacific region.
118. We commend the Low Carbon Model Town (LCMT) Project, the APEC Oil and Gas Security Initiative (OGSI), the APEC Regional Liquefied Natural Gas Trade Facilitation Initiative, and the 2015 Annual Energy Smart Communities Initiative (ESCI) Best Practices Awards Program.
119. We appreciate member economies' efforts to create favorable conditions for trade and investments to support a diversified, flexible, and integrated natural gas market in the APEC region.
120. We reaffirm the importance of the safe and efficient development of civil nuclear power as an option to clean, high-quality and advanced modern energy, which functions as a base load

power source, to help ensure global energy security and sustainable development as well as reducing greenhouse gas emissions.

121. We encourage interested member economies to exchange experiences and best practices, pursue practical cooperation, including improving nuclear safety performance and coordinating emergency response and preparedness mechanisms, and conduct capacity building and training for the safe and peaceful development and use of nuclear power, under the precondition of commitment to safety, security, and non-proliferation.
122. We reaffirm Leaders' 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 are committed to making substantive progress toward this goal. We acknowledge Peru and New Zealand for completing Voluntary Peer Reviews on Inefficient Fossil Fuel Subsidies, and welcome the Philippines, Viet Nam, Chinese Taipei and Brunei Darussalam volunteering to participate. We welcome and encourage capacity building activities and sharing of best practices to facilitate progress toward this goal.
123. We look forward to the workshop on improving resiliency of energy infrastructure in off-grid areas within the Asia-Pacific region in 2016.

#### *Disaster Risk Reduction*

124. We endorse the APEC Disaster Risk Reduction (DRR) Framework to facilitate collective work in building adaptive and disaster-resilient economies supporting inclusive and sustainable development in the face of the "new normal" – the increasing frequency, magnitude and scope of natural disasters, and the resultant disruption to the increasingly integrated and interlinked production and supply chains. The APEC DRR Framework will help enable collaboration in the four interoperable and mutually reinforcing pillars, namely: Prevention and Mitigation, Preparedness, Response, and Rehabilitation and Build Back Better. We call for the conduct of regular high level policy dialogues or other higher options for APEC engagements focusing on DRR. We also note the Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030, which recognizes the significant role of regional cooperation in addressing the threat of natural disasters.
125. Consistent with the areas for cooperation identified in the APEC DRR Framework, we emphasize the growing need for cooperation on disaster risk reduction, including through strengthening early warning systems, search and rescue, post-disaster recovery, as well as promoting business continuity planning, initiating the trade recovery communications system, promoting appropriate donations after disasters, and fostering community-based disaster risk management to ensure that communities can economically recover and supply chains can be restored. We commit to craft an action plan through the Senior Disaster Management Officials' Forum (SDMOF) and EPWG, which shall result from cross-fora collaboration and pave the way towards the operationalization of the APEC DRR Framework.

#### *Food Security, Agricultural Technical Cooperation, and Agricultural Biotechnology*

126. We endorse the APEC High-Level Policy Dialogue on Food Security and Blue Economy Plan of Action. We commit to enhance efforts to ensure the security of the region's food supply and sustainable agricultural and water management. We call on member economies to highlight the critical roles of investment and infrastructure development for food access and support economies' efforts to achieve sustainable food security and improved nutrition of low-income groups. We will ensure that all citizens have access to food through the reduction in waste and loss along the food value chain, agribusiness promotion, market development,

and open and fair trade that enables the integration of small scale farmers, fishers, and fish farmers into global food value chains and improves the livelihood of coastal communities.

127. On food loss and waste, we urge the application of sustainable business practices, with particular emphasis on cold chain, supply chain and efficient border practices, to generate win-win outcomes in respect of reducing food loss. We welcome member economies' efforts in implementing the APEC Multi-Year Food Loss Reduction Project.
128. We commit to harnessing scientific innovations that address common challenges for smallholder farmers and we encourage APEC member economies to enhance cooperation in maximizing the benefits of biotechnology for improved resiliency, inclusive growth, sustainable agriculture development, and food security.
129. We advise PPFs to identify and categorize a limited list of the most onerous NTBs, seeking to establish a useful taxonomy to categorize them, analyzing their economic importance, enhancing cooperation on food standards, and to finding practical collaborative solutions to address them.
130. We reaffirm our commitment to transparent, science-based regulations in order to advance science, and reap the benefits of agricultural innovation in the context of global trade.

#### *Ocean Cooperation and Blue Economy*

131. We welcome the Oceans and Fisheries Working Group (OFWG) Food Security Action Plan and welcome efforts to ensure sustainable use and management of marine resources through initiatives such as the joint OFWG/Chemical Dialogue Virtual Working Group on Marine Debris' 2015 Work Plan, the Workshop on the Climate Change Impact on Oceans and Fisheries Resources, the OFWG project related to Coastal Ecosystem Valuation and the project Preparedness, Response and Assessment of Oil Spills in the APEC Region, Phase I.
132. We commend the progress of the Steering Council in Mainstreaming Ocean-related Issues to strengthen our work in addressing cross-cutting issues of ocean cooperation amongst relevant APEC fora. We further encourage Chairs and Lead Shepherds of relevant APEC fora and economies to actively participate in the Steering Council meeting and improve coordination and communication.

#### *Forestry*

133. We welcome the report of assessment of progress towards the aspirational goal on forests in the Sydney Declaration and appreciate the efforts of the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet). We reaffirm APEC's commitment to the aspirational goal to increase forest cover by 20 million hectares of all types of forests by 2020 through sustainable forest management and conservation, and measures to address illegal logging and associated trade as reinforced in the Eda Statement.
134. We endorse the Common Understanding of the Scope of Illegal Logging and Associated Trade, and the Timber Legality Guidance Template developed by the Experts' Group on Illegal Logging and Associated Trade (EGILAT).

#### *Wildlife Trafficking*

135. We remain committed to combating wildlife trafficking in the APEC region and increasing efforts to reduce the supply of, transit in, and demand for illegally taken and/or traded wildlife. We will enhance our efforts to share information, intelligence, experience and best practices,

and strengthen international cooperation. We welcome actions being taken to build capacity to stop this illicit trade, including through cooperative activities such as the APEC Workshop on Wildlife Trafficking-related Customs Best Practices and the APEC Pathfinder Dialogue II.

#### *Mining*

136. We welcome the launch of the mining sub-fund to improve the delivery of capacity building activities in APEC developing economies that improve the enabling environment for trade and investment in mining and the capacity of local businesses, their mining industry and/or regulators. We also welcome the sustained engagement of the Mining Task Force with relevant private stakeholders recognizing their important role as partners through the PPD in Mining.

#### *Urbanization*

137. We welcome efforts in implementing the APEC Cooperation Initiative for Jointly Establishing an Asia-Pacific Urbanization Partnership. We encourage relevant fora and sub-fora, including platforms like the Asia-Pacific Sustainable Energy Center (APSEC), to make contribution to the implementation process. We welcome the outcomes of the first SOM Friends of the Chair on Urbanization, the 2015 APEC City Mayor's Forum: Building Better Cities, and China's initiative to host a high-level forum on urbanization in 2016. We welcome projects to assess and demonstrate technology deployment for urban waste management that also include the recovery of economic worth from solid waste. We welcome the outcome of the PPD on Water during SOM3 and Related Meetings this year.

#### *Counter-Terrorism*

138. We encourage economies to continue to take collective and individual actions and share best practices in the four cross-cutting areas of APEC's Consolidated Counter Terrorism and Secure Trade Strategy in order to safeguard the region's infrastructure, travel, supply chains, and financial systems from terrorism and other illicit activities.
139. We encourage officials to continue updating their Counter-Terrorism Action Plans regularly. We note the outcomes of the APEC Counter-Terrorism Working Group's Workshops on Countering the Financing of Terrorism with the New Payment Systems and the Workshop on Countering Foreign Terrorist Fighter Travel. We support economies' efforts to implement the Advance Passenger Information and Passenger Name Record (API/PNR) programs to secure and facilitate legitimate travel within the region.

### ***STRENGTHENING APEC AS AN INSTITUTION***

140. We endorse the 2015 Senior Officials' Report on APEC's work program and the APEC Committee on Trade and Investment (CTI) Annual Report to Ministers. We note the 2015 Annual Report of the APEC Secretariat Executive Director, and approve the 2016 APEC budget and member contributions.
141. We note the work of the newly-established mechanisms such as the EC Friends of the Chair on Strengthening Economic and Legal Infrastructure, the SOM Friends of the Chair on Urbanization, the Ad Hoc Steering Group on the Internet Economy, the APEC Group of Friends on Disability, APSEC, the APEC Higher Education Research Center, the APEC Education Research Network, and the Asia-Pacific Finance and Development Institute.

142. We commit to implement the 2015 APEC Capacity Building Policy through Economic and Technical Cooperation (ECOTECH) to expand associated human and institutional capacity building initiatives as outlined in the 1996 Manila Framework for Strengthening Economic Cooperation and Development.
143. We welcome capacity building activities which highlight the role of human resources in economic and social development such as those related to capacity building towards the eventual realization of the FTAAP under the second REI Capacity Building Needs Initiative 2015-2017. We note efforts related to the improvement of supply chain performance through projects under the Supply Chain Connectivity Sub-fund. We welcome the establishment of Sub-Funds on FTAAP/Global Value Chain (GVC), on Innovative Development, Economic Reform and Growth (IERG), and on Connectivity. We welcome the voluntary contributions by Australia, China, Hong Kong China, Japan, Korea, New Zealand, Russia, and Chinese Taipei to the APEC fund.
144. We welcome ABAC's contributions to APEC's work and its efforts this year in widening the reach and depth of PPDs on various sectoral and cross-cutting themes in APEC's agenda.
145. We commend the contributions of the APEC PSU and the APEC Study Centers to APEC's work stream. In particular, we commend the PSU's work to support the APEC 2015 Priorities, including the PSU assessment on the 2010 APEC Leaders' Growth Strategy. We encourage economies, especially future APEC hosts, to strengthen this collaboration.
146. We welcome APEC's outreach efforts and encourage our officials to foster APEC's cooperation at all levels and as appropriate with other economic integration institutions envisaged in the Ways to Strengthen APEC's Synergy and Complementarity with Regional and International Cooperation Fora and Processes. We welcome the upcoming informal conversation at the Leaders' level to be conducted with the Pacific Alliance.
147. Recognizing that APEC is a continuing process, we express our appreciation to last year's host China for its efforts to report progress on the implementation of the outcomes of the Beijing APEC Economic Leaders' Meeting (AELM). We urge officials and relevant APEC fora to implement all the programs, action plans, and instructions contained in the APEC 2015 Ministerial Meetings' and High-Level Policy Dialogues' reports and statements.
148. We welcome preparations for APEC 2016 in Peru and we look forward to continuing our important work.

Annex A: APEC Disaster Risk Reduction Framework

Annex B: APEC High-Level Policy Dialogue on Food Security and Blue Economy Plan of Action

Annex C: Progress Report on the Implementation of the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP

Annex D: Progress Report on APEC Strategic Blueprint for Promoting Global Value Chain Development and Cooperation

## Annex A

### APEC Disaster Risk Reduction Framework *APEC Strategy to Building Adaptive and Disaster-Resilient Economies*

#### Context

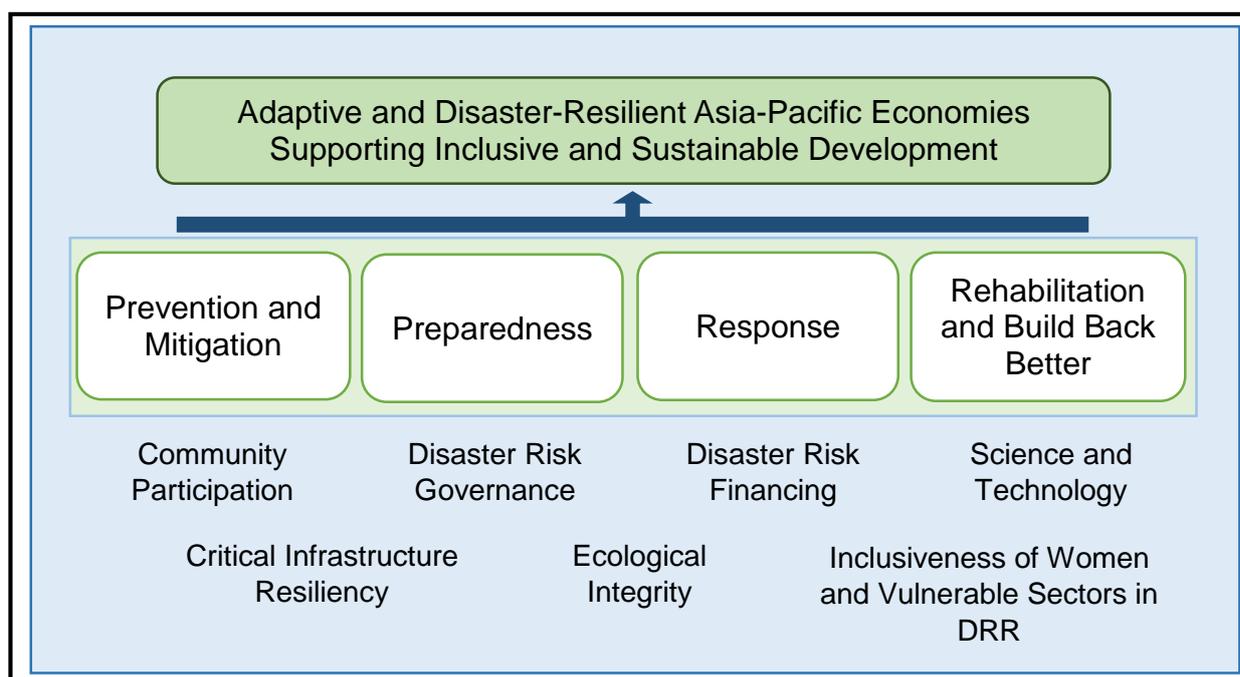
1. The APEC leaders, in their past declarations and statements, have expressed their commitment to address natural disasters, which remains as one of the major challenges confronted in the region (**ANNEX A**). They have consistently recognized the high vulnerability and exposure of the region to disasters due mainly to its geographic situation. Most APEC economies are situated in the Pacific Ring of Fire, where strong earthquakes, tsunamis, and volcanic eruptions pose constant threats. The region has the most active tropical cyclone formation in the world in terms of frequency, including the Category 5 cyclones or super typhoon occurrences per year. These conditions are further exacerbated by climate change. The Asia-Pacific Region is experiencing temperature changes in the Pacific Ocean, resulting in El Niño and La Niña phenomena.
2. We now face a “new normal” that is characterized by at least two phenomena: the increasing frequency, magnitude and scope of natural disasters, and the resultant disruption on the increasingly integrated and interlinked production and supply chains. This “new normal” disrupts the free flow of trade and investments across economies; and presents tremendous challenges and serious threats to the inclusiveness and sustainability of growth and development in the region. As per the World Bank estimate, the APEC economies have incurred disaster-related losses of over \$100 Billion every year for the last ten years.<sup>1</sup>
3. We noted the Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030, which recognizes the significant role of regional cooperation in addressing the threat of the “new normal”. It is now an opportune moment for APEC to develop an APEC-specific Disaster Risk Reduction (DRR) Framework, based on current APEC work and other relevant international arrangements, where appropriate, that focuses on the conditions in APEC economies.

#### Purpose of APEC DRR Framework

4. The APEC Disaster Risk Reduction Framework aims to contribute to adaptive and disaster-resilient Asia-Pacific economies that can support inclusive and sustainable development in the face of disasters and the “new normal”.
5. The core of this Framework is the clear recognition that addressing the impacts of disasters requires holistic, more proactive, multi-stakeholder, multi-sectoral and strategic interventions to make our economies more resilient. Under this Framework, the APEC community can collectively identify and explore areas for enhanced cooperation.
6. This APEC Framework cuts across all areas of the APEC agenda, including agriculture; forestry; fisheries; trade and investments; energy; micro, small, and medium enterprises (MSMEs); infrastructure development; critical infrastructure resiliency; financial resiliency; human capital; health; gender; food security; science and technology; and ecological integrity.

<sup>1</sup> World Bank, Presentation to the APEC Senior Finance Officials’ on “Regional Catastrophe Risk Pooling among APEC Members,” 12 June 2015.

## The APEC Disaster Risk Reduction Framework



### Four Pillars of APEC Disaster Risk Reduction

7. The APEC Disaster Risk Reduction Framework consists of four interoperable and mutually reinforcing pillars, namely: Prevention and Mitigation, Preparedness, Response, and Rehabilitation and Build Back Better. These pillars correspond to the four elements vital for ensuring achievement of the overall aim to have adaptive and disaster-resilient APEC economies (ANNEX B).

### Enabling Environment for APEC DRR

8. The APEC Disaster Risk Reduction Framework should work effectively within an enabling environment anchored on Community Participation, Disaster Risk Governance, Disaster Risk Financing, Innovations on Science and Technology, Critical Infrastructure Resiliency, Ecological Integrity, and Inclusiveness of Women and Vulnerable Sectors (ANNEX C).

### Areas for Collaboration

9. Building on the substantial DRR-related efforts that APEC has carried out over the years and involving all relevant APEC fora, the APEC Framework identifies key areas for collaboration (ANNEX D).
10. The private sector, through the APEC Business Advisory Council (ABAC) and local and regional businesses, plays an essential role in this APEC Framework. Sustainable development highly encourages collaboration between the public and the private sectors in recognition of their shared responsibility towards disaster resiliency. As an example, the continuity of businesses and MSMEs largely depends on the efforts of our private sector partners. Their continued and sustained contribution toward the development of liveable cities and sustainable communities, resilient supply chains, infrastructure connectivity, and energy will help ensure the success of DRR cooperation and its requisite interventions.

### Call to Action

11. Taking into account the Asia Pacific region's vulnerability to natural hazards and the "new normal", there is a need to encourage collective action in ensuring the free flow of trade, investments and tourism across economies. It is further recognized that establishing a common APEC DRR platform among the member economies to supplement and complement other efforts to achieve their goals and targets, will be beneficial to the economies.
12. To translate into action the vision and declarations of our Leaders for DRR collaboration, and to move towards enhancing disaster resiliency in the Asia-Pacific region, the following actions are hereby called for:
  - 12.1. We endorse and recommend the elevation of this Framework to the APEC Leaders, subject to the consideration of the APEC Ministers, to facilitate collective work in building resilient communities in the face of the new normal and to serve as one of the foundations for dynamic and sustainable growth. To achieve this, we call for the conduct of regular high level policy dialogues or other higher options for APEC engagements focusing on DRR.
  - 12.2. We encourage cooperation with other relevant organizations to promote regional efforts in emergency preparedness and disaster risk reduction.
  - 12.3. We encourage efforts to strengthen cooperation in dealing with disasters as embodied in the APEC DRR Framework. In this light, we welcome voluntary joint commitments and/or voluntary multi-party arrangements between economies and partners toward DRR, as deemed suitable and where appropriate, in recognition of the unique context, situation, and nuances in member economies.
  - 12.4. We commit to develop an Action Plan based on current APEC work and other relevant international arrangements, where appropriate, that will serve as the implementation, monitoring and evaluation tool of APEC for the realization of this Framework and contribution to the attainment of our common disaster resiliency goals. Thus, the Action Plan will require identification of a set of targets contextualized at the Asia Pacific region, specifically within the economies perspective. The Plan and targets will also complement but not duplicate the efforts progressed in this area through other international arrangements. The Emergency Preparedness Working Group shall coordinate the development of the Action Plan and be the mechanism that will encourage individual economies to develop specific, measurable, and timed contributions for the attainment of the Action Plan's overall objectives. Consistent with APEC guidelines, the Action Plan will be formulated to include appropriate monitoring and evaluation tools that will help measure the activities implemented.

## **Annex A – APEC Leaders' Past Declarations and Statements**

1. The Asia-Pacific Economic Cooperation (APEC) was established based on a spirit of community among the peoples of the Asia-Pacific region. This spirit of community, which our Leaders enunciated at Blake Island, Seattle in 1993, inspires us to collectively search for solutions to the common challenges that we face. The vision of an APEC community became clearer when our Leaders committed in 1994 in Indonesia to attain the Bogor Goals of free and open trade and investment. Further, at Subic, Philippines in 1996, our Leaders upheld

sustainable growth and equitable development as the ultimate objectives of our individual and collective endeavors. Today, almost 20 years since, APEC faces both a challenge and an opportunity to demonstrate with renewed vigor this spirit of community in finding cooperative solutions to the common objects and pressing threats of the many hazards in the Asia-Pacific region.

2. In 1997, our Leaders acknowledged in Vancouver, Canada the collective impact of disasters on the APEC economies. When a disaster strikes in one APEC economy, the rest of the community is affected.
3. In 2007, our Leaders reiterated in Sydney, Australia their recognition of the region's vulnerability to disasters by highlighting the nexus among economic growth, energy security, and climate change. They committed to bold aspirational targets including reducing energy intensity by at least 25% by 2030 (later increased to 45% by 2035 in 2011) and increasing the forest cover in the region by at least 20 million hectares by 2020.
4. In 2008, our Leaders articulated in Lima, Peru the importance of promoting disaster risk reduction (DRR) through the adoption of the APEC Principles on Disaster Response and Cooperation. They reiterated the need for cooperation on DRR among our economies.
5. In 2009, our Leaders recalled in Singapore the targets set forth in 2007 and committed to enhance work to meet those targets. Further, the ASEAN Agreement on Disaster Management and Emergency Response (AADMER), which all ten member states of ASEAN ratified in 2009, also served as useful and ground-breaking guide in developing effective and comprehensive regional DRR mechanisms.
6. In 2010, our Leaders reiterated in Yokohama, Japan their commitment to take strong and action-oriented measures to address the threat of global climate change. They committed to develop practical disaster risk management mechanisms to strengthen the ability of our economies to manage emergencies and natural disasters.
7. In 2011, our Leaders pledged in Honolulu, Hawaii to involve the private sector and civil society in APEC's emergency preparedness efforts.
8. In 2012, our Leaders expressed in Vladivostok, Russia the support for further steps such as facilitating business continuity and resiliency planning, especially among small and medium enterprises; establishing common standards for emergency early warning systems in cross-border transportation; and promoting integrated disaster risk financing policies.
9. In 2013, our Leaders articulated in Bali, Indonesia the need to undertake urgent actions to prevent the grave economic consequences of natural and human-induced disasters.
10. In 2014, our Leaders agreed in Beijing, China to encourage further enhance cooperation including more robust networking among disaster management agencies, improving supply chain resiliency, reducing barriers to the movement of emergency responders and humanitarian relief across borders, increased data sharing, and the application of science and technology.

## **Annex B – Four Pillars of Disaster Risk Reduction**

1. *Prevention and Mitigation.* This pillar includes the identification and evaluation of existing hazards, vulnerabilities, and exposure of communities and livelihoods. Based on the identified hazards and risk evaluation, proactive structural and non-structural measures need to be identified, evaluated, prioritized, funded and undertaken to mitigate the impact of disasters.
2. *Preparedness.* This pillar pertains to the series of multi-sectoral and multi-level measures that help ensure and enhance the state of readiness of APEC economic systems and communities as the pillar's main goals minimizing damage to infrastructure and property, and enhancing capacity to build back better. Preparedness harnesses regional cooperation to strengthen early warning mechanisms for transboundary hazards in the region such as tsunamis and typhoons.

This pillar focuses on establishing and strengthening the capacities of communities to anticipate, cope, and recover from the negative impacts of disasters. It involves enhancing urban and rural planning using risk and hazard mapping techniques and information, and strengthening critical infrastructure, including social and cultural infrastructure. It involves cooperation between government and businesses to increase the resilience of supply chains. It includes utilizing current and advanced Information and Communications Technologies for comprehensive disaster management system. It also includes the development and promotion of financial tools, such as microinsurance and catastrophic risk insurance, to help protect households, Micro, Small, Medium Enterprises (MSMEs), livelihoods such as agriculture, critical infrastructure, and communities from the financial and economic losses that each disaster brings, and promotion of business continuity planning.

3. *Response.* This pillar focuses on engaging stakeholders of the affected economies in operational interventions immediately after a disaster. It involves the identification and assessment of impacts to the economy and marketplace following the disaster and the implementation of response programs, such as but not limited to the provision and replenishment of lost purchasing power to affected consumers, procurement of relief goods and services from business and people closest to the disaster area, and provision of immediate needs through market-based solutions so that economic recovery is stimulated while immediate relief is provided. It also covers clearing of bottlenecks in supply chain to get emergency goods in and out or businesses back online.
4. *Rehabilitation and Build Back Better.* This pillar aims to enable disaster-affected communities to rehabilitate and build back better by ensuring minimal disruption in livelihood and other economic activities; fast-tracking the rehabilitation of affected economic activities after a disaster; fostering education continuity; rehabilitating affected ecological ecosystem; and improving the overall living conditions of affected and at-risk communities and businesses. The principle of Build Back Better is at the core of APEC's efforts to address the challenges of the new normal. It entails a shift from simple recovery and restoration; to safer, more adaptive, resilient, and inclusive communities. Drawing from recent experiences, the immediate rehabilitation of MSMEs and businesses on the ground proved to be crucial in ensuring faster rehabilitation and moving forward after a disaster. This is where a responsive business continuity plan becomes most important. In this light as well, disaster risk financing plays a critical role because it can help provide easy access to financial resources at a time when MSMEs, businesses, and communities need them most. Immediate access to financing will empower affected communities and enable them to recover and build back better within a shorter duration.

## Annex C – Enabling Environment for Disaster Risk Reduction (DRR)

1. *Community Participation.* DRR interventions are most effective when the affected communities and economic actors are actively engaged in each phase of DRR by improving collaboration between employers and employees and producers and consumers. They should be empowered by providing them with the necessary information to reduce the risk, prepare, cope and recover from disasters and by actively involving them in planning and program design and implementation. Fostering action at the local level should also help ensure the inclusivity and sustainability of DRR.
2. *Disaster Risk Governance.* Disaster risk governance anchored in a whole-of-society and ecosystem-based approach provides the foundation for the effective implementation of a DRR framework. This approach entails streamlining and fostering collaboration and mutual reinforcement across mechanisms and institutions, not only domestically but in the whole Asia-Pacific community. It is important to encourage collaboration between public and private sectors in creating incentives and supporting policies and actions that encourage risk reduction.
3. *Disaster Risk Financing.* Strong financial systems and tools provide a stable backbone for a DRR framework. These systems should help community prevention, mitigation, preparedness, and recovery to disasters by providing access to resources that supports management of impacts on people, the economy, and ecological systems. Disaster risk financing, such as insurance, should incentivize DRR actions and policies.
4. *Innovations in Science and Technology.* Science and technology offer innovative solutions and approaches that are indispensable in responding to the complex challenges of the new normal. Science and Technology can now be used to identify the level of disaster risk which is a consideration for economic investment in infrastructure, production, and distribution by both the public and the private sector. Harnessing scientific and technological innovations through an enabling, science-based policy environment can lead to more timely, accurate, and responsive weather forecasts, hazard mapping, disaster mitigating and resilient technologies, and continuing development of new food technologies as well as developing solutions to changing climate patterns affecting agricultural production, health conditions, and the strength of critical infrastructure and lifelines. Utilizing current and advanced Information and Communications Technologies for the disaster management system will enhance preparedness for natural and human-induced disasters.
5. *Critical Infrastructure Resiliency.* The resiliency of critical infrastructure is vital to ensuring the successful implementation of this DRR framework. Critical infrastructure includes water, energy, transportation, road networks, communication, public health, and financial services. Together, this infrastructure ensures the continuity of supply chains which empower the economies of APEC members.
6. *Ecological Integrity.* Preserving ecological integrity through conscious environmental management, conservation, rehabilitation, and protection is expected to minimize the vulnerability and risks that APEC communities are exposed to in the APEC region. It also helps to ensure the resiliency of communities, which would reduce the potential disruptions caused by disasters.

7. *Inclusiveness of Women and Vulnerable Sectors in DRR.* DRR should take a holistic, proactive, multi-stakeholder, whole-of-society based approach inclusive of the different concerns and perspectives of women, youth, the elderly, persons with disabilities (PWDs) and other sectors. Addressing the needs of women and vulnerable groups in DRR is critical to ensuring resiliency of communities. It is thus imperative that the vulnerabilities, needs, and capacities of women, youth, elderly, PWDs and other vulnerable sectors be assessed to address their specific needs. Platforms for their engagement in planning process, and policy- and decision-making activities should also be established and sustained.

## **Annex D – Areas for Collaboration**

### **1. Prevention and Mitigation**

- a. Utilization of science, technology and research to prepare for, prevent and mitigate disaster impacts;
- b. Promotion of open access to non-sensitive risk and hazard mapping information, which is understandable and easily accessible for households, communities, businesses, and governments to ensure making appropriate decisions;
- c. Identification of vulnerable and hazardous areas, and taking mitigating steps to reduce disaster risks of affected communities.
- d. Conservation of ecosystems, e.g., wetlands, mangroves, dunes, forests, that can provide natural protection to reduce the vulnerability of and risks in APEC communities;
- e. Enhancement and harmonization of infrastructure standards to make them responsive to the increased frequency and impact of disasters and the “new normal”; and
- f. Facilitation of the establishment of appropriate mechanisms and tools to finance investments in prevention, mitigation and risk transfer, in collaboration with the private sector, particularly the capital markets and insurance industry.

## 2. Preparedness

- a. Voluntary sharing of non-sensitive information and best practices to improve early warning systems and development of comprehensive disaster risk management systems utilizing current and advanced science and technology as well as Information and Communications Technologies;
- b. Capacity-building and voluntary technology-transfer to sustain the development, improvement and exchange of important Disaster Risk Reduction (DRR) skills, knowledge, and technologies, as mutually agreed;
- c. Emphasis of government and business cooperation in a whole-of-society approach to preparedness;
- d. Development of financial and enterprise tools that are suitable to the DRR goals and objectives of APEC communities; and
- e. Building resilience of Micro Small Medium Enterprises, livelihoods and businesses against disasters through responsive business continuity plans and microinsurance, among others.

## 3. Response

- a. Establishment, engagement in and promotion of joint and/or collective emergency response policies taking into account recognized international and regional humanitarian response procedures, where appropriate, to reduce barriers to the movement of emergency responders and humanitarian relief across borders;
- b. Utilization of communication mechanisms to expedite the flow of goods after transportation disruptions in order to assist in trade recovery;
- c. Encouragement of appropriate donations after disasters in order to expedite the movement of goods and reduce chokepoints in the supply chain; and
- d. Promotion of market-based response mechanisms/approaches to address impacts to markets and economic systems.

## 4. Rehabilitation and Build Back Better

- a. Mainstreaming of DRR and climate change adaptation into local and economy-level development planning;
- b. Promotion of local level action for long-term and sustained impact of DRR interventions;
- c. Promotion of coherence and mutual reinforcement among local, economy-level, regional, and global DRR policies and programs; and
- d. Ensure gender, age and disability-responsiveness of DRR policies, plans, and programs.

## Annex B

### APEC High Level Policy Dialogue on Food Security and Blue Economy

#### Plan of Action

#### ***Food Security and Blue Economy: Sustainable food supply chains from resilient resources for inclusive growth***

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Acknowledging that the challenges to meet the food demand of the world's rising populations require sustainable food supply chains anchored on resilient resources and coastal communities, sustainable food production, developed markets, and open and fair trade;

Recognizing that the marine resources in the Asia Pacific region are vital to ensuring food security in the region, accounting for two-thirds of the world's capture fishery production, 80 percent of the world's aquaculture production, and where per capita supply of fish is 65 percent higher than the world average;<sup>2</sup>

Confirming that “for the purposes of APEC, the APEC Oceans and Fisheries Working Group views Blue Economy as an approach to advance sustainable management and conservation of ocean and coastal resources and ecosystems and sustainable development, in order to foster economic growth”;

Recognizing the key role of APEC as an important platform for regional economic integration and growth, as well as recognizing discussions and initiatives related to Blue Economy, and efforts to explore its potential by economies, therefore calling for cooperation on Blue Economy in the Asia Pacific region;

Recognizing that insufficient efforts in conservation and management of fishery resources, inter alia, combating illegal, unreported, and unregulated (IUU) fishing, degradation of the coastal ecosystems and marine resources, vulnerability to climate change and disasters pose serious threats to the resilience of these marine resources and the coastal communities dependent on them;

Acknowledging the importance of conservation, protection and sustainable management of habitats, biodiversity, oceans, and fishery resources through Blue Economy and other means for food security;

Noting that fish provides a significant portion of animal protein requirement in the Asia Pacific region, especially in low-income food-deficit economies;

Aware that the Asia Pacific region consumes 70 percent of the world's fish products and where one-fourth of the world's hungry reside<sup>3</sup>;

Acknowledging that aquaculture is one of the fastest growing food producing sectors and is projected to increase to 62 percent of total fishery production by 2030, while catches from wild capture fisheries level off, and demand from an emerging global middle class substantially increases;

<sup>2</sup>AOMM3 Paracas Declaration.

<sup>3</sup>FAO (2009) *The State of Food Insecurity in the World 2009* *in* the Niigata Declaration on APEC Food Security 2010.

Recognizing that development of responsible aquaculture practices can provide continuing benefits for global food security and economic growth;

Stressing the important role of small scale fisheries to food security, nutrition and livelihoods of coastal communities, noting that the sector accounts for one half of the global fish catch and considering that small scale fishing communities are often economically and environmentally vulnerable;

Recognizing that food loss and waste across the supply chain are a major constraint to food security, yet one third of the total world food production is lost or wasted, and that adopting food loss reduction strategies will substantially increase food supply;

Emphasizing that global post harvest fish loss and waste is estimated to be between 20-75%<sup>4</sup>;

Aware that agribusiness offers opportunities for increased income and integration of small scale fishers and fish farmers, cooperatives, associations, and other stakeholders in food supply chains;

Emphasizing that illegal, unreported, and unregulated (IUU) fishing, food fish loss and waste, and limited access to food of the vulnerable and disadvantaged groups are challenges to food security that need more enhanced actions;

Expressing appreciation to the APEC Business Advisory Council (ABAC) for their active participation in the meeting on behalf of the private sector and their valuable perspectives, and reaffirming our commitment to working closely with ABAC to address food security and blue economy;

Recognizing the challenges we are facing on Food Security and Blue Economy, we, APEC High Level Officials responsible for food security and blue economy, therefore,

Reaffirm the commitments made on food security in the Niigata Declaration on APEC Food Security (2010), Kazan Declaration on APEC Food Security (2012), Beijing Declaration on APEC Food Security (2014), APEC Food Security Road Map Towards 2020 (2014), as well as the commitments relating to oceans and fisheries such as the Seoul Oceans Declaration (2002), the Bali Plan of Action (2005), the Paracas Declaration and its Action Agenda (2010), and the Xiamen Declaration (2014);

Recognize the importance of strengthened joint collaboration between the Oceans and Fisheries Working Group (OFWG) and the Policy Partnership on Food Security (PPFS) and other relevant fora in advancing the Plan of Action through existing mechanisms such as joint projects as well as through promoting synergies in their respective strategic plans;

Encourage APEC economies to implement the following Plan of Action within their economies, building upon previous APEC commitments:

## **PLAN OF ACTION**

<b>Recommended Actions</b>
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<sup>4</sup>FAO (2014) *State of the World Fisheries and Aquaculture 2014*.

**Priority 1: Resilient Ocean and Coastal Resources and Ecosystems, Coastal Communities and Sustainable Aquaculture.**

Advancing sustainable management and conservation of oceans and coastal resources and sustainable aquaculture to ensure a resilient food supply, including conserving, protecting and sustainably managing resources and their ecosystems, and reducing their vulnerability to climate change and disasters.

- 1.1 Strengthen local, regional and international capacities and collaboration to sustainably conserve and manage fishery resources, including, to combat IUU fishing and enhance economy-level and regional capacity building.
- 1.2 Enhance capacities for and collaboration on research, science and technology application, ecosystem services<sup>5</sup>, conservation, restoration and sustainable development of coastal ecosystems, biodiversity and marine habitats.
- 1.3 Expand on-going efforts to share information on best practices on integrated sustainable management of the coastal and marine environment, including marine protected areas, to contribute substantially to blue economy and fishery biodiversity.
- 1.4 Promote sustainable aquaculture and fisheries practices to achieve blue economy through information sharing, capacity building, sharing of best practice, private sector stakeholders' engagement and increased cooperation on research development and innovation, taking into account ecosystems based approaches.
- 1.5 Encourage innovative farming and processing technologies of edible aquatic plants in the APEC region.
- 1.6 Expand the research and information sharing on diseases found in farmed fish populations for improved fish health.
- 1.7 Increase collaboration, develop integrated strategies, and enhance monitoring and research on preventing, mitigating and adapting to disasters and the impacts of ocean acidification and climate change, including sea level rise and enhanced storm surge on biodiversity, fisheries and aquaculture to reduce vulnerability.
- 1.8 Expand efforts on preventing and mitigating pollution, responsible waste management, and the loss or illegal discarding of fishing gear, to reduce land based and marine pollution and marine debris.
- 1.9 Promote innovative waste management solutions to prevent marine debris, and promote participation in the APEC Virtual Working Group on Marine Debris.
- 1.10 Conduct capacity building and share best practices on Blue Economy as an approach to advance sustainable management and conservation of oceans and coastal resources to foster economic growth, participate in projects and activities of the APEC Marine Sustainable Development Center (Center), and improve the Center's capacity.

**Priority 2: Fish Loss Reduction.** Reducing loss of fish and fish products, in terms of quality and quantity to improve food safety, to add product value and ensure food security.

- 2.1 Expand on-going capacity building programs to advance fish loss reduction strategies and technologies, food safety and quality standards, and value added processing of fishery products and by-products for small scale fishers, small holder farmers, cooperatives and associations, women groups and indigenous communities.

<sup>5</sup>Note: Ecosystem services are the benefits people obtain from ecosystems (MA 2006).

- 2.2 Enhance information systems to promote food safety and quality standards to small fishing communities for awareness and compliance.
- 2.3 Support efforts of the APEC Food Loss Multi-Year Project on sharing best practices, data, and toolkits and strengthen partnerships with the private sector on fish loss reduction strategies in particular to address the need for quality baseline data across relevant APEC sub-fora.
- 2.4 Encourage where appropriate, public private partnerships on investment in storage, transportation, processing, packaging, and related technical innovations and infrastructure improvements.
- 2.5 Enhance further collaboration on fish loss and food loss reduction efforts, including development of an integrated and comprehensive APEC-wide food loss reduction strategy.

**Priority 3: Agribusiness and Blue Economy. Increasing food security and inclusive growth by** promoting agribusiness, market development, and open and fair trade to enable the integration of small scale fishers and fish farmers into global food chains.

- 3.1 Facilitate food trade in fish and aquaculture products while ensuring the sustainability of resources and their related environment.
- 3.2 Enhance capacity on Micro, Small and Medium Enterprises (MSMEs), agribusiness and foster market integration and development of small-scale fishers and smallholder fish farmers, in particular women and indigenous communities into the global fish and fish food chains.
- 3.3 Strengthen public private partnership on improving food safety and efficiency along supply chains.
- 3.4 Enhance OFWG and PPFS and relevant APEC sub-fora collaboration on agribusiness in fishery and aquaculture, market development, cold chain technology, preservation practices of fish and fish products and trade in products of fisheries and aquaculture.
- 3.5 To ensure livelihoods of coastal communities, strengthen and improve capacity building on cold chain management and preservation practices of fish and fish products to small scale fishers, small holder fish farmers, including women, and indigenous communities.
- 3.6 Encourage agribusiness and market development to implement, as appropriate, certification schemes on aquatic products, and supply chain management to ensure sustainable fisheries and aquaculture, aquatic products traceability and food safety.
- 3.7 Expand capacity building on fish seed quality, fish product quality and food safety standards for small scale fishers and small holder fish farmers, in particular women groups.
- 3.8 Promote fish farm clusters through organizing production and marketing groups and cooperatives to enhance the capacity of small-scale holder fish farms to meet quality standards and market access.
- 3.9 Foster cooperation on technology innovation between agribusiness, the science community and private sector industry to improve techniques, product quality and added value for upgrading aquaculture sector.
- 3.10 Facilitate investment and public private partnerships on infrastructure building in fisheries and aquaculture in order to contribute to food security.

## Annex C

### **Progress Report on Implementation of the *Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP***

In 2014, APEC Leaders endorsed the *Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP* and decided to proceed in a comprehensive and systematic manner towards the eventual realization of the FTAAP. APEC Leaders reiterated APEC's expected contribution as an incubator of the FTAAP, and that an eventual FTAAP should achieve more than liberalization so as to be comprehensive, high quality and incorporate and address next generation trade and investment issues (NGeTI), as agreed in 2010 AELM .

In the *Beijing Roadmap* APEC Leaders tasked officials with launching a Collective Strategic Study on Issues Related to the Realization of the FTAAP; enhancing Information Sharing Mechanisms for RTAs/FTAs; advancing CBNI2; and accelerating trade liberalization and facilitation efforts “at the border,” “behind the border”, and “across the border”.

Remarkable progress on the *Beijing Roadmap* has been achieved with joint efforts from all members and stakeholders, which demonstrates APEC willingness and readiness to get things done.

#### ***Collective Strategic Study on Issues Related to the Realization of the FTAAP***

APEC Ministers Responsible for Trade (MRT) endorsed the *Terms of Reference of the Collective Strategic Study on FTAAP (TOR)* at the meeting of MRT in Boracay. The *TOR* stipulates the objectives, reporting responsibilities, research structure, scope of work, key deliverables, concrete timelines, and more importantly, the principal contents of chapters of the Study.

The Collective Strategic Study will build on past work and update a number of existing studies to provide an analysis of potential economic and social benefits and costs of the FTAAP. It will identify trade and investment barriers, as well as challenges that member economies may face in realizing the FTAAP. The Study will include a stocktaking of regional RTAs/FTAs, and an analysis of the various possible pathways towards the eventual FTAAP, including an assessment of the impacts of the “spaghetti bowl” phenomenon.

The Task Force for the Collective Strategic Study, comprising all 21 member economies, delegated initial drafting to the Core Drafting Group (CDG), which will produce a first draft of the Collective Strategic Study by January 15, 2016. The CDG has begun drafting the chapters based upon work plans agreed at SOM3 2015. A mechanism for the final editing will also be agreed upon to facilitate the drafting process and to ensure transparency, objectiveness, consistency and inclusiveness of the Study. All member economies will have opportunities to comment on and contribute to the Study. The final version of the Study and its Executive Summary along with any recommendations will be presented to Leaders in Peru next year.

Throughout the drafting process, the CDG will consult the PSU, ABAC, PECC and APEC Study Centers where appropriate.

With a view to sharing views on essential issues related to the FTAAP, China hosted the *Seminar on Collective Strategic Study on Issues Related to the Realization of the FTAAP* in Cebu in August, 2015. The Seminar brought together the task force, government officials, prominent REI

experts from member economies, ABAC, PSU, PECC, APEC study centers, and academia, to exchange views on the substantial issues to be included in the Collective Strategic Study.

### ***Information Sharing Mechanism for RTAs/FTAs***

The Information Sharing Mechanism for RTAs/FTAs continued to play a major role in enhancing transparency of regional trade arrangements, through its four types of work: i) Enhancing Access to Information on RTAs/FTAs; ii) Sharing and Assessing Information on WTO-plus Elements of RTAs/FTAs; (iii) Holding Annual Dialogues and Reports on RTAs/FTAs; and iv) Reinforcing and Intensifying Use of the WTO RTA Transparency Mechanism.

Australia and the Philippines hosted a Trade Policy Dialogue (TPD) on sharing and assessing information on WTO-plus elements of RTAs/FTAs at CTI2 in Boracay. The TPD explored existing RTAs/FTAs in terms of their implementation and WTO-plus characteristics with a view toward encouraging a high-standard and comprehensive FTAAP.

The Philippines also hosted a SOM-level Dialogue on RTAs/FTAs at SOM3 in Cebu. The dialogue included Senior Officials, negotiators, academics, international organisations and business representatives. In addition, PSU released an annual report on state of regional FTAs/RTAs based on the terms of reference endorsed at CTI3, 2014.

### ***Action Plan Framework of 2<sup>nd</sup> Capacity Building Needs Initiative (CBNI)***

A series of seminar/workshops targeting various FTA chapters has been held since the end of 2014 to address capacity building needs related to FTA negotiation and implementation.

Korea organized the *Seminar on Addressing Non-Tariff Measures (NTM) in Asia Pacific Economic Integration* in Seoul in December 2014, where APEC initiatives on addressing NTM and the status quo were discussed.

In December, 2014, Viet Nam hosted the *APEC Capacity Building Workshop on FTA Negotiation Skills on Intellectual Property (IP)* in Da Nang. The workshop provided an update on FTA negotiations regarding IP issues; sharing best practices and experiences in preparing for negotiations; and protecting IPRs.

In September 2015, Korea hosted a workshop on *Dealing with a New Trade Landscape: Complexities of Rules of Origin (RoO) and Logistical Challenges of Trade Facilitation* in Seoul. The workshop discussed the key characteristics and the challenges of RoO in FTAs and explored their impact on trade negotiations, including dispute settlement mechanisms. Presenters also summarized key provisions of the TFA and its implication for FTAs.

In terms of future activities, some members have proposed to hold capacity building workshops on investment, services, TBT, transparency, and environment in 2016.

### ***Trade Liberalization and Facilitation Efforts***

Members intensified collaboration on advancing trade liberalization and facilitation efforts, notably in the area of next generation trade and investment issues (NGeTI) that have been identified in the last few years, including: Facilitating Global Supply Chains; Enhancing SMEs Participation in Global Production Chains; Promoting Effective, Non-Discriminatory, and

Market-Driven Innovation Policies; Transparency in RTAs/FTAs; and, Manufacturing-Related Services. CTI continues to explore potential NGeTI, including facilitating digital trade for inclusive growth.

***Newly-established Funding Source***

A new sub-fund on FTAAP & GVC under the APEC Support Fund (ASF) was established with a contribution of 3 million USD during the next 5 years from China, with a view to providing financial support for the implementation of *Beijing Roadmap*.

**Annex D**

**Progress Report on Implementation of the APEC Strategic  
Blueprint for Promoting Global Value Chains  
Development and Cooperation**

In 2014, APEC Leaders endorsed the *APEC Strategic Blueprint for Promoting Global Value Chains (GVCs) Development and Cooperation* and decided to realize efficient and workable GVCs within and between each of APEC economies. GVCs, as a dominant feature of the global economy, would offer new prospects for growth, competitiveness and job creation for APEC economies at all levels of development. Meanwhile, given the diverse needs and situations of APEC economies participating in global trade networks today, APEC Leaders recognized that an overall policy direction guiding improved cooperation and a more focused GVC evolution is essential to facilitating sustainable, inclusive and balanced growth in the Asia-Pacific region. In this context, APEC Leaders set up principles and 10 work streams for future GVCs undertakings.

So far, APEC members have been intensifying their work in an effective and cooperative manner with remarkable progress as follows.

**1. Addressing trade and investment issues that impact GVCs.** (led by the US)

APEC put forward the proposal on *Addressing Barriers to Trade and Investment in the Context of Global Value Chains: Increasing Transparency of Measures Affecting Exports* and got approval at SOM3. It aims to raise the awareness on the significance of increasing transparency on trade measures; explore the scope of export restriction measures; and support the Philippines efforts to establish an APEC Trade Repository (APEC TR) among APEC members. The proposal defines quite a few further actions to be taken.

APEC held a trade policy dialogue on how “APEC Best Practices to Create Jobs and Increase Competitiveness” could also be applied to other types of localization policies in August. The next steps and timelines set forth in the summary, including additional trade policy dialogues and activities in 2016, were agreed by CTI. In addition, an exhaustive list of ongoing and pending cross-fora initiatives is under compilation. Member economies have been requested to fill out a template listing their projects so as to create one list within a “living document” that may be updated as agreed, under the guidance of the FoTC Group on GVCs.

**2. APEC GVCs and TiVA Measurement** ( co-led by China and the US)

APEC Leaders endorsed *the Strategic Framework on Measurement of APEC Trade in Value Added (TiVA) under GVCs* and its *Action Plan*. APEC has been carrying forward the work with an aim to the establishment of APEC TiVA Database by 2018.

Trade Ministers in Boracay endorsed *Terms of Reference* and the *Work Plan, of TiVA*, which built up the operational foundation of the APEC-TiVA work. In ToR, the objectives, tasks, funding, rules and review clauses of the technical group have been elaborated. Furthermore, a questionnaire on SUTs and Extensions has been circulated with 16 feedbacks by the end of July. The extracted results as well as methodologies have been presented and circulated. By now China and the US have finished their own SUTs for other members' reference. Moreover, the Core Expert Working Team has established with the first batch of 11 members, and held twice Technical Group meetings by now.

As for the capacity building programs, China has held a capacity building program by self-funding for APEC member economies from October 22 to November 5, 2015. Twenty-four officials and experts from Chile, Indonesia, Malaysia, Mexico, Peru, the Philippines, Thailand, Viet Nam, and Brunei Darussalam participated in this program.

### **3. Realize the critical role of trade in services within GVCs** (led by Australia)

The Work Plan was endorsed at CTI1, covering: 1) A stocktake of related initiatives; 2) Consideration to better support GVCs and to avoid duplication between initiatives; 3) An action plan of new initiatives.

So far, an initial stocktake of initiatives has been performed, which is expected to be finalized soon. APEC will discuss how these initiatives could be enhanced to better support GVCs and to avoid duplication between initiatives, and will propose new initiatives in this regard.

Australia is implementing a new case studies initiative under this work stream.

The first phase, a joint meeting of the GOS and MAG, was implemented in Cebu, where three economies presented on market-opening services reforms in their respective economies. A TOR was endorsed for the PSU to undertake an independent analysis of four case studies, constituting Phase 2, which may be undertaken in conjunction with the Economic Committee by consensus in 2016.

### **4. Enable developing economies to better participate in GVCs** (co-led by

## Indonesia and China)

The Work Plan was approved at CTI2. And the proposal on *APEC Initiatives on Leveraging GVC contribution to Development* is now in consultation. China is going to raise fund and set up a team for a research program. APEC will work closely with international organizations, such as WTO, OECD, and APEC PSU so as to address problems of developing economies and enable them to better participate into GVCs. The summary report will be submitted to APEC.

### **5. Assist SMEs to benefit from GVCs (led by Korea)**

*The Terms of Reference of Promoting SME's Integration into GVCs* has been endorsed in 2014. The concrete efforts in five major industries under this work stream, including IT/electronics, automotive, textile/apparel, healthcare, and agribusiness, have been made.

As for the IT/electronics, Korea held four rounds of an Industry Forum and a one-day workshop for in-depth discussion on identifying obstacles and strategies for SME's integration into GVCs. With regard to the Automotive, three workshops were conducted by the Philippines and Malaysia, supplemented with a survey, to identify the challenges and impediments for SME automotive parts suppliers' integration into global and regional automotive value chains. Regarding to the Textiles and Apparel, four case studies have been planned to be conducted in due course and a two day workshop will be held in the first quarter of 2016 in Viet Nam. About the healthcare industry, the United States held a one-day forum to discuss the barriers to trade of safe and effective medical products. A study on Policies Affecting Trade in Healthcare Products in APEC has been undertaken as well to identify barriers that affect trade flows in healthcare products in APEC region. In regard to the Agribusiness, Thailand is currently conducting empirical research in livestock (poultry), fisheries (frozen food) and organic rice to identify non-tariff barriers, business environment and capacity building needs for agribusiness SMEs taking part in GVCs. Then Thailand has held a seminar on "The Integration of Thai Agribusiness SMEs into the GVCs".

Building on the outcomes achieved in the five industries, a final policy report and a comprehensive seminar will be undertaken in 2016.

### **6. Improve the investment climate for GVCs development (led by Japan)**

The Work Plan was endorsed at SOM1 covering: 1) Study on the present state of investment climate to explore improving measures and actions. 2) Hold Public Private Dialogues (PPDs) for sharing and exchanging views with relevant private sectors. 3) Develop an Action Plan for effective investment facilitation and encourage efforts of APEC member

economies. The co-sponsors are Australia, Malaysia, Peru, the Philippines, Chinese Taipei and recently joined Vietnam.

*The Study* composed of two steps. First, conduct of a survey to take stock of the present state of investment climate. Second, based on the findings of the survey, explore the measures and actions for further improving investment climate for GVCs development. Both will be conducted by a neutral and expertized study team.

Furthermore, APEC economies were divide into 3 sub-regional groups , and the Study team is envisaged to visit US and Chile (Group 1); Australia, Indonesia and Singapore (Group 2); China and Hong Kong, China (Group 3) to conduct interviews with relevant government authorities and companies that invest in the economies.

With regard to PPDs, as stipulated in the Work Plan, each PPD will be led and coordinated by one of the economies in the sub-regional group (ie, Peru for group 1, Australia will take initiative to hold in Malaysia for Group 2 and Japan for group 3) to incorporate the perspectives from private sectors..

## **7. Adopt effective trade facilitation measures (led by Singapore)**

The Proposal on *Trade Facilitation (TF) in Global Value Chains (GVCs)* was endorsed at CTI2 as a living document. The annual assessments of economies' progress in implementing TF measures will be conducted hopefully, with a focus on those measures in the WTO TF Agreement. A compendium of TF case studies / best practices will be developed. As economies develop the Second Ease of Doing Business (EoDB) Action Plan, APEC will explore ways to improve APEC economies' EoDB indicators through their implementation of TF measures.

A Trade Policy Dialogue (TPD) on Trade Facilitation will be held in Peru in 2016 to discuss best practices to implement TF measures in the WTO TF Agreement. Besides, a workshop on Import and Export will be given in 2016.

## **8. Enhance resiliency of GVCs (led by Japan)**

The key outcomes of the Comprehensive Analysis on Enhanced Resiliency of Cross-Border Value Chains were briefed at CTI1. The Synthesis Report of the series of studies has been released on APEC website The Work Plan on this work-stream was endorsed at CTI1, which envisages new initiatives to make collaborative effort to enhance cross-border value chain resilience, with regard to one or some of the following sub-issues: 1) natural disaster risks, 2) logistics and infrastructure risks, 3) market risks, 4) regulatory risks and 5) political risks. And the proposal *Enhancing Resilience of Global Supply Chains/Value Chains* to

*Natural Disasters* was also endorsed at CTI1. At CTI3, a draft *APEC Guidebook on Resilience of Global Value Chains (GVCs) Against Natural Disasters* was proposed and discussed, and it was endorsed intersessionally..

Preparation for a capacity building seminar is underway on enhancing resilience of supply chain/value chains to natural disasters, which will be an opportunity to exchange best practices of measures enhancing resilience and deepening understanding on the issue, with a view to sharing common directions among policy makers and program managers of APEC economies.

**9. Encourage public-private partnerships for GVCs** (Encouraged to be undertaken in other work streams)

All APEC member economies have made good use of public-private partnerships while advancing the cooperation on GVCs with a view to enhancing trust and shared understanding between private and public sectors. Each work stream has benefited from this new style partnership, which will in return foster further GVC development.

**10. Strengthen collaboration with other stakeholders on GVCs** (led by China)

The work plan was endorsed at CTI1, covering: 1) to review the development and cooperation situation of the stakeholders involved in the APEC GVCs; 2) to identify the effects and problems on the development and cooperation on GVCs of related stakeholders; 3) to make suggestion on technical assistance policy and capacity-building project design according to the research results to advance the development and cooperation on GVCs.

A questionnaire has been circulated to relevant international organizations, such as OECD and WTO. A progress report will be produced based on the information and submitted to CSOM, 2015.

**Newly-established Funding Source**

SOM2 endorsed the proposal to set up three new sub-funds under ASF with a contribution of USD 6.5 million in 5 years from China as the co-lead of the FotC, of which FTAAP & GVC Sub-Fund secures 3 million USD with a view to providing financial support for the implementation on Strategic Blueprint.

## **2015 APEC Energy Ministerial Meeting**

### **Cebu Declaration**

#### **Cebu, Philippines**

1. We, the Energy Ministers of Member Economies of the Asia-Pacific Economic Cooperation (APEC), convened in Cebu, Philippines on October 13, 2015, in support of the theme “Towards an Energy Resilient APEC Community.”
2. Bearing in mind the 2014 Leaders’ commitment made on the APEC Connectivity Blueprint for 2015-2025, we affirm the importance of energy resiliency in promoting energy security and sustainable development and providing access to the people. This includes in particular, the ability and quality of energy infrastructure to withstand extreme natural and man-made disasters, to recover and return to normal conditions in a timely and efficient manner and to build back better.
3. We recognize that the APEC region has become the lynchpin of world economic progress. Our combined growth rate is estimated at 4 percent annually over the past 10 years, one of the more dynamic economic regions in the world. This growth has translated into an annual increase of about 3 percent in energy consumption. We reaffirm that energy remains a critical input for intensifying and sustaining productivity improvements across all sectors in the economy, which supports APEC’s economic development.
4. We reaffirm the importance of promoting energy trade and investment frameworks to regional energy security and to sustainable economic growth. We also reaffirm the importance of competitive and innovative markets in providing the APEC region with commercially viable and sustainable energy resources and clean energy technology solutions.
5. The past decade has been characterized by a series of super typhoons, hurricanes, flash floods, storm surges and droughts, among others, that challenged the robustness and integrity of existing energy systems across Member Economies. The vulnerability of energy infrastructure and associated facilities to natural and man-made disasters may result in economic breakdown or business interruptions thereby compounding the actual cost of damaged infrastructure.
6. We recognize that for developing economies, the costs of rehabilitation and rebuilding can be prohibitive; as recovery efforts could account for a substantial share of the economy’s Gross Domestic Product (GDP). Beyond the cost of reconstruction, we note that a disruption of fuel supply and breakdown in energy infrastructure interdependencies could seriously affect the free flow of goods and services within an economy and within the region itself. Moreover, improving the capacity of the APEC region to respond to emergencies such as disruptions in oil and gas supply is vital, and as such, we reaffirm the continuation of the APEC Oil and Gas Security Initiative (OGSI) which puts forward oil and gas security exercises, network and studies.
7. Consistent with the theme of an energy resilient APEC community we recognize the need to conduct a vulnerability assessment of existing infrastructure and evaluate current

infrastructure standards. We encourage members to improve the robustness of their energy infrastructure and policy, through capacity building, sharing of information, and promoting best-practices as appropriate. Furthermore, we reaffirm that resilience to potential energy supply disruptions can be strengthened through effective, well-targeted market and governance response mechanisms. We also encourage Members to promote energy supply diversity and energy efficiency and to reduce barriers to energy trade and investment in advancing resilience of the energy sector.

8. We recognize the importance of the private sector in meeting the APEC region's future energy demand and infrastructure needs. We encourage Member Economies, in cooperation with the APEC Business Advisory Council (ABAC), to continue to foster and nurture public-private partnerships that will encourage the adoption of appropriate standards for critical energy infrastructure.
9. We welcome the new APEC Initiative for Enhancing the Quality of Electric Power Infrastructure taking into consideration not only resilience to extreme weather events but also lifecycle costs, environmental impact, responsiveness to changing market circumstances and business continuity.
10. We reaffirm the importance of low carbon development to achieve our individual and regional economic aspirations and goals. We commend the significant progress of the APEC Low-Carbon Model Town Project where the concept and the indicators for APEC Low-Carbon Town are being developed. We view environmental sustainability as equally important with economic prosperity, and recognize the important role of the market in providing efficient, cost-effective energy technology solutions and energy resources. The future economic growth of the APEC region will be supported by an appropriate mix of energy resources and power generation technologies that includes both conventional and renewable energy with increasing priority for clean energy sources and enhanced energy efficiency. In this regard, we will build on synergies among the Member Economies aimed at maximizing strengths from each economy thus minimizing costs of policy implementation.
11. In transitioning to a low-carbon economy we will explore the contribution of clean energy technologies and energy efficient initiatives in the transport and power sectors. These may include biofuels, civil nuclear power for interested Member Economies, advanced coal technologies, liquefied natural gas (LNG), solar, wind, and marine energy technologies. We will strive to attain APEC's aspirational goal of doubling the share of renewables in the APEC energy mix, including in power generation, from 2010 levels by 2030. We strongly encourage the acceleration of renewable energy development and deployment toward this end.
12. We reaffirm the importance of safe and efficient development of civil nuclear power as an option to clean, high-quality and advanced modern energy, which functions as a base load power source, to help ensure global energy security and sustainable development as well as reducing greenhouse gas emissions. We encourage interested Member Economies to continue to exchange experiences and best practices, pursue practical cooperation including improving nuclear safety performance and coordinating emergency response and preparedness mechanisms, conduct capacity building and training for the safe and peaceful development and use of nuclear power, under the precondition of commitment to safety, security and non-proliferation.

13. Cognizant that the energy-water nexus is an important aspect of our collective energy resiliency, it is important that we understand the interdependence of these resources, determine vulnerabilities and strengthen our response to anticipated changes exacerbated by climate change. Our energy facilities require a reliable and abundant source of water, which is already in short supply around the world. As we define the appropriate fuel and power generation technology mix that would support the twin goals of economic prosperity and environmental sustainability, we will endeavor ways to understand the complex relationship between energy and water, address challenges, and utilize both resources more efficiently.
14. We reaffirm our commitment towards sustainable energy development in Asia Pacific region through knowledge-sharing and facilitating technology cooperation, demonstration and dissemination. We recognize the progress made by the newly-established APEC Sustainable Energy Center (APSEC) in completing its institution building. We encourage APSEC to continue its work in expanding sustainable city development across the region, cutting-edge clean energy technologies and other programs on energy resiliency. We encourage APEC economies to support the work of this new institution.
15. We will sustain efforts to integrate emerging and cutting edge technologies in our economic and business processes that will significantly improve our energy utilization and optimize the use of existing energy assets and capital investments in the region. The Member Economies, subject to individual circumstances, will continue to explore applicable energy efficient technologies, processes and services and subsequently pursue policies that enable their entry to markets with a vision towards achieving the APEC aspirational target of reducing aggregate energy intensity by 45 percent from 2005 levels by 2035.
16. We believe that APEC continues to be a platform for the exchange of experiences, and information related to technology development, demonstration and deployment. The ultimate goal is the adoption of cost effective, relevant and applicable cutting edge energy technologies that would sustain the development of each Member Economy and the region as a whole.
17. A priority goal in developing a resilient APEC community will be to provide energy access to our people, including in remote communities. We note that clean energy technologies and traditional energy sources, including cleaner use of fossil fuels, are important in addressing energy access challenges. We recognize that significant potential exists to provide energy access to rural communities through the up-take of micro grids, energy storage and their integration with renewable energy resources.
18. We recognize that providing reliable, affordable and secure supplies of energy to remote communities will drive income generation and simultaneously encourage economic growth, sustainable environmental outcomes and new opportunities, such as eco-tourism for our people including women. We also welcome the Workshop on Improving Energy Resiliency in Off-Grid Areas in Member Economies to be organized by the Philippines.
19. We recognize that natural gas, including pipeline and liquefied forms, plays an increasingly important role in the Asia-Pacific region, and as such, we appreciate Member Economies' efforts to create favorable conditions for trade and investment to support a diversified, flexible and integrated natural gas market in the APEC region.

20. In keeping with APEC's goal of inclusive growth, the development of community-based clean energy strategies paves the way towards income generating activities that benefit the marginalized and indigenous communities as well as expand participation of women. We envisage the APEC region to be the home of well-integrated power systems as well as a global model for satellite community-based micro independent grids that promote sustainable and inclusive growth as well as offer equal and gender-fair employment opportunities.
21. Furthermore, and consistent with the APEC 2015 priority to design Micro, Small and Medium Enterprises (MSME)-focused policies, we recognize that reliable access to energy will be integral to the success of the MSMEs to grow and expand, compete, innovate and ultimately create jobs.
22. We reaffirm the APEC Leaders' commitment, and welcome ongoing initiatives of Member Economies, to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption while providing energy access to those in need . We are committed to make substantive progress toward this goal in the medium term. We commend Peru and New Zealand for completing voluntary peer reviews, and the Philippines, Viet Nam, and Chinese Taipei for volunteering to initiate peer reviews. We encourage the exchange of best practices and capacity building efforts to facilitate fossil fuel subsidy reform.
23. We will strive to develop the analytical, technical and operational capacity of our respective labor sectors in preparation for energy technology breakthroughs. We are aware that human capital development should be tempered with policies that provide incentives for retention and advancement of our workers, particularly the women, in the energy sector.
24. As we commit to contribute significantly to the goals and objectives of the 2015 APEC Economic Leaders' Meeting, the key policy directions and priorities of this Declaration are hereby summarized into a concrete set of actions and activities, embodied under the "Instructions of the APEC Energy Ministers."

## **2015 APEC Energy Ministerial Meeting**

### **Instructions from APEC Energy Ministers**

#### **Cebu, Philippines**

We instruct the Energy Working Group (EWG), together with the Asia Pacific Energy Research Centre (APERC), the APEC Sustainable Energy Center (APSEC), the Experts' Group on Clean Fossil Energy (EGCFE), the Experts' Group on Energy Data and Analysis (EGEDA), the Experts' Group on Energy Efficiency and Conservation (EGEE&C), the Experts' Group on New and Renewable Energy (EGNRET) and the Low-Carbon Model Town Task Force (LCMT-TF) to promote and collaborate on initiatives under the theme: "Towards an Energy Resilient APEC Community" and provide progress reports in the next Energy Ministers' Meeting.

Further, we instruct the EWG to create a Task Force on Energy Resiliency to follow up and implement the Ministers' Instructions.

#### **Disaster Proofing Energy Infrastructure**

1. We instruct the EWG to explore the conduct of a vulnerability assessment on energy infrastructure given natural and man-made disasters in the region, in coordination with the Emergency Preparedness Working Group (EPWG) and other relevant APEC fora and international organizations. The vulnerability assessment report shall include, among others, regional geo-hazard maps identifying highly vulnerable regional spots as well as evaluation of best practices that will guide policy and program decisions on the design and location of potential supply chains, interconnections and facilities. The assessment will also determine the costs for the upgrading and retrofitting of energy infrastructure and associated facilities. This will help ensure reliable and sustained production, and conversion and delivery of energy products and services to minimize threats to the region's energy security.
2. We instruct the EWG with the support of APERC, in cooperation with other international and regional organizations to formulate a document of best practices to enhance the quality of electric power infrastructure in the Asia-Pacific region.
3. We instruct the EWG and its related expert groups and centers to undertake research and development programs on energy sector resiliency to disasters and climate change impacts to guide APEC Member Economies to promote effective policies and institutional mechanisms including appropriate monitoring and evaluation systems. We encourage the EWG, with the support of APERC and other organizations such as the International Energy Agency (IEA) to strengthen oil and gas emergency response mechanisms in the APEC region through the APEC Oil and Gas Security Initiative (OGSI). We instruct EWG to work with the Member Economies to improve capacity building in oil and gas emergency responses, including strengthening response systems that suit their own individual circumstances; and to conduct oil and gas security exercises on a voluntary basis.
4. We urge the EWG to assist interested Member Economies: to evaluate energy mix policies, ensure energy system redundancy and mitigate the adverse impact of energy supply disruptions during natural and man-made disasters, to consider the use and applicability of distributed generation and micro grids including greater integration of renewables and expanded energy efficiency, supported by portable and/or mobile power systems as well as energy storage as an adaptive mitigating response to disasters to share information on energy infrastructure technology advancements, technological innovations and best practices. These

would enhance emergency preparedness and response mechanisms to destructive weather and climatic conditions that threaten the integrity of existing energy infrastructures.

5. We recognize the Philippine initiative to conduct a two-day workshop on improving resiliency of energy infrastructure in off-grid areas within the Asia-Pacific region by early 2016. A major output of this workshop will be the publication of the Best Practices to Improve the Climate Change Resiliency of Energy Facilities in Off-Grid Areas, to be presented in the next EMM. We, therefore, encourage Member Economies to continuously update and adopt the Best Practices within the context of their respective economic and environmental conditions, and to share their experiences.

### **Advancing Cutting-Edge Energy Efficiency Technologies**

6. We encourage Member Economies to help ensure equal and gender-fair human resource capacity development. This is part of our endeavour to support the APEC Policy Partnership on Women and the Economy under the 2014 Beijing Declaration towards the integration of gender work in the improvement of education, skills training and jobs generation, analytical and technical capacity leading to a sustainable supply of a home-grown cadre of professionals in the energy sector. These efforts also support APEC Leaders' broader commitments to advance women's economic participation and integrate gender across APEC fora.
7. We instruct the EWG through the EGEE&C in collaboration with appropriate organizations to undertake an analysis of available energy efficient technologies. This will guide Member Economies to pursue the most cost-effective technology for all energy consuming sectors according to their unique circumstances. Evidence-based studies are useful in formulating policies that will facilitate the entry of cutting-edge energy efficient technologies. We instruct the EWG with the support of APERC to complete the research on energy and economic competitiveness by the end of next year. We instruct the LCMT-TF to move the current LCMT Project into the next stage in order to disseminate Low-Carbon Towns in the Asia-Pacific region. We also encourage Member Economies to continuously share best practices of energy-smart related projects under the APEC Energy Smart Community Initiative Knowledge Sharing Platform (ESCI-KSP).
8. We encourage Member Economies to develop minimum energy performance standards in building codes and energy appliances, industrial equipment and smart metering devices. We instruct the EWG to review progress on harmonization of energy standards and regulations and to address barriers to trade, financing and the promotion of greater mobility of goods and services across our borders. We further instruct the EWG to explore potential opportunities for the co-sharing of testing centers in the region.
9. In pursuit of the 2011 APEC Transportation and Energy Ministerial Conference Action Agenda, we instruct the EWG to collaborate with the Transportation Working Group (TPTWG) to cooperate on best practices for strengthening fuel quality and vehicle efficiency standards and explore potential emissions and efficiency standards for vehicles within the APEC region consistent with other international efforts. Furthermore, we instruct the EWG to conduct extensive studies on increasing the share of alternative fuel and electric-drive vehicle technologies in the public transport sector including the potential impact to end-users.

### **Promoting Community-based Clean Energy Use in Energy Poverty Stricken Areas**

10. We instruct EWG to work with APSEC with the assistance of the LCMT-TF to undertake APEC Cooperation Initiative for Jointly Establishing an Asia-Pacific Urbanization Partnership endorsed by APEC Leaders in 2014. Construction of new buildings is an integral component for sustainable cities, and serves as an effective platform to demonstrate and apply cutting-edge technology. In line with this, we encourage Member Economies to explore strategies to drive the shift towards green buildings including zero energy buildings. This will ensure that new construction designs are incorporated in residential, commercial and even industrial structures including concepts and principles embracing energy efficiency particularly in emerging economic growth areas or second-tiered cities.
11. Cognizant that most energy-poverty stricken areas possess potential to be developed as tourist destinations, we instruct the EWG to work with the APEC Tourism Working Group to come up with an energy eco-tourism development framework.

### **Improving Energy Trade and Investment in APEC**

12. We encourage Member Economies to give importance to energy infrastructure planning and development and share information and ideas, including harnessing the potential of regional energy interconnectivity. This will contribute to the APEC goal of achieving open and transparent energy trade and investment markets among Member Economies. In this regard, we reiterate that the EWG continue its collaborative work such as enhancing quality of infrastructure investment and development with the APEC Committee on Trade and Investment (CTI).
13. We instruct the EWG to conduct capacity building activities to facilitate fossil fuel subsidy reform for interested economies, including the conduct of additional peer reviews and the exchange of best practices, to eliminate wasteful consumption and redirect investment toward cleaner energy alternatives and other measures for sustainable growth across the region.
14. We instruct the EWG to explore the role of renewable energy policies and activities for energy markets, including in relation to the APEC aspirational goal of doubling the share of renewable energy, including in power generation, by 2030 from 2010 level.
15. We encourage Member Economies to adopt Public-Private Partnership to strengthen energy infrastructure development and connectivity, such as oil and natural gas pipelines, grid transmission and interconnection highways, LNG facilities, smart grids and distributed energy systems to boost trade and investment among Member Economies. We further instruct the EWG to work with the APEC Business Advisory Council (ABAC) and the SME Working Group in developing a multi-year approach crucial to stimulate energy investments based on shared interest and mutual benefits.
16. To capitalize on the potential of LNG and to respond to the new picture of energy supply and demand, we instruct EWG to strengthen dialogues on establishing a proper, transparent and flexible LNG trading system under the APEC Regional LNG Trade Facilitation Initiative, to jointly pursue common benefits of LNG suppliers and consumers in the region, and to ensure regional energy security.
17. As global concern on the linkages among energy, water and security increases in use, we hereby instruct the EWG to initiate in-depth studies on challenges stemming from the energy-water nexus and ways to mitigate the vulnerabilities by reducing water-stressed activities and

striking a delicate balance for sustaining economic growth with the optimal use of energy and water resources.

18. In order to meet the needs of increasing investment in green economy, we instruct the EWG to implement APEC Green Energy Finance Initiative in support of the financial sustainability of renewable energy and energy efficiency development in the region. We also instruct the EWG to strengthen dialogues and cooperation with related international organizations and multilateral financial institutions on capacity building in financing green energy.

## **The Third APEC Meeting of Ministers Responsible for Forestry**

### **Eda Statement**

October 27-29 2015

Port Moresby, Papua New Guinea

1. We, the Ministers and Senior Officials attending the Third APEC Meeting of Ministers Responsible for Forestry in Port Moresby, Papua New Guinea, on 27 - 29 October 2015:
2. Acknowledging the 2015 APEC theme “Building Inclusive Economies, Building a Better World” and highlighting the importance of sustainable forest management in achieving long term sustainable socio-economic development in the region;
3. Noting the discussions at the Third APEC Meeting of Ministers Responsible for Forestry, on topics related to Building Sustainable and Resilient Communities through focusing on the following key agendas: Supporting Sustainable Forest Management; Forest Conservation and Forest Rehabilitation to Mitigate and to Adapt the Impact of Climate Change; Challenges in Maintaining and Strengthening Efforts to Combat Illegal Logging and Associated Trade, and Private Public Dialogue on Mechanisms, Policies and Best Practices to Attract and Maintain Suitable Investment in the Development of Forests and Forest Resources;
4. Reaffirming the 2010 Yokohama APEC Leaders’ Declaration, in which leaders agreed to enhance work on meeting the 2007 Sydney aspirational goal on forest cover to instruct officials to take concrete steps to achieve it. Leaders also called for enhanced cooperation pertaining to address illegal logging and associated trade, and promote sustainable forest management and rehabilitation;
5. Recalling the 2011 Honolulu APEC Leaders’ Declaration, in which leaders further committed to work to implement appropriate measures to prohibit trade in illegally harvested forest products and undertake additional activities in APEC to combat illegal logging and its associated trade;

6. Recognizing the 2012 Vladivostok APEC Leaders' Declaration, in which leaders committed to strengthen efforts to combat illegal trade in timber and other forest products; to implement measures to ensure sustainable forest ecosystems management; and to facilitate sustainable, open, and fair trade of non-timber forest products;
7. Reaffirming the Cusco Statement of the 2013 APEC Meeting of Ministers Responsible for Forestry to demonstrate our strong commitment to increase forest cover in the APEC region by at least 20 million hectares of all types of forests by 2020;
8. Building upon the Beijing and Cusco Statements of 2011 and 2013 respectively, and considering the work of the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT), and the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet);
9. Recognizing the work of inter-governmental and international organisations and processes in addressing sustainable forest management, combating illegal logging and associated trade, improving forest governance and forest law enforcement, and enhancing trade in legally harvested wood products;
10. Welcoming the recently adopted forest-related goals and targets in the 2030 Agenda for Sustainable Development;
11. Acknowledging the progress the APEC economies have made as documented in the *Assessment of Progress Towards the APEC 2020 Forest Cover Goal* that was prepared by APFNet and FAO;
12. Recognizing the important role that forests play, not only with respect to the livelihoods of people that depend on forests, but also to the broader global community particularly in mitigating and adapting to climate change, we aspire to:

- a. Continue to encourage the implementation of tangible actions to contribute to increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020;
- b. Address common gaps and challenges faced in meeting the forestry goals as announced in the Sydney Leaders' Declaration, Global Objectives on Forests and Sustainable Development Goals;
- c. Encourage APEC economies to share information and best practices through APFNet, and other bilateral and multilateral collaborations to support sustainable forest management, including the promotion of forest cooperation and policy dialogues within or among APEC economies;
- d. Enhance cooperation among APEC economies through the EGILAT to combat illegal logging and associated trade, promote trade in legally harvested forest products, and build capacity, building on EGILAT's development of *the Common Understanding of the Scope of Illegal Logging and Associated Trade* and *the Timber Legality Guidance Template*;
- e. Continue working through the EGILAT to share information and best practices on enforcement efforts and policies that are successful in combating illegal logging and associated trade, and promoting trade in legally harvested forest products;
- f. Share experiences and lessons learned on the implementation of tools and mechanisms in order to advance forest governance in the region;
- g. Recognize the importance of cross-sectoral coordination among agriculture, forestry and other land use sub-sectors to achieve sustainable forest management;
- h. Recognize and encourage policies and mechanisms that promote and enhance fair and transparent investment for the development of the forest sector and trade in legally harvested forest products;

- i. Support and encourage educational programs on sustainable forest management and effective forest law enforcement;
- j. Build the capacity of all stakeholders in the forest sector to contribute to sustainable forest management;
- k. Recognize, support and encourage research and development to optimize the full range of values and benefits of forests; and
- l. Recognize the efforts of the private sector in sustainable forest management and support their efforts through appropriate policy frameworks.

## The 5<sup>th</sup> APEC High Level Meeting on Health and the Economy

### Joint Statement

August 31,  
2015

Cebu City, Republic of the Philippines

### FINAL

Health Ministers of Indonesia, Papua New Guinea, the Philippines, and Chinese Taipei; the Vice Health Minister of Vietnam; the Deputy Finance Minister of the Philippines; the Deputy Science and Technology Minister of Chinese Taipei; senior officials; academic and industry leaders; non-health sectors; representatives of non-governmental and international organizations met in Cebu, Republic of the Philippines on 30-31 August 2015 for the Fifth APEC High Level Meeting on Health and the Economy (HLM5) to discuss the Critical Success Factors (CSFs) that will help APEC member economies achieve the goals set forth in the *“Healthy Asia Pacific 2020 Initiative.”*

The APEC 2015 theme, *“Building Inclusive Economies, Building a Better World”*, underscores the significance of promoting economic cooperation and advancing inclusive growth in the Asia-Pacific region to attain productivity and enhance the quality of life of populations across the region. In this regard, APEC has long recognized the importance of health and life sciences to economic development. APEC recognizes the changing landscape of global health challenges, and the “triple burden”<sup>1</sup> of disease resulting from social, economic, and health threats across the region; notably, 1) the continuing high incidence of infectious diseases, such as influenza, malaria, HIV/AIDS and tuberculosis, and the rapid spread of emerging and re-emerging infectious disease such as Ebola virus disease, Middle East respiratory syndrome coronavirus (MERS-CoV) and dengue fever; 2) an epidemic of non-communicable diseases, including mental health; and 3) rapidly aging populations.

The endorsement during the Fourth APEC High Level Meeting on Health & the Economy (HLM4) of the *“Healthy Asia Pacific 2020 Initiative”* was timely in providing guidance for actions to develop sustainable and high performing health systems to address the social and economic burden of disease. Member economies were encouraged to adopt or adapt, as appropriate to their domestic context, “health in all policies” and holistic approaches, namely “whole-of- government”, “whole-of-society”, and “whole-of-region”<sup>2</sup> approaches.

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<sup>1</sup> Health in APEC, June 2013.

<sup>2</sup> 2014/SOM3/HLM-HE/002

HLM5 agreed that the Roadmap for the “*Healthy Asia Pacific 2020 Initiative*”, developed jointly by the Health Working Group (HWG) and the Life Sciences Innovation Forum (LSIF), cover five Critical Success Factors and relevant Key Actions to ensure that the Initiative is implemented in a meaningful, sustainable, and cost-effective way. Implementation of the Roadmap aims to mitigate threats to the region’s people, trade, and economic security and should be adapted as appropriate by each member economy. Critical Success Factors in the Roadmap are: 1) government commitment to health; 2) platforms for policy dialogue and stakeholder engagement; 3) promoting prevention, control, and awareness; 4) innovation; and, 5) inter-sectoral and cross-border collaboration.<sup>3</sup>

The implementation of “*Healthy Asia Pacific 2020 Initiative*” by member economies will set the region apart globally in terms of the partnerships, collaborations, and innovations adopted to promote and secure better health.

Preparedness, prevention and response to public health emergencies, including disasters and infectious diseases

Improving health emergency preparedness, surveillance, response and recovery systems for public health events, such as disasters and the emergence or re- emergence of infectious diseases, is crucial for the health security of all APEC economies. Recent global and regional experience has demonstrated the need for increased investment in health and improved capacities of health systems in this area.

HLM5 commended the Philippines on its response to recent disasters, such as Tropical Storm Haiyan, and encouraged APEC economies to learn from this experience to enhance their response to disasters.

HLM5 welcomed the focus on combating infectious diseases and encouraged APEC economies to continue to implement the World Health Organization’s International Health Regulations (2005) to establish core capacities for prevention, detection and control of infectious diseases. HLM5 commended Korea’s actions to curb the spread of MERS-CoV and, recommended that the protocols used by Korea be shared with other economies. HLM5 also encouraged greater research collaboration with other countries most impacted by the MERS-CoV threat to better understand and control its spread.

HLM5 encouraged the growth of efficient mechanisms for international collaboration and partnerships to prepare for future health challenges, and welcomed research and development to address these needs. HLM5 welcomed industry initiatives to develop innovative preventive mechanisms, and roll out models, such as the new dengue vaccine. It is also necessary to fulfill the availability and the distribution of a qualified health workforce.

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<sup>3</sup> The Healthy Asia Pacific 2020 Roadma

HLM5 recognized the important role of the health hotline in responding to health emergencies by providing public risk communication and rumors surveillance. HLM5 welcomed the Working Manual of Health Hotline Responding to Public Health Emergencies.

HLM5 observed that the incidence of health care-associated infections and anti- microbial resistance (AMR) continues to rise in the region. HLM5 called for a renewed, comprehensive, multi-sector effort to strengthen the infection control infrastructure through government and institutional-level improvements in core infection prevention knowledge and skills, including hand hygiene compliance among health care workers, antibiotic stewardship, laboratory capacity, and healthcare-associated infections (HAI) surveillance and public reporting. Accordingly, HLM5 welcomed the upcoming APEC - Global Health Security Agenda (GHSA) Policy Forum in Seoul, Korea on 7-8 September 2015.

To ensure sustainable access to safe blood across the APEC region, HLM5 endorsed the APEC Blood Supply Chain 2020 Roadmap and welcomed the establishment of the Blood Supply Chain Partnership Training Network to support the Roadmap's implementation.

### Preventing and Controlling Chronic Disease

The productivity of our work forces, competitiveness of our businesses, and ultimately growth of our economies, are significantly affected by the challenges posed by chronic diseases. To help mitigate the growing cost to the economy from the rise in chronic disease, the HLM5 suggested APEC economies take a multi-sector approach to examine the social, economic, and fiscal effects of chronic disease. In addition, HWG and LSIF are encouraged to collaborate with Senior Finance Officials (SFOM) on a cross-fora policy dialogue on this matter in 2016 to examine the models formed and initial outcomes.

HLM5 also welcomed the commitment of APEC Business Advisory Council (ABAC) to encourage employers to promote voluntary prevention and wellness programs for employees as well as for the communities.

As disease patterns grow increasingly complex in the Asia-Pacific region, new approaches and models are needed for research, development, and commercialization.<sup>4</sup> APEC economies are encouraged to improve and strengthen health systems and economies through inclusive innovation and multi-sector collaboration, and to invest in public-private partnerships with the aim of providing sustainable access to health innovations.

### Increasing Awareness of Mental Health

Mental health is a timely topic of discussion in the region with challenges and successes in the implementation of mental health programs in APEC economies. Mental illness accounts for one-third of all chronic disease burden; hence, it is a key element of socio-economic concern. In this context, HLM5 welcomed the progress of the Task Force on Mental Health in implementing the APEC Roadmap to Promote Mental Wellness in a Healthy Asia-Pacific. HLM5 further encouraged APEC members to complete their Strategic Needs Assessment on Mental Health and looks forward to the establishment of technical working groups in areas identified as of common concern, and the launch of a digital hub as an interactive resource to facilitate the establishment of partnerships to implement the Roadmap.

### Improving Women's Health in the Workplace

HLM5 commended APEC initiatives to secure better participation by women in the economy. HLM5 welcomed the Policy Toolkit on *Healthy Women, Healthy Economies*. This Policy Toolkit includes a set of strategies and practices that may serve as a reference for policymakers, companies, and non-profit organizations seeking to improve female labor force participation through better health. Further, HLM5 urged volunteer economies to join the Philippines to participate in the implementation of model pilot projects and noted that results will be reviewed in 2016.

#### Safe Medicines and the Health Value Chain

HLM5 welcomed the recommendations directed at reducing and eliminating barriers to trade in healthcare products as called for by HLM4 and the Healthy Asia Pacific 2020 initiative. The study conducted on barriers to trade in healthcare products, and subsequent discussions at the SME meeting in June 2015 in Atlanta, showed that, in addition to lowering costs along the supply chain and increasing patient access, SMEs would benefit most from a reduction in these barriers, allowing them to access secure supply chains with their innovative products.

The barriers identified in the study are: 1) lack of common data standards for product verification and serialization; 2) complex regulatory approval procedures;

3) unnecessarily high tariffs; and 4) presence of illegal internet pharmacies. In this regard, HLM5 welcomed the launch of a pilot project testing the efficiency of the use of a common data standard for product verification in the pharmaceutical supply chain and recommended that officials consult on ways of addressing the high tariffs encountered in the supply chain.

HLM5 endorsed work underway in APEC to ensure the quality and integrity of the health value chain and suggest that officials strengthen the capacity in combating substandard/spurious/falsely labelled/falsified and counterfeit (SSFFC) medical products and the use of illegal internet pharmacies in order to improve access to safe, effective and good quality medical products and services.

HLM5 observed that APEC would continue advancing regulatory convergence for medical products by 2020. With this, HLM5 welcomed the progress in 2015 to establish an APEC Regulatory Sciences Center of Excellence (CoE) on multi- regional clinical trials to promote global drug development as well as a training curriculum on good clinical practices. HLM5 noted that a CoE for bio-therapeutics is next in line.

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<sup>4</sup> The Healthy Asia Pacific 2020 Roadmap

#### **RECOMMENDATIONS**

Recognizing the critical role of health in economic development, HLM5 recommends that Ministers and Leaders:

- Endorse the Healthy Asia-Pacific 2020 Roadmap. Implementation of “*Healthy Asia Pacific 2020 Initiative*” will result in sustainable and high performing health systems to promote population health and well-being through their whole life course by means of whole-of-government, whole- of-society and whole-of-region approach to promote the health security, growth and development of Asia-Pacific region.
- Support health’s increasing prominence on APEC’s agenda and the continuation of partnerships and engagement with academia, civil society, and the private sector as well as robust participation of officials responsible for trade, finance, and health policy to ensure that health continues to have a role in promoting economic cooperation and inclusive growth in the region.
- Welcome the upcoming APEC - Global Health Security Agenda (GHSA) Policy Forum to support implementation of the WHO IHR core capacities at the economy level in order to prevent, detect, and respond to global infectious disease threats. Welcome the work underway in this initiative to strengthen the infection control infrastructure through government and institutional-level improvements in core infection prevention knowledge and skills, antibiotic stewardship, hand hygiene, laboratory capacity, and HAI surveillance and public reporting.
- Encourage public-private partnerships to provide sustainable access to health innovations by APEC economies. Encourage research and development and innovative prevention and roll out models to address current and emerging infectious diseases, as exemplified by the development of the new dengue vaccine.
- Endorse the APEC Blood Supply Chain 2020 Roadmap and welcomed the establishment of the Blood Supply Chain Partnership Training Network to support the Roadmap’s implementation.
- Suggest APEC economies take a multi-sector approach to examine the social, economic, and fiscal effects of chronic disease. In addition, HWG and LSIF are encouraged to collaborate with Senior Finance Officials (SFOM) on a cross-fora policy dialogue on this matter in 2016.
- Encourage ABAC to promote voluntary prevention and wellness programs for employees as well as for the communities.
- Encourage APEC members to complete their Strategic Needs Assessment on Mental Health and establish technical working groups in areas identified as of common concern, and welcome the launch of a digital hub as an interactive resource to facilitate the establishment of partnerships to implement the APEC Roadmap to Promote Mental Wellness in a Healthy Asia-Pacific.
- Endorse work underway in APEC to ensure the quality and integrity of the health value chain and suggest that officials strengthen the capacity in combating SSFFC medical products and the use of illegal internet pharmacies in order to improve

access to safe, effective and good quality medical products and services.

## The Healthy Asia Pacific 2020 Roadmap

### **INTRODUCTION: THE HEALTHY ASIA PACIFIC 2020 INITIATIVE**

In the 2014 APEC Leader's Declaration and Joint Ministerial Statement, it is recognized that the prospect of shared prosperity of APEC member economies will depend on innovative development, economic reform, and growth in the region. Inclusive support is seen as essential to maintaining growth while also providing a solid foundation for economic growth and addressing the needs of vulnerable groups.

In this context, the APEC Leaders welcome the "Healthy Asia Pacific 2020" Initiative<sup>1</sup> which was endorsed by the Ministers at the 26<sup>th</sup> Ministerial Meeting in 2014.

The Initiative was formulated by the APEC Health Working Group (HWG) and APEC Life Sciences Innovation Forum (LSIF) and approved by Health Ministers participating in the 4th APEC High-Level Meeting on Health and the Economy (HLM4) in Beijing in August 2014. The Initiative sets forth a new set of health management responses through 2020 that can help mitigate threats to the region's people, trade and economic security.

The Initiative calls on the APEC economies to develop sustainable and high performing health systems by adopting or adapting, as appropriate to their domestic context, "health in all policies" and a holistic approach namely "whole-of-government", "whole-of-society", and "whole-of-region" to achieve people's health and wellbeing throughout the whole life course by 2020. In so doing jurisdictional responsibilities and limits are recognized, as well as other economic and governance factors specific to member economies.

Specifically, the initiative focuses on four key areas:

1. Continuing to advance unfinished health-related Millennium Development Goals (MDGs) in a manner that complements activities of the post-2015 development agenda, including de-stigmatization and equality.
2. Strengthening the prevention and control of non-communicable diseases, including mental illnesses, disabilities, violence and injuries. This includes adopting a holistic and multi-sectoral approach that provides continuous health management and early diagnosis/treatment.
3. Strengthening health systems to support Universal Health Coverage, providing the whole population with access to safe, effective, quality, affordable and sustainable primary health care.
4. Improving health emergency preparedness, surveillance, response and recovery systems for public health emergencies, including pandemic events and natural disasters.

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<sup>1</sup>2014/SOM3/HLM-HE/002

The Roadmap proposes five actions to advance these four key areas:

1. Appropriately encourage multi-sectoral action in health policy development, implementation and evaluation to put “Health in All Policies” and a “Whole-of-Government” approach into practice. This should include encouraging non-health sectors in health policy development and resource setting and to encourage them to prioritize health considerations into their policy making, implementation and evaluation.
2. Adopt a “Whole-of-Society” approach that empowers individuals and communities to participate in health planning, legislation, services delivery, education, training, monitoring, and knowledge dissemination.
3. Encourage public-private partnerships to address health-related issues and encouragement of both public and private stakeholders to play a vital role as responsible employers in advocating healthy lifestyles, prevention and wellness.
4. Encourage research and innovation that adds value to health systems and meet the needs of all APEC member economies, particularly low and middle income economies. Encourage the sharing of innovative knowledge and training in transferring innovative research and technology. Support the translation of research and innovation into practice through including but not limited to innovative health financing channels and mechanisms.
5. Develop the capacity of APEC member economies to address current and emerging health challenges through comprehensive partnership between governments and stakeholders; the expansion of bilateral, regional and sub-regional dialogues between governments, industry, academic and civil society organizations; and through addressing current and emerging public health issues throughout the health value chain, including barriers in the health supply chain that drive up costs and inhibit access to medical products by patients.

Finally, through endorsement of the Roadmap, APEC commits to strengthening dialogue and cooperation among its own working groups, and with other multi-lateral health bodies, to ensure there are joint and coherent efforts in the Asia-Pacific region to promote health development while setting a model for global health governance.

### **THE ROADMAP: CRITICAL SUCCESS FACTORS AND KEY ACTIONS**

The following action items are offered to inform consideration at economy level. They can be adapted and adopted as appropriate within the domestic context of APEC economies.

#### **FACTOR 1: GOVERNMENT COMMITMENT TO HEALTH**

**Achieving the goals of the Healthy Asia Pacific 2020 requires strong government commitment and leadership. This means enhanced government understanding of the value of health to economic growth and development. According to the WHO, health is a precondition for, an outcome of, as well as an effective integrated indicator for measuring progress in sustainable development. Strong government leadership is**

**required to garner support of government institutions, the private sector, and the whole community for improving health and strengthening health systems.**

Evidence shows that economies with governments that make healthcare a key priority have significantly better health outcomes than others. Achieving domestic health goals requires, among other elements, both sufficient sustainable health care financing consistent with rising levels of economic development and allocating health care resources in a targeted and effective way. Even in resource-limited contexts, governments have the ability to make the political commitments necessary to create sustainable, high-performing healthcare systems.

- ACTION 1: Encourage other sectors to build “healthy public policies” to ensure public policies are supportive of health-promoting conditions. Include a health lens (i.e. health related indicators) in measuring the progress of an economy with regard to sustainable development.
- ACTION 2: Conduct research into the impact of disease burdens on the economy as a whole, taking a whole of government approach and including ministries/agencies responsible for economic growth and development.
- ACTION 3: Encourage action to address the current and future fiscal implications of ill health, especially from non-communicable disease and aging and promote the development of diverse sustainable financing options to meet the health care needs of all citizens. This may include an appropriate mix of public and private investment in health care.
- ACTION 4: Encourage patient-centered, evidence-informed, and holistic approaches to healthcare and increase equitable access to efficient quality healthcare services.
- ACTION 5: Strengthen capacity in policymaking, regulation, and implementation with the assistance of APEC member economies, civil society organizations, the private sector, and other development partners.
- ACTION 6: Build adaptive health systems, which are sustainable, provide access to safe, effective and good quality medical products and traditional and complementary medicines backed by sound scientific evidence and a comprehensive regulatory process.
- ACTION 7: Encourage and support the development of a motivated, appropriately-trained workforce.
- ACTION 8: Develop effective, interoperable health information systems; and sound governance structures.

## **FACTOR 2: PLATFORMS FOR POLICY DIALOGUE AND STAKEHOLDER ENGAGEMENT**

**Establishing platforms for policy dialogue and the adoption of open and transparent government processes and ongoing stakeholder engagement, including in healthcare priority-setting and regulatory formulation, is essential to achieve the goals of the Healthy Asia Pacific 2020 Initiative.**

Stakeholder perspectives, including those of patient groups, medical associations, healthcare industry, as well as the general public, are important to ensure the sustainability of evidence-based approaches to decision making. Governments are encouraged to make each step of the stakeholder engagement process transparent and open to the public, in accordance with their domestic and local contexts.

- **ACTION 1:** Develop interagency working groups, as appropriate, to ensure a whole of government approach to health issues that include ministries of labor, health, transportation, economy, and finance, as well as the private sector, patients groups, academics, and other health stakeholders to develop policies and regulations that improve overall access to health care, drawing on international best practices.
- **ACTION 2:** Develop, as appropriate, social accountability mechanisms (e.g., community score cards, social audits, citizen charters, etc.) to strengthen stakeholders' ability to monitor, evaluate, and demand accountability from service providers and insurers.
- **ACTION 3:** Encourage engagement with vulnerable and marginalized populations in health and health-related policy dialogues.
- **ACTION 4:** Leverage the role of APEC in fostering public-private partnerships to inform policy development and optimize resources, while ensuring patient-centered, evidence-informed and holistic approaches to effectively and efficiently increase equitable access to quality healthcare services.
- **ACTION 5:** Communicate the short and long-term benefits of a healthy workforce and encourage local small and medium enterprises and businesses to discuss ways employers can promote health awareness and wellbeing and implement best practices.

## **FACTOR 3: PREVENTION, CONTROL AND AWARENESS**

**To promote a comprehensive approach to prevention, a change in thinking is needed which will stimulate the commitment and actions of patients and families, health care professionals, communities, employers, and policymakers through partnership approaches at all levels.**

Governments have an important role in improving patient awareness of their own health status and risk. Governments can also have an important role in the creation of “healthy environments” through healthy public policies that facilitate behavioral change in populations. Reducing premature mortality and morbidity through increased investment in prevention programs will free up resources that can then be focused on the patients most in need, while relieving the economic burden of such diseases on society as a whole and eventually leading to higher economic growth.

- ACTION 1: Support the development of a well-trained, competent, health workforce.
- ACTION 2: Promote innovative tools to increase health literacy, such as awareness of non-communicable diseases (NCDs), mental illnesses, disabilities, violence and injuries including preventive and curative interventions, and their respective behavioral risk factors.
- ACTION 3: Support health promotion and primary prevention including a healthy cities and communities approach.
- ACTION 4: Advocate and support screening initiatives and early intervention as part of a comprehensive prevention and treatment response.
- ACTION 5: Provide increased access to immunization and other preventive initiatives for both communicable and non-communicable diseases.
- ACTION 6: Collaborate on regional and economy-specific surveillance and preparedness programs and continue to implement the WHO’s International Health Regulations (2005).
- ACTION 7: Encourage the collection of health data to assess the quality and performance of health systems and track progress to enable appropriate benchmarking of policies against high-performing health systems.
- ACTION 8: Continue to develop capabilities to respond appropriately to local, regional and global health emergencies, including pandemics and natural disasters.

#### **FACTOR 4: INNOVATION**

**Meeting the goals of the Healthy Asia Pacific 2020 Initiative will require APEC economies to innovate and be open to innovation. Increasing awareness of the long-term value of research and development in the medical life sciences sector, and the return on investment in health innovation, are also key to supporting healthy populations in APEC economies.**

Innovation is critical to making the most effective use of available health care resources and optimizing patient outcomes. As health needs grow and disease patterns diversify in the Asia-

Pacific region, new approaches and models are needed for research and development in healthcare.

- ACTION 1: Invest in research and development programs which promote the development of innovative healthcare, including medical products.
- ACTION 2: Create environments that provide appropriate incentives for investment in innovative products and tools, including transparent regulatory systems and effective and adequate intellectual property rights (IPR) systems.
- ACTION 3: Partner closely with the private sector on the development spectrum, from research and development to bringing innovative products to the consumer.

#### **FACTOR 5: INTER-SECTORAL AND CROSS-BORDER COLLABORATION**

It is essential that APEC member economies enhance regional and sub-regional cooperation in healthcare service and delivery for the benefit of the Asia-Pacific region.

- ACTION 1: Promote cross-fora collaboration in APEC on health and health sciences towards developing best practices for a “health in all policies”, “whole of government” and “whole of society” approach to health policy development and implementation.
- ACTION 2: Take on a multi-disciplinary, inter-economy approach in identifying and addressing barriers in the health supply chain that impede population access to affordable, safe and effective medical products and services.
- ACTION 3: Provide vehicles for knowledge sharing, technology transfer or adaptation of and/or capacity building across APEC economies on proven interventions and best practices.

#### **ADDITIONAL ACTIONS:**

To fully achieve the goals set forth in the Healthy Asia Pacific 2020 initiative, APEC economies may wish to undertake the following complementary actions:

#### **A. Continue the unfinished business of the MDGs as they transition to SDGs in the context of Universal Health Coverage**

1. Promote early childhood health and development and adolescent health
2. Prevent maternal deaths including universal access to women’s health services (e.g. antenatal, postnatal and family planning services)
3. Ensure sustainable access to safe drinking water, basic sanitation, and safe blood
4. Ensure universal access to HIV prevention, treatment, care and support services
5. Sustain and build on the gains in the fight against Tuberculosis and Malaria
6. Collaborate in addressing health impacts of environmental change

**B. Invest in the health of our population at all stages of life**

1. Address Non-Communicable Diseases (NCDs) and Mental Health
2. Ensure a healthy workforce, including migrant health
3. Enhance multi-sectoral action and public-private partnerships to combat communicable diseases and prevent and control non-communicable diseases
4. Address the health needs of aging populations and people with disabilities
5. Invest in the prevention of Neglected Tropical Diseases that are increasingly endemic in some APEC member economies, such as vaccination for the prevention of dengue
6. Invest in new technologies, including health technologies, information and communication technology

**C. Promote the Global Health Value Chain using a health systems approach**

1. Develop sustainable health care financing schemes
2. Provide access to affordable, safe, effective, good quality medical products, health services delivery, and health technologies particularly in developing economies
3. Address health care associated infections and anti-microbial resistance
4. Develop interoperable health information systems
5. Assess, inform, and monitor the health impact of trade and development policies

**D. Enhance Regional Cooperation on Human Security**

1. Strengthen health emergency preparedness and response to natural and man-made disasters
2. Ensure bio-preparedness
3. Address emerging and re-emerging infectious disease outbreaks (e.g. Ebola)
4. Improve infection prevention and control, reducing the spread of antimicrobial resistance and increasing the stewardship of antimicrobial drugs

**ROADMAP IMPLEMENTATION:**

<b>Phase one – Roadmap development (2015)</b>
1. Development of the critical success factors (2015)
<b>Phase two – Implementation of Roadmap and Periodic Assessment of Critical Success Factors (2016-2018)</b>
1. Meetings and workshops to support Roadmap implementation (2016-2018)
2. Showcase successful implementation of Roadmap Critical Success Factors at future HLMs (2016-2018)
<b>Phase three – Comprehensive Review of Roadmap Implementation (2019-2020)</b>
1. Comprehensive Review of Roadmap Implementation (2019)
2. Official Report to Ministers and Leaders (2019-2020)

## **2015 High Level Policy Dialogue on Human Capacity Building**

### **Joint Statement**

#### **Port Moresby, Papua New Guinea**

1. We, the APEC high-level representatives responsible for human resource development and trade and industry, business leaders from ABAC and other representatives from business and academia met in Port Moresby, Papua New Guinea on May 6 and 7, 2015 for the APEC High Level Policy Dialogue on Human Capacity Building with the theme, “Investing in Human Capital, Building Inclusive Economies.” We also appreciate the active participation of ILO and Asia Society.
2. We met under the theme of APEC 2015 Philippines , “Building Inclusive Economies, Building a Better World”, with priorities on Enhancing the Regional Economic Integration Agenda, Fostering SMEs’ Participation in Regional and Global Markets, Investing in Human Capital Development, and Building Resilient and Sustainable Communities.
3. We are guided by the 22<sup>nd</sup> APEC Economic Leaders’ Declaration encouraging APEC economies to prioritize stabilizing and expanding quality employment, implementing macroeconomic policies in favor of quality job creation, strengthening capacity building for human resources development, vocational skills development and skills training for youth, strengthening skills as well as access to quality employment for persons with disabilities, and enhancing the participation of women in the economy.
4. We recognize that decent work, including respect for fundamental rights at work, is a necessary pre-condition to strong, sustainable, inclusive growth.
5. The APEC Connectivity Blueprint for 2015 to 2025 underlined the importance of people-to-people connectivity and the role of cross-border education cooperation in promoting economic development through knowledge and skills transfer.
6. We also recognize the guidance of the 5<sup>th</sup> Human Resources Development Ministerial Meeting, Beijing 2010 on the importance of developing human resources, vigorously promoting employment and realizing inclusive growth.
7. We are further guided by the 6<sup>th</sup> Human Resource Development Joint Ministerial and Action Plan 2015-2018 on promoting quality employment and strengthening people-to-people connectivity through human resource development.
8. We took into account the priorities set forth in the 6<sup>th</sup> APEC Human Resource Development Ministerial Meeting Action Plan (2015-2018) that outlines three (3) priority areas: Supporting inclusive and sustainable growth to address the social dimensions of globalization, including equality and needs of vulnerable groups;

Enhancing human resource quality to meet supply chain demands; Facilitating mobility of labor and skills development.

9. We recognize and support the conduct of training programs for skills development to help workers achieve competencies required to meet industry demand.
10. We acknowledge that some vulnerable groups, including persons with disabilities, youth, and women, face particular challenges in accessing quality employment opportunities, and that their participation is essential for an inclusive workforce.
11. We recognize small and medium enterprises (SMEs) as one of the avenues for pursuing inclusive growth given that the SMEs comprise the majority of businesses among the APEC economies, as well as employing more than half of the workforce, contributing around 60% of gross domestic product across the region.
12. We recognize that economic cooperation will enable us to develop more effectively the human resources in the region while reducing economic inequality and improving the economic and social well-being of our people as outlined in the Bogor Goals.
13. We recognize the importance of public-private dialogue in harnessing full capacities of the region's workforce.
14. We acknowledge the importance of developing the skills of teachers and trainers which will generate more human capacity building actions to include 21<sup>st</sup> century skills and enhancing the skills and productivity of SME workers.
15. We further recognize that building stronger connections between human capital development and the role of employment services and programs in job matching will help ensure optimal outcomes for employers and jobseekers.
16. Following the APEC 2015 priority on investing in human capital development, we considered the following strategic courses of action:

### **Developing the 21st Century Workforce: Key to Inclusive and Sustainable Growth**

17. Cooperate with the APEC Business Advisory Council in each economy in defining the skills needed in the 21<sup>st</sup> Century.
18. Work towards the development of the APEC workforce to possess 21st Century Skills – in collaboration with various private industry sectors - with emphasis on personal skills, character-building skills, cognitive, critical and innovative thinking, inter-personal and intra-personal skills, global connectivity, and media and information literacy.
19. Support measures to enhance access to the workforce of vulnerable groups such as women, youth and persons with disabilities, through measures such as combating discrimination; advancing inclusive training and education opportunities - including

school-to-work transitions; promoting reasonable accommodations in the workplace for persons with disabilities, including through assistive technology; promoting effective work-family policies and practices; partnerships with the private sector to develop innovative inclusive practices; and building the capacity of employment services to make their services more accessible to vulnerable groups.

20. Focus on 21st Century Skills at all levels of education and human capacity building through the pursuit of skills mapping in cooperation with industries, the labor ministries and research institutions, noting how these skills, together with the technical competencies of the workforce, will promote development of a highly skilled productive workforce able to meet the advanced technology requirements of 21st century jobs and lead to improved labor market outcomes.
21. Pursue close collaboration with ABAC to realize its valuable advice to APEC on skills mapping, developing new skills for 21st century business, and new approaches to cross-border labor flows, such as the Earn, Learn, Return framework.
22. Promote the achievement of quality education and skills training programs in recognition that industry needs must be matched with quality training delivery systems.
23. Focus on the 21st Century Skills, including Science, Technology, Engineering, and Mathematics (STEM) education, to address the advanced technology requirements of 21st century jobs in the context of knowledge based economy building and to face the changes in our markets.
24. We support the initiative in establishing a skill development capacity building alliance to identify and develop best practices for training skill-sets needed for present and future workplace through physical and digital networking.
25. Collaborate with business and industry organizations to maximize the exposure of workers to new technologies and latest industry practices in the development of 21<sup>st</sup> Century Skills to increase their productivity in recognition of the role of human resources in achieving inclusive growth.
26. Promote the development of skills necessary to implement the transition to a low carbon economy.

### **Aligning Education and Training to Industry Needs in the 21<sup>st</sup> Century: Strategic Approaches**

27. Work towards a common understanding of competency standards and/or framework to support the recognition of the development of competencies across APEC economies involving the identification of the needs of businesses and industry feedback and sharing of best practices.

28. Encourage economies to continue improving the quality of education and training, and to work in partnership with the private sector, towards ensuring alignment of training with industry needs which facilitates trade and investment and employment.
29. Enhance academic mobility for the creation of an APEC knowledge-based economy.
30. Adopt the conduct of identifying, assessing and certifying the skills and competencies in demand for the local labour markets and regional skills shortages as a key strategic approach to mitigate job-skills mismatch.
31. Institutionalize the gathering and sharing of relevant, accurate and timely labor market information, including further development of the APEC labor market portal to facilitate an improved understanding of regional labor market issues such as skills shortages and ensuring skills relevance to industry needs.
32. Build on the results of the APEC Skills Mapping Project through the pursuit of the Talent Mapping Project.
33. Ensure the alignment of education and workforce data systems that can be used to conduct analysis of education and training activities/outcomes and workforce trends as well as to provide specific information for trainees aiming to pursue education and training in high-demand occupations.
34. Encourage a career pathways approach that aligns various levels of education and training to specific various occupations within industries and includes cooperation with the private sector in incentivizing the workforce to enter into said occupations. This is aimed at addressing the diverse needs of a wide array of student population.
35. Develop the system of standardized approaches to professional skills and social competencies to harmonize skills mobility.
36. Continue to share information on the existing qualifications referencing frameworks to further explore mutually beneficial qualifications referencing arrangements for APEC economies to support increased labor mobility within the region.
37. Recognize the role of capacity building for managerial talent, and welcome the Strategic Human Resource Management for Successful Foreign Investment in APEC report and encourage economies to share and disseminate the guidelines domestically.

### **Enhancing skills of SME workers: Critical to Competitiveness and Linking to Global Value Chain**

38. Address the human-capacity building challenges faced by the Small and Medium Enterprises (SMEs) that prevent them from fully benefiting from the opportunities made available by international trade, noting the need to facilitate the participation

of the SMEs in the global markets either directly or through incorporation in the global value chain.

39. Pursue efforts to solve human capacity building challenges facing SMEs such as providing employment opportunities, increasing their contributions to national income, and making this employment route a decent one.
40. Keeping in mind the challenges facing the SMEs, build the capacity of SME workers to support the modernization and SME standard conformance.
41. Strive to promote the SMEs' participation in the regional and global markets. In this connection, we recognized the need for building the capacity of SME workers to be competent, competitive and productive. Further, we recognized the need for development of competencies of the SME workers, to be compliant to standards and regulations of specific sectors and industry.
42. Encourage SME owners to provide workers with a safe and healthy work place as this is critical to the well-being of their employees and the success of their businesses.

## **Conclusion**

43. We express our deep gratitude for the hospitality and all arrangements made by the Philippines and Papua New Guinea for the success of this meeting.
44. We will promote a closer link between human capacity building, employment and the needs of business, to enhance productivity and development. We call on APEC economies to encourage and support the initiatives to develop and harness the full capacities of the region's workforce, building more inclusive economies.

## 2015 High Level Policy Dialogue on Science and Technology in Higher Education

### Joint Ministerial Statement

1. We, the APEC high-level representatives responsible for policy and partnership in science, technology and education and building human resources in higher education, science and technology, and research and development as well as representatives from trade and industry, and other representatives from business and academia, met in Manila, Philippines on August 13 and 14, 2015 for the APEC High-level Policy Dialogue on Science and Technology in Higher Education with the theme, **“Developing 21<sup>st</sup> Century Innovators for Inclusive, Resilient and Sustained Growth.”**
2. We met under the theme of APEC 2015 Philippines, “Building Inclusive Economies, Building a Better World,” guided by the 22<sup>nd</sup> APEC Economic Leaders’ Declaration encouraging APEC economies to prioritize stabilizing and expanding employment, implementing macroeconomic policies in favor of job creation, and strengthening capacity building for human resources development, vocational skills development and skills training for youth, enhancing the participation of women in the economy.
3. We are specifically guided by the 6th HRD Joint Ministerial Statement and the Action Plan 2015-2018 on promoting quality employment and strengthening people-to-people connectivity through human resources development, taking into account the three (3) priority areas such as: a) Supporting inclusive and sustainable growth to address the social dimensions of globalization, including equality and needs of vulnerable groups; b) Enhancing human resource quality to meet supply chain demands; and c) Facilitating mobility of researchers, students, labor and skills development. Research collaboration can help tackle global issues and address costly, complex and multi-faceted problems.
4. We also recognize the APEC Connectivity Blueprint for 2015 to 2025 which underlines the importance of physical, institutional and people-to-people connectivity and the role of cross-border education cooperation in promoting economic development through knowledge and skills transfer towards achieving an integrated Asia-Pacific and driving APEC progress.
5. We also consider the Policy Partnership on Science Technology and Innovation (PPSTI) 2015 Work Plan that encourages and supports Science, Technology, and Innovation in Small and Medium Enterprises (SME) through multiple channels and platforms and fosters collaboration among government, industry, and academia.
6. We also recognize the Human Resources Development Working Group (HRDWG) 2015 Work Plan that encourages and promotes cross-border education cooperation, academic mobility, improving the quality of education and development of 21st century skills.

7. We reaffirm the importance of cross-fora collaboration on Education, Science, Technology, and Innovation and other related areas of collaboration indispensable for inclusive growth of APEC economies.

**Developing the 21st Century Science and Technology Innovators:  
Key to Inclusive, Resilient and Sustained Growth**

8. We recognize that diversity in human resource spurs entrepreneurship and innovation.
9. We acknowledge that supporting and promoting Science, Technology, and Innovation talent mobility helps the sustainable development of societies and growth of economies. We support policies that facilitate the mobility of highly skilled human capital as well as policies aimed at promoting the international mobility of academics, researchers, and students to facilitate innovation and sustainable growth.
10. We emphasize the need for diversity in academia and its importance in yielding high research productivity, intellectual capital, innovation and collaboration. High quality research systems are vital for APEC member economies' economic and social development. This can be achieved by learning from each other about research policies and strategies both in research training and in undertaking research.
11. We support the Port Moresby 2015 High-level Policy Dialogue on Human Capacity Building, particularly a) its focus on the 21st century skills, including Science, Technology, Engineering, and Mathematics (STEM) education, to address the advanced technology requirements of 21st century jobs in the context of knowledge based economy building and to face the changes in our markets; and b) its strategic approaches to align education and training to industry needs in the 21st Century.
12. We recognize the need for Science, Technology, and Innovation experts who are pivotal to developing innovations. APEC economies should share information about approaches to research workforce planning and encouraging university – industry links.
13. We recognize the varying levels of advancements and diversity in the higher education systems as well as marked differences in innovation and the scientific and technological progress among APEC member economies. This situation has summoned us to engage in this high-level policy dialogue specifically on the themes: a) Innovations in Higher Education Delivery Modalities and Strategies Focusing on Science and Technology Programs, b) Ensuring Relevance, Utilization and Contribution of Products of Science and Technology in Higher Education for Economic Development in the APEC Region, and c) Technologies and S&T Concerns of the Future: Implications for Future Careers.
14. Under the three themes, we discussed the following areas of interest for APEC Economies: a) Food Production and Security, b) Environment, Disaster Risk

Reduction and Response, Climate Change and Energy, c) Marine Resources/Systems: Economy, Biodiversity and Conservation, d) Smart Analytics and Engineering Innovations, and e) Health Systems. These themes are important for inclusive, resilient and sustained growth of APEC member economies.

15. We believe that human capital development and Science, Technology, and Innovation investments in these areas are pivotal to sustained and inclusive growth in the APEC region.
16. We recognize the importance of the role of connectivity and information technologies in science and technology for higher education.
17. We affirm the importance of enhancing the participation of women and other underrepresented groups in scientific and technological fields and in higher education.

**We call on the APEC economies to pursue the following strategic courses of action, taking into account the various levels of autonomy of post-secondary institutions in the APEC region, as well as differences in the division of constitutional responsibilities:**

18. We propose to encourage implementation, through existing mechanisms, namely the Human Resources Development Working Group (HRDWG) and the Policy Partnership in Science, Technology and Innovation (PPSTI), the following: a) Mobility of Science, Technology, and Innovation Experts, and b) Advancing Cross-Border Education and Inter-University Collaboration on Science and Technology.
19. We encourage both groups to include future joint discussions on initiatives on science, technology, and innovation in higher education.

#### **Mobility of Science, Technology, and Innovation Experts**

20. We propose to devise a plan that can lead to feasible mechanisms for increased and enhanced mobility of Science, Technology, and Innovation experts, informed by a cost-benefit analysis and user-based assessment.
21. We recognize that the Researcher Mobility Workshop to be held in Jakarta, Indonesia in December 2015 will help better establish the scale and characteristics of research cooperation across APEC, the barriers and benefits of that cooperation and ways in which economies can work together to enhance research cooperation by bringing together experts from governments, academics, university leaders, industry partners and research organizations from across the Asia-Pacific.

## **Advancing Cross-Border Education and Inter-University Collaboration**

22. We recognize the importance of inter-university collaboration for research cooperation, and the mobility of students and researchers. Universities in APEC economies can and do make a vital contribution to economic growth and social well-being both through the development of STEM education and research skills and through the research that they undertake. This applies throughout the research spectrum from basic research through to applied research and development.
23. In consonance with realizing the APEC 2012 Leaders' Declaration in Vladivostok on Promoting Cross-Border Education Cooperation, we propose to explore mechanisms to better facilitate student, researcher and providers' mobility in the Asia Pacific Region and encourage the conduct of the regular APEC Conference on Cooperation in Higher Education and other meetings about relevant issues in higher education, subject to endorsement by the economies.
24. We suggest identifying and addressing matters that are pivotal to Cross-Border Higher Education and Inter-University Collaboration such as: a) cross-border supply, where services are transmitted across borders (such as twinning and distance or online education programmes), b) credit transfer of students involved in study-abroad Science, Technology, and Innovation programmes, c) recognition and validation of short-term studies and research internships in the context of the field of Science, Technology, and Innovation through regional platforms, d) institutional mobility (i.e., cross-border education service providers with branch campuses, franchises, and other similar commercial arrangements), e) transnational individual service providers (i.e., individual educators and researchers crossing borders to provide academic and research services), f) interdisciplinary research to address global problems, and g) agreements on data sharing and intellectual property policies.
25. In the interest of catalyzing regional innovation in Science, Technology, and Innovation, we propose that initial focus of policy assessment be on the potential for twinning programmes on doctoral degrees in support of APEC priorities.
26. In light of this evolving terrain in higher education, we propose to study where appropriate, or share information about qualification frameworks, professional standards, and novel quality assurance control policies or mechanisms that can promote equity and quality of expanding higher education systems in the APEC region.

## **Conclusion**

27. We express our deep gratitude for the hospitality and all arrangements made by the Philippines for the success of this meeting.
28. We will encourage, explore and promote a closer link between human capacity building

in science, technology, and innovation in higher education, STEM career pathways, occupational and employment needs, as well as the needs of business and industry in science, technology, and innovation, in order to develop and harness inter alia regional innovations in science and technology and build more inclusive economies.

29. We intend to continue and step up our opening initiatives in the succeeding High-Level Policy Dialogues as well as foster and develop cross fora cooperation in the issues of science, technology and innovation in higher education. In this regard we agreed to continue the cooperation on a regular basis with engagement of stakeholders such as business, experts, and professional bodies under the title High-Level Policy Dialogues on Science, Technology and Innovation in Higher Education.

30. We encourage APEC, in particular, the Human Resources Development Working Group (HRDWG) and the Policy Partnership in Science, Technology and Innovation (PPSTI), to take forward the initiatives agreed upon in the High-Level Policy Dialogue on Science and Technology in Higher Education.

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## **2015 Meeting of APEC Ministers Responsible for Trade**

### **Joint Statement**

**May 23-24, 2015**

### **Boracay, Philippines**

We, the APEC Ministers Responsible for Trade (MRT), met on 23 – 24 May, in Boracay, Philippines, under the Chairmanship of H.E. Gregory L. Domingo, Secretary of Trade and Industry, Republic of the Philippines.

We welcome the participation in the meeting of the Director General of the World Trade Organization (WTO), the 2015 Chair of the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Association of South-East Asian Nations (ASEAN), the Pacific Islands Forum (PIF) and the APEC Secretariat.

We reaffirm our commitment to promote trade and investment liberalization and facilitation and strengthen economic and technical cooperation to achieve inclusive growth and attain the common goals of development, prosperity and progress. We are committed to building an open economy in the Asia Pacific region featuring innovative development, interconnected growth and shared interests. We shared ideas and exchanged views on important trade and investment issues to build consensus on how we can work together effectively and efficiently for the betterment of the APEC region.

With the global economy still struggling to gain momentum and as world trade lags behind its potential, growth has remained uneven and below the pace necessary to generate the jobs our economies need. As APEC Trade Ministers of a dynamic region which accounts for 46 percent of world trade, 57 percent of the global GDP and 39 percent of the global population, we have the responsibility to expand trade and spur economic activity towards strong, sustainable and inclusive growth.

To advance our work this year, we adopted the APEC 2015 theme of “Building Inclusive Economies, Building a Better World” and focused our discussions on the following priority areas:

## **Supporting the Multilateral Trading System**

We adopted a separate statement for this purpose

## **Enhancing the Regional Economic Integration Agenda**

### *Bogor Goals*

We commit to achieve the Bogor Goals of free and open trade and investment in order to strengthen and deepen regional economic integration. We reiterate our commitment to eliminate barriers to international trade and investment in this region. Therefore, we welcome preparations for the 2016 second-term review of economies' progress towards the Bogor Goals.

We take note of the progress of the PSU report on the *Study on Promoting Products which Contribute to Sustainable and Inclusive Growth through Rural Development and Poverty Alleviation*. We take note of the preparations for the trade policy dialogue and look forward to its outcomes.

### *Free Trade Area of the Asia Pacific*

In 2014, we adopted the *Beijing Roadmap for APEC's Contribution to the Realization of the Free Trade Area of the Asia Pacific (FTAAP)*. We welcome the progress on the *Collective Strategic Study on Issues Related to the Realization of the FTAAP* ('Collective Strategic Study'), including the establishment of the Task Force comprising all APEC member economies to undertake the Collective Strategic Study. We endorse the *Terms of Reference of the Collective Strategic Study*. We acknowledge the importance of this study in providing useful analysis of the opportunities and challenges ahead. We instruct officials to report on the progress of the Collective Strategic Study by November 2015, with a view to completing the final report, along with any recommendations, by the APEC Ministerial Meeting (AMM) in 2016.

Our discussions on recently concluded RTAs/FTAs under the *APEC Information Sharing Mechanism on RTAs/FTAs* served to increase transparency, improve understanding of different ways to build stakeholder support and enhance APEC's contribution to the eventual realization of the FTAAP. We welcome the results of the Trade Policy Dialogue held by the Committee on Trade and Investment, which focused on WTO-plus outcomes and approaches of recently concluded FTAs/RTAs as a means of advancing APEC's contribution to the realization of the FTAAP. We look forward to the results of further information-sharing during the *SOM Dialogue on RTAs/FTAs* in September 2015.

We reaffirm our shared vision that regional economic integration should not create unnecessary barriers between economies and lead to fragmentation of trade and investment flows. Information sharing will raise awareness on liberalizing approaches in regional RTAs/FTAs and build momentum towards a comprehensive, high-quality FTAAP. We reaffirm our Leaders' commitment to enhance synergy with other relevant international and regional cooperation organizations and fora through coordination and cooperation.

We emphasize the importance of capacity building in APEC's contributions to the realization of the FTAAP. We look forward to the outcomes of the *Seminar on the Collective Strategic Study*, which will serve as an important platform for the Task Force to review progress and discuss next steps for undertaking the study. We welcome the *Action Plan Framework for the 2<sup>nd</sup> Regional Economic Integration (REI) Capacity Building Needs Initiative of 2015-2017*. We look forward to the effective implementation of the initiative through the capacity building workshops to be hosted by the lead economies. These workshops will provide opportunities for government officials to deepen their understanding on relevant fields of FTA negotiations.

#### *Environmental Goods and Services*

We reaffirm our green growth objective to reduce our applied tariffs to five percent or less by the end of 2015 on the *APEC List of Environmental Goods* as endorsed by Leaders in 2012. We urge all economies to ensure full implementation of this commitment. We welcome the tariff reduction implementation plans submitted by economies. We look forward to the CTI report by November 2015 to demonstrate APEC's successful achievement of this ground-breaking commitment.

We welcome progress in developing an action plan on liberalization, facilitation, and cooperation on environmental services which will contribute to sustainable and green growth and look forward to an outcome by November 2015. We recall the Leaders' commitment of 2011 to increase utilization and dissemination of environmental goods and services (EGS), reduce barriers to trade and investments in EGS and enhance the capabilities of economies to develop their EGS sectors.

We welcome the results of the *2<sup>nd</sup> Public-Private Partnership on Environmental Goods and Services (PPEGS)* and the constructive exchange among representatives of the private sector and government to discuss and address key non-tariff barriers to trade in EGS.

### *Supply Chain Connectivity*

We reaffirm the Leaders' goal in 2010 to achieve an APEC-wide target of a 10 percent improvement in supply chain performance by the end of this year in terms of reduction of time, cost, and uncertainty of moving goods and services through the region taking into consideration individual member economy's circumstances. To this end, we welcome the implementation of targeted capacity building activities as well as projects in the *Capacity Building Plan to Improve Supply Chain Performance* on pre-arrival processing, expedited shipments, release of goods, advance rulings and electronic payments. We encourage economies to volunteer to receive the technical assistance available and to propose additional projects for inclusion in the Capacity Building Plan.

We welcome the results of the meeting of the *APEC Alliance for Supply Chain Connectivity* (A2C2) and instruct officials to identify high-impact projects that would maximize the *Supply Chain Connectivity Sub-Fund's* contribution to the achievement of the Leaders' goal.

Recognizing the contribution of E-port development and collaboration to supply chain connectivity, we welcome the results of the first meeting of the *Asia-Pacific Model E-port Network* (APMEN) which discussed ways to advance cooperation.

We recognize the contribution that global data standards (GDS) can make to enhancing supply chain performance and welcome progress on a suite of GDS pilot projects of volunteer economies and the related GDS study. We instruct officials to report on progress of the pilots and study and next steps.

We encourage members to advance implementation of the *APEC Customs 3M (Mutual Recognition of Control, Mutual Assistance of Enforcement and Mutual Sharing of Information) Strategic Framework*, with a view to further simplifying and harmonizing customs procedures and enhancing supply chain connectivity among APEC member economies.

We welcome the results of the *Dialogue on APEC Cooperation Network on Green Supply Chain* (GSCNET) and progress in developing a work plan for *APEC Green Supply Chain*. We urge APEC economies to continue active cooperation to advance the sustainable and green development of the Asia-Pacific region.

### *Transparency to Facilitate Trade*

We welcome the development of the *APEC Trade Repository* (APECTR) as a one-stop website for comprehensive information on trade and investment related regulations. We commit to update information on the existing APEC WebTR and launch the APECTR by November by adding new information on trade-related measures, which will contribute to predictability and transparency in trade.

### *Connectivity Blueprint*

We commit to work towards a seamless and comprehensively connected and integrated Asia Pacific region by implementing the *APEC Connectivity Blueprint for 2015-2025* and welcome the initiatives introduced this year, including on improving connectivity to and from remote areas. To achieve the goal of strengthening physical, institutional and people-to-people connectivity by 2025, we instruct officials to work closely together and undertake the following actions by November 2015:

- Finalize the arrangement for the monitoring, review and implementation of the Blueprint;
- Report on the *Study on Infrastructure Investment in the APEC Region* and *Peer Review and Capacity Building to Advance Cross-Sectoral Issues on Physical Connectivity* as identified in the Connectivity Blueprint for 2015-2025, bearing in mind the importance of cross-sectoral issues under physical connectivity, including quality of infrastructure, people-centered investment, good practices and principles with a view to promoting quality infrastructure
- Report on the progress of initiatives that take forward the *2013 APEC Multi-Year Plan on Infrastructure Development and Investment*.

### *Next Generation Trade and Investment Issues*

We agreed last year to focus on manufacturing-related services in supply chains/value chains as the next generation trade and investment issue for 2014 and 2015 given the role of manufacturing-related services in upgrading value creation in our economies. We welcome progress towards the *Action Plan on Manufacturing-Related Services* and the case studies undertaken by the APEC Policy Support Unit which contains important policy implications on which APEC can build its future work. We encourage officials to continue discussions on the proposal to identify 'Facilitating Digital Trade for Inclusive Growth', while taking into account domestic circumstances, as a next generation trade and investment issue for 2015 as a

contribution to our work on regional economic integration. We encourage officials to work closely with ABAC to provide relevant business perspectives.

### *Services*

Given the importance of the services sector to our economies, we welcome plans to provide a common direction and more coherence in APEC's work on services through the *APEC Services Cooperation Framework (ASCF)* and the *APEC Virtual Knowledge Centre on Services*. We recognise the importance of strong, open, competitive and transparent services markets as drivers of economic activity, growth and job creation. We welcome the results of the Public-Private Dialogue on Services as a platform to discuss trade and investment cooperation in services. We encourage officials to continue these dialogues to build economies' capacities to promote an enabling environment for services trade and investment as well as improve the competitiveness of our services sectors to meet the Bogor Goals and strengthen regional economic integration.

We urge officials to implement projects under the *APEC Action Plan on Statistics on Trade in Services*. We welcome ongoing practical, business oriented work in APEC to update the *Services Trade Access Requirements (STAR)* database and identify good policy and regulatory practices for facilitating services trade and investment.

### *Investment*

To allow investments to flow efficiently and for the greatest benefit, we will continue to implement the *Investment Facilitation Action Plan (IFAP)* through the agreed set of priority actions for 2015-2016. Implementation of IFAP principles will support a more predictable and transparent investment climate and strengthen the role of investment as a driver of growth and jobs.

### *Industry Dialogues*

We welcome the Automotive Dialogue's work of integrating small and medium enterprises (SMEs) into automotive global value chains and a new work stream on electric vehicles in support of the *APEC Actions to Promote the Widespread Usage of Electric Vehicles*. We look forward to the identification of barriers to trade that SMEs face in their integration in automotive GVCs and welcome recommendations for actions to address these barriers.

We welcome the Chemical Dialogue's focus on regulatory cooperation and good regulatory practices, including its cooperation with the Economic Committee, and its cooperation with Oceans and Fisheries Working Group on the development of a joint 2015 work plan to promote innovative solutions to marine debris. We welcome the Dialogue's interim report on its efforts to promote consistent implementation of the *Globally Harmonized System of Classification and Labeling of Chemicals* (GHS) and look forward to its recommendations in November.

We welcome work by the Life Sciences Innovation Forum and the Health Working Group to develop the roadmap to implement the *Healthy Asia Pacific 2020 Framework* as well as the establishment of *APEC Training Centers of Excellence in Regulatory Sciences* to promote greater regulatory convergence by 2020. We look forward to the results of the study on barriers to trade in health care products value chains and discussions on how the barriers to trade identified in the study raise costs for health care products and impede MSMEs in the region from participating in value chains. We encourage discussions on actions economies can take to reduce and eliminate unnecessary barriers to trade in health care products.

We recall the Wine Regulatory Forum's goal to eliminate unnecessary export certifications by 2018 as a step towards reducing the cost of wine trade in the region and welcome its efforts to develop a consolidated APEC wine certificate.

#### *Internet and Digital Economy*

The internet and digital economy enables inclusive economic growth in the region and presents significant opportunities for stakeholders, such consumers and businesses in remote locations, MSMEs, and entrepreneurs, to benefit from the global marketplace. We welcome the progress in implementing the *APEC Initiative of Cooperation to Promote Internet Economy* as well as progress in establishing the *Ad Hoc Steering Group on the Internet Economy* and its task to promote cooperation and facilitate technological and policy exchanges, taking into account the need to bridge the digital divide.

#### *Structural reform*

We will continue to advance APEC's structural reform agenda in 2015, including implementing and reviewing progress under the *APEC New Strategy on Structural Reform* (ANSSR). We welcome the upcoming second *APEC Ministerial Meeting on Structural Reform*, with a view to giving strategic direction to a new structural reform strategy for 2016-2020.

### *Regulatory Coherence and Cooperation*

We will continue to implement initiatives on regulatory coherence and cooperation and maximize the role of the internet and information technology to strengthen the implementation of good regulatory practices. To this end, we welcome capacity-building and technical assistance efforts in the area of public consultations on proposed regulations. Through the *APEC Regulatory Cooperation Advancement Mechanism (ARCAM) on Trade-related Standards and Technical Regulations*, we will continue discussions on electric vehicles and advertising standards. We instruct officials to complete the *APEC Roadmap for International Electric Vehicles Standards* and to finalize the deliverables under the *APEC Action Agenda on Advertising Standards* by November 2015. We encourage officials to finalize the topic and begin preparations for the 4<sup>th</sup> ARCAM Dialogue in 2016.

We recognize the continued efforts of the *Food Safety Cooperation Forum (FSCF)* and its *Partnership Training Institute Network (PTIN)* to promote the role of science-based regulations in improving food safety and ensuring predictability and transparency in agrifood trade in the APEC region, through work this year on laboratory capacity building, food additives, food safety regulatory standards, antimicrobial resistance control, and industry/regulator communication.

We look forward to the outcomes of the APEC FSCF's work on regulatory convergence through the implementation of the two pilot projects in the areas of export certificates and pesticide maximum residue limits as part of the *APEC Regulatory Cooperation Plan*. We welcome the meeting of the FSCF PTIN Steering Group which will bring industry, academia, and government together to develop further work on food safety capacity building.

### *Intellectual Property Rights*

We welcome the report on Trade Secrets Protection and Enforcement in APEC Economies and acknowledge that trade secrets may be useful in helping SMEs go global. We agree to foster cooperation in the area of IPR protection and enforcement, raise SMEs awareness of IP commercialization, IP marketing and reduction of innovation risks in IP management. We instruct officials to share best practices, on the basis of consensus within the Intellectual Property Experts Group (IPEG), by November 2015 to help economies when addressing trade secrets.

## **Fostering SMEs' Participation in Regional and Global Markets**

### *Boracay Action Agenda to Globalize MSMEs*

We recognize that micro, small and medium enterprises (MSMEs) are an important force in economic activity, growth, job creation, community resilience and innovation. We will complement APEC's initiatives on promoting SMEs' participation in GVCs with an agenda that will support micro and small enterprises as direct exporters.

We endorse and agree to recommend to our Leaders the adoption of the *Boracay Action Agenda to Globalize MSMEs* as an action-oriented initiative that supports APEC's on-going work to address the barriers faced by MSMEs in international trade and facilitate their access to regional and global markets with a strengthened focus on micro and small enterprises.

We identified priority areas for cooperation and action on trade facilitation, e-commerce, financing and institutional support to address the barriers faced by MSMEs in international trade and to collectively support direct participation of MSMEs. We recognize the need to explore and adopt innovative actions to advance APEC's efforts on MSME internationalization. To this end, we support:

- Facilitating access of MSMEs to FTAs/RTAs by simplifying and streamlining rules of origin (ROO) procedural and documentary requirements and harnessing IT to ease documentation and procedures;
- Streamlining customs-related rules and regulations and assist in the compliance of MSMEs;
- Providing timely and accurate information on export and import procedures and requirements;
- Widening the base of Authorized Economic Operators (AEO) and trusted trader programs (TTP) to include SMEs in order for them to contribute to security, integrity and resiliency in supply chains;
- Measures to widen options on financing for MSMEs and further develop the infrastructure to facilitate lending to them;
- Expanding internationalization opportunities for micro and small enterprises providing goods and services through ICT and e-commerce;
- Strengthening institutional support for MSMEs; and
- Strengthening focus on MSMEs led by women.

We welcome strengthened information sharing and stronger coordination across relevant APEC fora to enhance complementarity of projects and initiatives and promote efficient use of resources in implementing the Boracay Action Agenda. We agree to more coordinated and cohesive action within APEC and with ABAC. We encourage cooperation with international organizations and forums, especially those that are giving MSMEs greater emphasis, which will link APEC's work to global efforts.

#### *Global Value Chains*

Last year, Leaders believed that APEC should secure equitable benefits from global value chain (GVC) development. We instruct officials to advance the implementation of the *APEC Strategic Blueprint for Promoting GVC Development and Cooperation* through the initiatives and work plans under the different work streams. We commit to cooperate and work towards a more focused GVC evolution to facilitate sustainable, inclusive, and balanced growth in the Asia-Pacific region.

We note plans for a trade policy dialogue in August in the margins of CTI3 in Cebu on how the *2013 APEC Best Practices to Create Jobs and Increase Competitiveness* could also be applied to other types of localization policies.

We welcome the initiatives and work plans under the work stream of *SMEs' Participation into Global Value Chains* in the APEC Strategic Blueprint. We encourage officials to continue the conduct of industry fora consultation and networking in five major industries (IT/electronics, automotive, textiles, healthcare products and agribusiness). We look forward to the progress report by November 2015 on the identification of barriers to trade, business opportunities for collaboration and capacity-building needs of SMEs to integrate into the GVCs of each industry. We note the proposal to promote the integration of small-scale fishers and fishery industries into GVCs, and welcome further discussion of officials on the proposal.

Bearing in mind the importance of making the investment climate more predictable and transparent in the region, we welcome the work plan and initiatives to explore measures and actions for improving the investment climate for GVC development. We instruct officials to further advance the work in this regard with a view to further facilitating cross-border investment flows in global value chains.

#### *Statistics related to GVCs*

We welcome the first meeting of the *Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains* and progress in completing the construction of the APEC TiVA Database by 2018. We endorse the *Terms of Reference on the Operational Mechanism* and work plan of the Technical Group. We urge officials and experts to collaborate with international organizations and institutions to enhance synergies in policy making, technical assistance and capacity-building.

#### *Strengthening Business Ethics for SMEs*

We reaffirm the importance of ethical business practices to long-term economic growth and facilitating engagement in GVCs for SMEs. We encourage the continued implementation of APEC principles for codes of ethics in sectors of importance to SMEs.

### **Investing in Human Capital Development**

We welcome the outcomes of the *High-Level Policy Dialogue on Human Capacity Building* to promote inclusive growth through quality education and training aligned to industry needs. We look forward to the *High-Level Policy Dialogue on Science and Technology in Higher Education* in July 2015. We stress the important role of stronger public-private sector partnerships to ensure that training and competency standards match the skills requirements of enterprises and industries especially in emerging fields. We support regulatory frameworks that promote the development of adaptable human resources. We underline the importance of efficient and effective labour mobility that reduces unemployment and increases productivity. We encourage greater participation in the *APEC Labour Market Portal*. We welcome the initiative to help persons with disabilities to participate in the workforce, and providing them equal access to education to enable their economic participation.

We emphasize the importance of better access to quality education, training and information, including virtual academic mobility through the use of ICT and innovative teaching practices. We will strengthen cross-border education cooperation in APEC, including through enhancing student, researcher and provider mobility. We welcome the updates on the *APEC Scholarship and Internship Initiative* and encourage more economies to put forward offers of scholarships and internships. We welcome the initiative to provide persons with disabilities with equal access education and to enable their participation in the workforce.

We recognize the role of women in the economic prosperity of the region and reaffirm our commitment to take concrete policies and innovative measures to further enhance women's economic empowerment through improved access to capital, assets and markets, as well as to innovation and technology, educational and health services, and promoting women's leadership in public and private sector. We welcome the establishment of the *APEC Women and the Economy Dashboard* as a tool to track progress in reducing barriers in women's economic participation and inform policy discussions. We are committed to integrating gender considerations across APEC activities including through cross-fora collaboration such as the "Healthy Women, Healthy Economies" initiative.

### **Building Sustainable and Resilient Communities**

We recall that Leaders adopted the *APEC Leaders' Growth Strategy* to respond to the changing economic environment in 2010, necessitating the importance of promoting the broadest participation to ensure that the benefits of economic integration are widely shared. We instruct officials to report by November 2015 on the progress in promoting the APEC Leaders' Growth Strategy. We welcome efforts to develop concrete recommendations for future direction.

#### *Resilient and Secure Cross-Border Value Chains*

The Asia-Pacific region is highly prone to natural disasters, with 70 percent of all natural disasters. Our collaborative efforts to strengthen the resilience and capacity of our region will help us withstand the challenges of natural and man-made disasters and hazards. We welcome the initiatives at the Committee on Trade and Investment to enhance resilience of GVCs to various risks such as natural disasters. We support the ongoing work on resilient supply chains and secure international travel undertaken by the Transportation Working Group (TPTWG), Emergency Preparedness Working Group (EPWG) and Counter-Terrorism Working Group (CTWG). We encourage officials to undertake more collaborative efforts to enhance value chain resiliency, establish secure value chains, and conduct quantitative value chain research and analysis in the region.

We acknowledge the importance of technology disaster management, particularly ICT infrastructure development, for early warning, disaster preparedness, prevention, mitigation and disaster recovery. We emphasize the importance of quality infrastructure in mitigating environmental risks and enhancing resilience to natural disasters. We encourage officials to explore initiatives to secure quality of infrastructure across various sectors. We welcome further initiatives to protect communities and businesses from disruptions and instruct officials

to advance work to facilitate the movement of humanitarian goods and emergency responders across borders during times of disaster.

#### *Fossil Fuel Subsidy Reform*

We reaffirm Leaders' commitment to rationalizing and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We acknowledge New Zealand and Peru for undertaking the voluntary peer review process and the Philippines, Viet Nam, and Chinese Taipei for volunteering to initiate a peer review.

#### *Urbanization*

We reaffirm that sustained and healthy development of urbanization is conducive to promoting innovative growth and realizing robust, inclusive and sustainable development in the Asia-Pacific. We welcome the establishment of the *Friends of the Chair (FoTC) on Urbanization* and the progress in the implementation of the *APEC Cooperation Initiative for Jointly Establishing an Asia-Pacific Urbanization Partnership* as endorsed by APEC Leaders in 2014.

We acknowledge the importance of addressing water issues such as serious water pollution and shortage in urban areas. We welcome the endorsement of the proposal on APEC Water Initiative for inclusive resilience and sustainability, and look forward to outcomes of the Public-Private Dialogue in the margins of SOM3 focusing on securing drinking water and conservation of water environment.

#### *Counter Terrorism and Secure Trade Strategy*

We recognize that creating a secure environment for economic activity is a vital part of ensuring regional growth and prosperity. We welcome the efforts and activities of the CTWG that are intended to strengthen security and resilience in the Asia Pacific region through activities in the four cross-cutting areas of APEC's Counter Terrorism and Secure Trade Strategy: secure supply chains, secure travel, secure finance, and secure infrastructure. We will continue to give our full support to joint efforts to enhance the coordination and cooperation within APEC, the private sector, and other relevant organizations to create a secure and resilient environment for economic activities and connectivity in the APEC region.

## **Strengthening Economic and Technical Cooperation**

We value the continued interaction with ABAC and other stakeholders. We instruct officials to continue pursuing initiatives and foster closer cooperation with ABAC and other stakeholders to achieve significant outcomes for the region's growth and economic integration. We encourage officials to keep exploring ways to strengthen the coordination and synergies with international and regional organizations, notably the ASEAN, ERIA, OECD, PECC and the WCO.

We reaffirm the Leaders' commitment to the Manila Framework, recognizing that demand-driven economic and technical cooperation activities will help close the development gap, assist developing economies in achieving the Bogor Goals by 2020, and help achieve strong, sustainable, inclusive economic growth, with quality employment and prosperity for all.

We agree to establish the FTAAP and GVC sub-fund; innovative development, economic reform and growth sub-fund; and connectivity sub-fund under the APEC Support Fund, and value member economies' inputs to these sub-funds.

We welcome the report of the Chair of the APEC officials Meeting (SOM) on the progress of APEC-wide efforts since the beginning of the year. We urge officials to continue their efforts towards meaningful deliverables for Leaders in Manila by November 2015.

## **APEC Ministers Responsible for Trade Meeting**

### **Statement on Supporting the Multilateral Trading System**

**May 23-24, 2015**

**Boracay, Philippines**

1. We, the APEC Ministers Responsible for Trade, gathering for our 21<sup>st</sup> meeting in Boracay, Philippines, join in the celebration of the 20<sup>th</sup> anniversary of the World Trade Organization (WTO). Since the WTO's establishment in 1995, the Asia Pacific has been one of the fastest-growing trading regions, benefiting significantly from the stability and predictability of the multilateral trading system.
2. We reaffirm the value, centrality and primacy of the multilateral trading system under the auspices of the WTO in promoting trade expansion, economic growth, job creation and sustainable development, as well as in supporting developing economies to integrate into the global trading system. We will continue to work closely together to strengthen the rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system as embodied in the WTO.
3. The WTO has significantly contributed to the fight against protectionism since the onset of the 2008 financial crisis. We note that, while global economic growth continues, there is potential for stronger growth, including through more robust international trade. Recognizing that protectionist measures impede this growth, we reaffirm the pledges made by our Leaders against all forms of protectionism. We reiterate our Leaders' commitment to a standstill until the end of 2018, and to roll back protectionist and trade-distorting measures. We recognize the need to exert further efforts to comply with our Leaders' commitment. We remain committed to exercising maximum restraint in implementing measures that may be consistent with WTO provisions but have a significant protectionist effect, and to promptly rectifying such measures, where implemented. In this context, we support the ongoing work of the WTO and other international organizations in monitoring protectionism, within their existing mandates, including the work of the standing WTO bodies, which are on the frontline of our efforts as the global economy faces persistent challenges. In support of such work, we encourage transparency in our trade policies, including through the open provision of information, and call on other WTO Members to do the same.
4. We are encouraged by the progress made by the WTO towards the full implementation of the Bali Package achieved at the 9th Ministerial Conference (MC9). We welcome the adoption of the Protocol of Amendment for the Trade Facilitation Agreement (TFA), which has opened the Protocol for acceptance by WTO Members. APEC Economies have shown leadership through the timely notification of Category A commitments. In the same spirit, we are committed to submit our instruments of acceptance to the WTO as soon as possible, ideally by MC10, in order to express strong APEC support for a successful Ministerial Conference. We encourage other WTO Members to do the same, contributing to the expeditious entry into force of the TFA. We also welcome the decision by WTO Members, which clarifies the interim mechanism agreed by Ministers in Bali, to engage constructively to negotiate and make all concerted efforts to agree and adopt a permanent

solution on the issue of public stockholding for food security purposes by 31 December 2015.

5. We welcome the resumption and continuation of work to agree on the Post-Bali Work Program by 31 July 2015 as a key stepping-stone to promptly concluding the Doha Round. We strongly commit to prioritize and contribute positively to the formulation of a clearly defined work program. We also believe that it is essential to continue to respect the Doha mandate and its development dimension, taking note of the progress that has been made towards formulating the work program.
6. We warmly welcome Kenya's hosting of the 10th WTO Ministerial Conference (MC10) in Nairobi on 15-18 December 2015. We commit to contribute to the achievement of concrete and meaningful outcomes at MC10 including our work towards the successful conclusion of the Doha Round. Achieving entry into force of the Trade Facilitation Agreement by MC10 would bring significant contribution to the sustainability of global trade, and highlight the value of the WTO to its stakeholders around the world. Recognizing the importance of facilitating access to medicines as set out in the Paragraph 6 System, we urge all WTO Members to ratify the Protocol Amending the TRIPS Agreement. Entry into force of the Protocol by MC10 would also demonstrate the potential of the WTO to deliver practical, development-oriented outcomes.
7. In urging the WTO to continue to give priority to the effective integration of developing economies into global trade, we look forward to the 5<sup>th</sup> Global Review of Aid for Trade in Geneva on 30 June - 2 July 2015. The theme, "*Reducing Trade Costs for Inclusive, Sustainable Growth*," is in line with APEC's theme this year of "*Building Inclusive Economies, Building a Better World*". We welcome initiatives to reduce the costs and facilitate the increased participation of small and medium enterprises (SMEs) from developing economies in international trade. We support the provision of technical assistance and capacity-building activities to promote inclusive, sustainable growth.
8. We acknowledge that bilateral, regional and plurilateral trade agreements can play an important role in complementing global liberalization initiatives. We will continue to work together to ensure that they are consistent with WTO agreements and contribute to strengthening the multilateral trading system. APEC economies agree to promptly notify their RTAs to the WTO RTA Transparency Mechanism, and urge all WTO members to intensify their engagement in that mechanism. We likewise take note of efforts to explore possibilities of factoring into the multilateral negotiations possible contributions by participants in concluded plurilateral ITA expansion and EGA initiatives.
9. Recalling the AELM Declaration in 2014, we underscore the importance of concluding the ITA expansion negotiations in the shortest timeframe possible. 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 18 years, and contribute to the multilateral trading system. APEC economies participating in the ITA expansion negotiations recognize that a successful deal is within reach. We, therefore, encourage those Economies who are participating in ITA expansion negotiations to return to Geneva to finalize an Agreement without delay.
10. We recognize the importance of green growth and trade enhancing solutions to address global environmental challenges and reaffirm our commitment to reduce applied tariffs

on the APEC List of Environmental Goods to five percent or less by end of this year as endorsed by Leaders in 2012. We also take note of the progress made in the Environmental Goods Agreement negotiations, which include a number of APEC Economies.

## **The 22<sup>nd</sup> APEC Small and Medium Enterprise Ministerial Meeting**

### **Statement of Ministers**

**Iloilo City, Philippines**

**September 25, 2015**

#### ***“Mainstreaming Micro, Small and Medium Enterprises in the Global Economy”***

1. We, the APEC Ministers and their representatives responsible for small and medium enterprises (SMEs) met in Iloilo City on 25 September 2015 for the 22<sup>nd</sup> APEC SME Ministerial Meeting under the Chairmanship of Secretary Gregory L. Domingo, Department of Trade and Industry, the Philippines. The meeting was also attended by the Chair of the APEC Business Advisory Council (ABAC), SOM Chair Laura Del Rosario and the Executive Director of the APEC Secretariat.
2. We appreciate the active participation of micro, small and medium enterprises (MSMEs) from across the APEC region at the meetings held on 21-24 September 2015. We value the views and contributions of MSMEs, women and young entrepreneurs, business and government leaders, supply chain experts, finance specialists, and academia in shaping APEC’s agenda.

#### **Highlighting the Importance of Micro Enterprises**

3. Recognizing the importance of micro enterprises in the economy and the need to address their special concerns, we agree to use the term “MSMEs” in referring to micro, small and medium enterprises (MSME) at this meeting.
4. We welcome the emphasis given this year on strengthening MSMEs’ participation in regional and global markets as one of the priorities under the APEC 2015 theme, “Building Inclusive Economies, Building a Better World.” This brought into focus the challenges faced by MSMEs, and possible measures to address these. We appreciate the substantial contribution by the Ministers Responsible for Trade (MRT) Meeting, the Structural Reform Ministers Meeting, the Finance Ministers Meeting, and the Women in the Economy Forum to support the agenda on MSMEs.
5. Guided by this priority, our discussions at this Ministerial Meeting centered on the theme “Mainstreaming MSMEs in the Global Economy.” Our discussions focused on how we can ensure that APEC’s work to achieve free and open trade is as relevant to MSMEs as it is to big business.
6. We reviewed the progress of APEC’s work in promoting MSME development and recognize the progress we have achieved thus far. The foundations of our work have been built over time, starting from the Leaders’ instructions to convene the first SME Ministerial Meeting in 1993; the Action Program for Small and Medium Enterprises under the Osaka Action Agenda (OAA); the preparation of the Integrated Plan of Action for SMEs (SPAN) and the succeeding Strategic Plans; the Daegu Initiative; the identification of barriers to SME international trade during the 2011 Joint MRT-SME

Ministerial Meeting; and the Nanjing Declaration on Promoting Innovation and Sustainability.

7. Much work, however, remains to be done. In order to address the myriad challenges facing MSMEs, we broadened our work on many fronts, giving intensified attention to innovation, entrepreneurial development, business ethics, business resiliency, women's economic development, finance and our intensified efforts on providing capacity building programs. Through our individual and collective actions, the MSME sector can become a more potent force that contributes to the economic prosperity in the Asia-Pacific region.
8. This year's discussions on MSMEs have been robust, guided by our collective desire to provide MSMEs opportunities and provide a cohesive approach for them to contribute to the region's growth. We recognize the relevance of other APEC work on structural reform and services, promoting connectivity, and regional economic integration, as well as financial inclusion in supporting MSMEs.
9. We welcome the "Boracay Action Agenda to Globalize MSMEs," as this strengthens APEC's focus in providing MSMEs wider opportunities in the global economy and encourages cooperation among APEC sub-fora, ABAC, and other international organizations. We support the Cebu Action Plan (CAP), a roadmap for a more sustainable financial future for the Asia-Pacific region, which aims among others in improving policy frameworks that enable MSMEs to use their transaction records and a broader range of collateral to access loans, and expand trade and supply chain finance. Further, we welcome the decision of the Structural Reform Ministerial Meeting to continue work on inclusive, behind-the-border reforms towards a development path that promotes competitiveness, inclusiveness and resilience in the Asia-Pacific region.

*Removing Trade Barriers to Facilitate MSME Entry to Markets*

10. We reaffirm the importance of addressing trade and investment barriers, and implementing trade facilitation measures as underscored in the Boracay Action Agenda, in order to provide a better business environment for MSMEs. We note the relevant initiatives already in place to reduce trade barriers, such as the 2<sup>nd</sup> APEC Ease of Doing Business Action Plan; APEC Business Travel Card; the APEC Supply Chain Connectivity Framework Action Plan; and the APEC Connectivity Blueprint. We instruct the SMEWG to continuously engage with relevant fora to maximize the benefits of these work streams to MSMEs.
11. We also endorse the efforts by the SMEWG to address challenges related to non-tariff measures; information and regulatory concerns; as well as supply chain financing, and expect further work in conjunction with relevant fora, to eliminate barriers, reduce trade-related costs, and facilitate trading of MSMEs globally.
12. We note the contribution of the United States, the Philippines and the SMEWG in organizing the APEC SME Global Supply Chain Event in Atlanta, Georgia on 8-9 June 2015, which brought together MSMEs, academic institutions, multinational corporations, regulators, logistics providers, and finance experts. The event provided an excellent platform for greater understanding on advancing the integration of MSMEs

into regional and global supply chains, with special focus on the importance of food safety and quality. These discussions are vital in the light of the importance of increasing MSMEs income through the development of supply chains, including the improvement of quality of agricultural products.

13. We instruct officials to widen the reach of advocacies on MSME trade regulatory education, and to engage MSMEs and ABAC in the development of policy and regulatory environment conducive to the growth of MSMEs. A platform for information sharing, networking, consultations, and feedback is vital to this effort.
14. We appreciate the following APEC projects by the Philippines in support of this work: “APEC Workshop on Facilitating SME Trade through Better Understanding of Non-Tariff Measures in the Asia Pacific Region for the Agriculture, Food Processing and Handicraft Sectors” and the APEC Workshop on Business Matching and Internship Consortium for Global Value Chain Integration. We welcome complementary efforts of the Committee on Trade and Investment, such as the APEC Trade Repository (APECTR) to be launched in November 2015.
15. We agree that corruption and unethical business practices act as a significant market access barrier for MSMEs, which disproportionately impact on their ability to succeed. We agree that APEC economies must continue to address these barriers, as they undermine innovation, job growth, economic stability and cross-border trade. We commend the progress of the APEC Business Ethics for SME Initiative in addressing unethical practices in sectors of export interest to MSMEs. We congratulate the medical device and biopharmaceutical sectors for achieving the Nanjing Declaration’s goal of doubling the number of industry associations that have adopted the Code of Ethics -- from 33 to 66.
16. We acknowledge the important role that the digital economy plays in enhancing access to the global market and driving innovation for MSMEs. We recognize the importance of leveraging the digital economy to expand internationalization opportunities for MSMEs by widening access to the internet and building capacities to enable MSMEs to adopt internet-based models such as Online-to-Offline (O2O) utilizing e-commerce platforms and online portals that will enable them to explore and conduct cross-border transactions. The role of information and communication technology (ICT) in this regard is indispensable. We welcome the Digital Economy Action Plan for MSMEs and Work Agenda for MSMEs as concrete and practical steps that APEC could undertake to accelerate MSME access to international markets. Regulatory alignment, an efficient digital ecosystem, human capacity building, and a holistic approach to the creation of a digital economy are vital to these efforts.
17. Technologies and digital economy are crucial to harnessing APEC's potential for economic growth. To ensure the inclusion of APEC's future generations in an integrated and inclusive regional economy that is supported by MSMEs, APEC needs to vigorously promote science, technology, engineering and math (STEM) in the education of its human resources. This will help cultivate talents for innovation and strengthen innovation capacities of MSMEs. APEC needs to promote education and capacity building among MSMEs in ways that these create a better understanding of the interconnectedness between science and technology, academics, and real-world problem solving.

*Advancing Modernization and Standards and Conformance of MSMEs*

18. We recognize that MSMEs' ability to meet standards and regulations will boost their competitiveness and increase their prospects for internationalization and integration into global value chains (GVCs). APEC economies need to collectively work toward addressing the barriers posed by differing standards and technical regulations. We welcome the collaboration of the SMEWG with the Sub-Committee on Standards and Conformance (SCSC) in developing a work plan to review policy issues, enhance information exchange, and identify practical capacity building programs that will heighten MSMEs' compliance capacities in accord with international standards, regulations and conformity assessment procedures. The Australia led project to facilitate harmonisation of standards for the movement of data and information across APEC economies is an initiative that shows how internet-based platforms help lower barriers to entry for MSMEs to access regional and global markets without having to establish physical operations in different economies. As trade in digital goods and services increases, the free flow of data across borders is an important pre-condition to enabling businesses to operate in numerous markets without restriction.
19. We recognize the vital role of MSMEs in bringing new ideas to the market and in fostering innovation. APEC needs to build an ecosystem that supports enterprise creation and improves the environment for innovation, as well as facilitates financial inclusion for start-ups. Chinese Taipei's "APEC Accelerator Network (AAN) Initiative" and the "APEC Challenge," as well as the Philippines' SME Technology Entrepreneurship Conference (SlingShotMNL2015), and ABAC's Interactive Mapping of Incubators and Accelerators in APEC are efforts that help achieve these. Partnerships, linkages, and networking among innovation centers, research communities, and academia, as well as those involving large and small businesses need to be supported and enhanced.
20. We also recognize that MSMEs can leverage their intellectual property (IP) assets such as brands and trademarks for growth and expansion. Enhanced knowledge of intellectual property and IP valuation and commercialization can assist MSMEs develop competitive and global brands. We also recognize the importance of assisting MSMEs in growing their brands through IP awareness and protection and inclusion of necessary measures for the effective use of IP assets by MSMEs.
21. We note with appreciation China's concept paper on Enabling Inclusive Growth through the Internet Economy, which emphasizes the contribution of the Internet to the development of MSMEs under the APEC Ad Hoc Steering Group on Internet Economy.
22. We recall our discussions in Nanjing on the potential for new technology to facilitate MSMEs' market access and internationalization in a digital world. We noted discussions in public and private dialogues examining the vast opportunities in the services sector as the single biggest contributor to employment and output in APEC economies. We therefore instruct officials to work towards the creation of an ecosystem of entrepreneurship in the APEC region to encourage the development and growth of globally competitive innovation-driven MSMEs.

*Promoting Inclusive Growth through Sustainable and Resilient MSMEs*

23. We agree to promote policy, business and regulatory environments that foster the long-term growth potential of MSMEs. We recognize the contribution of local development plans and the role of enterprise clusters in enhancing productivity, innovation, and inclusive growth.
24. APEC needs to further strengthen MSMEs' participation in local supply chains and GVCs through long-term, value-driven partnerships between large enterprises and MSMEs. Knowledge inputs and policy measures are key to promoting these partnerships. We note the Public-Private Dialogue on Inclusive Business, held during the Investment Experts' Group Meetings in Cebu last August 2015, highlighting the need for sustainable, win-win partnerships between large enterprises and the Base of the Pyramid, towards the achievement of building truly inclusive economies. We look forward to the High Level Dialogue on Inclusive Business in November 2015.
25. We welcome the contribution of institutions that serve MSMEs across member economies in cooperation with APEC SME Service Alliance (ASSA) towards promoting market development, training programs, and management consulting to facilitate inclusive growth of MSMEs.
26. We welcome the 9<sup>th</sup> APEC Small and Medium Enterprises Technology Conference and Fair (SMETC) that will be convened in China, in July 2016, with the aim of promoting MSME integration into Global Value Chains. We appreciate the establishment of APEC SME Database on the best practices of SME innovation to enhance information sharing pertaining to innovative growth of SMEs.
27. We acknowledge that MSMEs' participation in international markets is enhanced when they leverage on the benefits of e-commerce. We, therefore, support the Philippine initiative to create a virtual marketplace of MSMEs which will facilitate business matching, and provide information about international trade standards and regulations, as well as on trade promotion assistance packages provided by APEC. We recognize its added value as a networking platform and feedback mechanism on how challenges faced by MSMEs seeking to participate in global trade may be addressed. This is a vital initiative resulting from the recommendations of projects and meetings this year.
28. We recognize the importance of MSMEs' access to finance as a key enabler of MSME expansion, internationalization, and productivity improvement among MSMEs. In this context, we affirm the policy directions set in the Boracay Action Agenda and Cebu Action Plan to widen various financial options for MSMEs, including non-traditional and innovative financing, as well as public-private financing initiatives. We further acknowledge that MSMEs require both capacity-building and financial support, and urge financial institutions to look beyond financial records and consider MSMEs' overall business plans and potential.
29. We call for greater efforts to promote MSMEs' resilience against unexpected events, disasters, and financial crises in order to improve global supply chain resilience. We recognize the role of public finance, such as credit guarantee systems designed for MSMEs' operational continuity, rather than the rescue of financial institutions. We also express our appreciation for Chinese Taipei's hosting of the APEC Business Continuity

Planning (BCP) Workshops in collaboration with the Philippines, Indonesia, Mexico, Thailand and Viet Nam which have trained over 800 BCP trainers since 2013. We also welcome the publication of the BCP Guidebook in seven languages and the APEC SME Disaster Resilient Policy Framework as a reference for economies to design their own disaster resilience policies.

30. Recognizing that MSMEs' access to finance is a cross-cutting issue, we support efforts for closer collaboration with relevant public and private sector institutions, including ABAC in discussing ways to widen access to finance and business resilience among MSMEs. We thus welcome the outcome of the APEC SME Finance Forum held on 22 September 2015, with the participation of MSME policy makers, business groups, the Asia-Pacific Financial Forum (APFF) and other financial stakeholders.
31. We note with interest the progress in establishing a special loan amounting up to USD 2 billion by China Development Bank (CDB) in supporting innovative cooperation and mutual investment of SMEs in the Asia Pacific Region. We also acknowledge the initiatives that CDB and their counterparts in the Asia-Pacific Region facilitate the financial support for SMEs through inter-bank cooperation.
32. We recognize the growing importance of financial literacy, particularly following the 2008 global financial crisis due to significant evidence that providing the owners and managers of MSMEs with specialized financial education can provide important economic benefits to their companies, making them more cost-efficient and dynamic. Therefore, we appreciate Thailand's Initiative in conducting the financial literacy survey to address this issue by identifying and evaluating the state of financial education in APEC member economies. The information gathered is intended as a means of assessing the need for and shaping possible new APEC SMEWG initiatives towards the promotion of MSME financial literacy.
33. We also recognize that digital resilience is a crucial issue in BCP considering the increasing demands on mobile internet and Online-to-Offline (O2O) business and the growing concerns on online security. We, therefore, encourage all member economies to work towards building a secure and fully developed digital economy as part of BCPs, guided by the objective of limiting disruptions to global supply chains and safeguarding trade and investment for inclusive growth.

#### **The APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development**

34. We hereby adopt the attached "APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development" as a guiding framework in integrating MSMEs in international trade and GVCs. We will work to implement the initiatives under this framework to maximize the benefits of cooperation. We agree to launch the "APEC MSME Marketplace" as a one-stop portal to facilitate access to information related to doing business in the region and to inform on projects and activities that promote MSMEs' integration to international trade.
35. We affirm the recommendations of the private sector in Atlanta and Iloilo in 2015, to provide a bigger voice to MSMEs in the APEC process, in accordance with the Leaders' instruction in 1993. We value the views shared by ABAC in support of MSME development, and appreciate its efforts in organizing the SME Ministers-CEO Dialogue

in Iloilo City, Philippines. We look forward to the APEC SME Summit as a culminating activity in November 2015, highlighting APEC's greater commitment to MSME development.

### **Cooperation and Collaboration with Related Organisations**

36. As we seek to build on the achievements this year, we instruct officials to harness synergies across APEC work streams to maximize the expertise of relevant APEC committees and sub-fora in promoting MSMEs' growth. We task the SMEWG to exercise leadership in guiding other APEC fora toward ensuring greater complementation in efforts to address issues that threaten the survival and hinder the growth of MSMEs.
37. We welcome the collaboration initiated by the SMEWG with other APEC fora in 2015, including its work with the SCSC to address MSMEs' compliance to international standards. We acknowledge its commitment to lead coordination work on MSME-related activities within APEC, and to continue collaborating with relevant organizations, as well as ABAC, to expand and complement advocacy and other initiatives on MSME development.
38. We encourage close coordination by the SMEWG with relevant APEC fora to review the trade facilitation work streams, improve trade facilitation for MSMEs, and intensify the delivery of capacity building programs to ensure that MSMEs benefit from trade and investment liberalization towards achieving stronger economic growth across the region.

### **Recommendations on the APEC SMEWG Strategic Plan 2017-2020**

39. In developing the next SMEWG Strategic Plan, we instruct officials to coordinate across all APEC fora and integrate priorities under the Boracay Action Agenda and its implementation plan; the Digital Economy Action Plan; and the Iloilo Initiative, and to put in place an appropriate monitoring system to assess the progress. We welcome the initiative of the SMEWG in developing the SME Internationalization Index to measure the growth of MSMEs in the APEC region.
40. We support giving the SMEWG permanent status in APEC.

### **APEC 2016 SME Meetings**

41. We look forward to our next meeting in Peru for the APEC SME Ministerial Meeting and Related Activities in September 2016.

### **Towards the 2015 APEC Economic Leaders' Meeting in Manila**

42. We agree to present this SME Ministerial Statement as the contribution to the APEC Economic Leaders' Meeting in November 2015 in Manila, the Philippines.

## **Structural Reform Ministerial Meeting**

### **Statement**

#### **Cebu, Philippines**

We, Ministers and high level officials of APEC economies, convened on 7-8 September 2015 in Cebu, Philippines, under the chairmanship of the Honorable Dr. Arsenio M. Balisacan, Secretary of Socioeconomic Planning and Director-General of the National Economic and Development Authority of the Republic of the Philippines, to discuss the progress of APEC's work on structural reform as currently embodied in the APEC New Strategy for Structural Reform (ANSSR), and to agree on its future direction post-2015.

We welcome the participation in the meeting of Dr. Alan Bollard, Executive Director of the APEC Secretariat, and representatives from the World Bank, the Organisation of Economic Cooperation and Development, the Asian Development Bank, the APEC Business Advisory Council, and the Pacific Economic Cooperation Council.

We recall our Leaders' agreement in Beijing in 2014 under the APEC *Accord on Innovative Development, Economic Reform and Growth* to convene a Ministerial Meeting on Structural Reform in 2015 in order to advance APEC's economic reform agenda, discuss how to overcome the middle-income trap, and consider the continuation of the structural reform work program until 2020.

We note the uncertainty that continues to cloud the global economic scene. Although there are signs of recovery, the residual effects of the global financial crisis are still evident in many economies, even as new forms of trade and investment protectionism are on the rise. Within the APEC region, for some economies, sustaining growth rates has involved taking on higher debt levels. With labor costs rising, a number of middle income economies can no longer continue to rely on readily available cheap labor to boost growth, restricting their ability to graduate out of middle income status. At the same time, while growth in income per capita has occurred, income inequality has widened within APEC economies.

For this reason, we need a much stronger focus on promoting economic growth through structural reform.

We welcome the progress made in implementing structural reform under ANSSR. We recognize the importance of further intensifying this work: removing barriers to and identifying new sources of growth, promoting innovation, raising productivity, narrowing development gaps, and steering the world economy towards a path of greater shared prosperity consistent with this year's theme of *Building Inclusive Economies, Building a Better World*.

To advance our work on structural reform in the next five years until 2020, we have agreed to endorse the work program described in the paragraphs below, and embodied in the Renewed APEC Agenda for Structural Reform (RAASR), which strives to stimulate balanced and sustainable growth and reduce inequality.

#### **Structural reform and inclusive growth**

While absolute poverty has fallen and average income per capita has increased in the APEC region, growth in some cases has widened income disparities between the rich and poor. The benefits of rapid economic growth have been unevenly shared both across and within individual APEC economies. We note that there are groups (e.g. women, older workers and minorities), firms (e.g. micro, small and medium enterprises (MSMEs)) and regions that have benefited proportionately less from economic growth and globalization.

We are aware that inequality can undermine growth in the long-run by stunting private initiative and locking resources in low-productivity alternatives. We agree that structural reform, if implemented correctly, can provide for enhanced inclusion of hitherto underrepresented groups, firms, and regions by providing more opportunities to participate in and benefit from a growing economy. We support policies that are pro-development, strengthen markets, promote trade and investment, improve access to goods, services and labor markets, facilitate linkages to global value chains, and build resiliency against various shocks to advance inclusive growth.

We, therefore, instruct the Economic Committee to:

- a) Develop a policy framework on how structural reform, including those being initiated by other APEC committees and working groups, can contribute to inclusive growth;
- b) Develop a set of indicators for evaluating inclusiveness of structural reform policies (as a priority component of the indicators that are being developed with the APEC Policy Support Unit for the assessment of RAASR); and
- c) Share knowledge and experience relating to structural reforms that may affect inclusive growth, and identify policies to mitigate negative impacts, where warranted.

### **Structural reform and innovation**

We acknowledge the importance of innovation in raising productivity and sustaining growth, as well as the key role of government in promoting an environment that rewards and enables innovation. We recognize moreover that given differences in their levels of development, APEC economies face different challenges with respect to creating the appropriate mix of policies to support innovation within their respective economies.

In particular, we note that innovation is especially critical for economies seeking to move from middle to high income status in order to avoid being caught in the “middle income trap”. For these economies, a wide range of reforms may be required. These reforms may include greater market access, increased market competition, improvements in the regulatory environment, protection of intellectual property rights including trade secrets, and private sector participation in infrastructure. In addition to a growth-enabling environment and incentives for firms to innovate, the stability, predictability, and effectiveness of public sector institutions is essential to the success of policy reforms encouraging innovation in economies trying to overcome the “middle income trap.”

It is generally accepted that government policy can help or hinder innovation. By setting and enforcing standard rules by which all players compete, governments can achieve a level playing field. Protection and enforcement of intellectual property rights including trade secrets are an important part of doing so. However, little systematic attention has been given to date to study the relationship between structural policies and innovation. We, therefore, commend the initiative to dedicate this year’s APEC Economic Policy Report (AEPR) to an analysis of the policy approaches to improve incentives for innovation in accordance with different levels of development, as well as in each area of the APEC Economic Committee’s work – regulatory reform, competition policy, corporate governance, strengthening economic and legal infrastructure and public sector governance. We look forward to the completion of the AEPR issue on Structural Reform and Innovation in November 2015.

We, therefore, instruct the Economic Committee to:

- a) Complete the APEC Economic Policy Report (AEPR) on Structural Reform and Innovation, and recommend its adoption at the APEC Ministers' Meeting in November 2015;
- b) Further consider the impact of its work on structural reform and innovation for policies needed to address the middle income trap, and slowing growth potential in other economies; and
- c) Consider information sharing with other relevant APEC fora on the policy issues arising from the AEPR on Structural Reform and Innovation, such as education, public investment, quality ICT infrastructure, intellectual property rights protection, dissemination of technologies through licensing and partnership, and a business-friendly investment climate (especially for MSMEs), on the basis of consensus within the relevant fora.

## **Structural reform and services**

We acknowledge the importance of the services sector as a major contributor to productivity growth in the APEC region and its growing role in generating growth in total output and export revenues. Technological progress has been a key factor, through lower costs and quality improvements, in expanding the range of services that are traded domestically and across borders. We further note that the efficiency and competitiveness of the services sector have substantial positive spillover effects on the performance of other sectors, such as agriculture, mining, and manufacturing. We recognize, in particular, that APEC is now working on manufacturing-related services in supply chains/value chains.

We recognize the job-creating potential of the services sector especially at a time of limited growth in the global economy. We are aware that the services sector is home to many MSMEs in developing economies and is thus closely related to inclusive growth. Moreover, we are cognizant of the efforts of many economies to diversify their sources of growth and to transition to alternative sources, including higher value-added manufacturing and knowledge intensive services.

We understand that maintaining a productive, innovative, and competitive services sector is crucial to maximizing the benefits derived from it. We recognize the contribution that foreign participation can make towards facilitating the market-based diffusion of technology and management know-how, spurring innovation, exposing domestic services suppliers to foreign competition, raising domestic standards, reducing costs, and expanding the range of choices available to consumers and businesses. APEC economies that are serious about taking advantage of the benefits of a dynamic and vibrant services sector need to consider unilateral regulatory reform of their services sectors as well as opening up these sectors to foreign participation and competition.

We recognize the challenges to unleashing the potential of the services sector to contribute further to growth and employment generation: The first challenge is to address services and investment restrictions which limit market access, discriminate against foreign suppliers, and impose regulations that are more burdensome and trade-restrictive than necessary to achieve policy objectives. The second is for economies to prioritize services in their development agenda. The third involves balancing competing objectives without prejudice to the right to regulate. The fourth is to reduce unnecessary regulatory heterogeneity which could raise the cost for service providers. Finally, the fifth is mitigating regulatory externalities, or accounting for the effects of regulation in one economy on the consumers of the service in another economy.

We agree that APEC, through the Economic Committee and other APEC bodies, should encourage economies to continue undertaking unilateral reforms in their services sectors. In this connection, we welcome the Philippines' initiative this year to launch the APEC Services Cooperation Framework (ASCF), which will provide a common direction and more coherence in APEC's work on services and help economies increase their focus on developing stronger services sectors.

We welcome the integration of services reform into RAASR. We support regulatory cooperation as one of the mechanisms for facilitating market opening, harmonization, and mutual recognition, thus reducing the costs of regulatory heterogeneity for firms. Existing APEC work on promoting Good Regulatory Practices offers a good starting point for advancing new initiatives in regulatory cooperation. We welcomed the organization of a joint meeting of the Economic Committee, the Group on Services and the Pacific Economic Cooperation Council on “The Role of Regulatory Reform/Good Practices in Promoting Services Growth.”

We, therefore, instruct the Economic Committee to:

- a) Work on structural reform and services as one of the priorities for APEC, specifically:
  - To raise the importance of services in RAASR;
  - To encourage economies to implement unilateral reforms aimed at further improving the services sector, as part of their structural reform action plans under RAASR; and
  - For the APEC Economic Policy Report 2016 to focus on structural reform and services.
  
- b) Support the initiative to develop an APEC Services Cooperation Framework (ASCF), specifically:
  - To closely collaborate with the Committee on Trade and Investment (CTI)/Group on Services (GoS) and other fora, as appropriate,
    - To conduct public-private dialogues;
    - To conduct dialogues with sectoral regulators, policy makers, and business (through APEC cross-fora dialogue and cooperation); and
    - To consider developing a joint work program with GoS, which may include producing a set of recommendations for domestic regulation of the services sectors.

### **Tools for structural reform**

APEC’s work on structural reform has identified a number of tools that economies can use to implement successful structural reform programs.

We laud the progress that has been made in defining and implementing Good Regulatory Practices (GRP), which increase the likelihood of good regulatory outcomes. In particular, we note the progress in such areas as coordination of rule-making activity, transparency and public participation, regulatory impact analysis (RIA), regulatory planning, ex-post evaluation, and international regulatory cooperation.

We recognize the importance of work to develop model legal instruments and commend APEC work in this area in collaboration with the Hague Conference on Private International Law (HCCH) and the United Nations Commission on International Trade Law (UNCITRAL). We agree that the development of international legal instruments and their adoption will create a more conducive climate for cross-border trade and investment, thus facilitating economic growth. Use of these instruments provides greater legal certainty in cross border transactions, harmonization of finance and dispute resolution systems, closer economic and legal integration among cooperating economies, and the simplification of procedures involved in international transactions.

We agree that APEC should further advance its work on GRP and model legal instruments through, among others, the application of these instruments to improve competition outcomes within APEC economies.

We, therefore, instruct the Economic Committee to:

- a) Encourage economies to increase their efforts to promote international regulatory cooperation;
- b) Consider holding a 2016 APEC GRP Conference on the theme of building high level support for reform (which includes international regulatory cooperation);
- c) Consider ways to facilitate stakeholder participation in public consultation processes throughout the APEC region, that are open to both domestic and foreign stakeholders;
- d) Promote awareness and wider use of international legal instruments to strengthen the legal infrastructure of APEC economies; and
- e) Encourage member economies to undertake a self-assessment of barriers to competition, including a review of current competition laws and policies.

### **New directions for structural reform in APEC**

We acknowledge the contribution of ANSSR in raising the profile of structural reform issues in APEC and in promoting work within APEC economies to implement programs of structural reform. We endorse the assessment of ANSSR completed by the APEC Policy Support Unit (PSU) and the review of ANSSR completed by the Economic Committee.

Because structural reform is an ongoing process rather than a one-off event, we agree that the initiatives begun under ANSSR ought to be continued. We further note that a sharpening of the focus of APEC's structural reform goals is needed, rather than a drastic departure from the existing APEC framework for structural reform. We assert that economies should pursue both goals of reducing inequality and stimulating balanced and sustainable growth, which are complementary in the long-run.

We support the re-statement of the priority areas to better reflect current and emerging economic opportunities and challenges. We accept the following three pillars, which are inter-related, as guideposts for the nomination of concrete reform actions by economies in RAASR (2016-2020), namely:

- i. more open, well-functioning, transparent and competitive markets;
- ii. deeper participation in those markets by all segments of society, including MSMEs, women, youth, older workers, and people with disabilities; and
- iii. sustainable social policies that promote the above-mentioned objectives, enhance economic resilience, and are well-targeted, effective, and non-discriminatory.

We commit to strengthening and enhancing the economic relevance and scope of individual economy action plans under RAASR through:

- i) increased consultation and engagement with business, both at the individual economy level, and through APEC and ABAC;
- ii) encouraging economies to nominate reform actions under all pillars and across all sectors;
- iii) the convening in 2018 of a high-level structural reform officials' meeting to assess progress with RAASR; and
- iv) the convening in 2020 of the third Structural Reform Ministerial Meeting to evaluate the results of the RAASR implementation.

We agree to using quantitative indicators to measure APEC-wide progress on structural reform and support an APEC structural reform progress report developed by the APEC PSU with the Economic Committee, as part of the mid-term review of RAASR in 2018 and a final review in 2020.

We instruct the Economic Committee to finalize the attached draft of RAASR (2016-2020) based on the above recommendations for consideration by Ministers in November.

Ease of Doing Business:

Regarding the Ease of Doing Business (EoDB), we recognize the contribution made by EoDB to remedy impediments to trade and commerce by lowering registration and transactions costs in the APEC region through targeted and tangible programs of work within defined indicator areas.

We agree with, and further recommend to APEC Economic Leaders to affirm, the new aspirational goal of a 10-percent improvement by 2018 in the existing five priority EoDB areas (i.e. starting a business, dealing with construction permits, trading across borders, getting credit, and enforcing contracts).

We also agree with and endorse the attached APEC EoDB Action Plan, 2016-2018 and submit it to APEC Economic Leaders for their consideration.

We, therefore, instruct the Economic Committee to draft and utilize the APEC EoDB Implementation Plan to guide capacity building over the next three years.

## **The Renewed APEC Agenda for Structural Reform (2016-2020)**

Since 2004, APEC's structural reform agenda – through the Leaders' Agenda to Implement Structural Reform (LAISR) and the subsequent APEC New Strategy for Structural Reform (ANSSR) – has made a strong contribution to efforts to reduce behind-the-border barriers and promote balanced, inclusive and sustainable growth in the region. We welcome recommendations from the second Structural Reform Ministerial Meeting to strengthen, and reaffirm our commitment to, APEC's structural reform agenda to 2020.

APEC economies are facing an environment of slower global economic growth, slower potential growth, fiscal consolidation and relatively weak private sector investment. In such an environment, structural reforms are critical to boost growth through increasing productivity and addressing APEC's longer term development objectives of graduating to high income status and continuing improvements in living standards despite ageing populations in some economies.

We believe APEC's work on structural reform now needs to be consolidated and streamlined – drawing on progress and lessons learnt under LAISR and ANSSR (2011-15) and recognising current/emerging economic opportunities and challenges – to ensure APEC's structural reform agenda remains responsive and economically-relevant to 2020 and beyond.

With a view to provide a solid platform to meet the needs and priorities of APEC economies to 2020 and beyond, we hereby set forth the Renewed APEC Agenda for Structural Reform (RAASR):

We invite Leaders to jointly pledge to undertake robust, comprehensive and ambitious structural reforms to reduce inequality and stimulate growth in their economies, and contribute to APEC's overarching goal to promote balanced, inclusive, sustainable, innovative and secure growth, through measures in line with the following pillars:

- i. more open, well-functioning, transparent and competitive markets;
- ii. deeper participation in those markets by all segments of society, including MSMEs, women, youth, older workers and people with disabilities;
- iii. sustainable social policies that promote the above mentioned objectives, enhance economic resiliency, and are well-targeted, effective and non-discriminatory.

Pillars one and two refer to structural reform across all markets (labour, services and product markets). The three pillars are interrelated and therefore, some reforms will result in progress across multiple pillars. The fundamental elements of structural reform endorsed in LAISR – regulatory reform, strengthening economic legal infrastructure, competition policy, corporate governance and public sector management – should be incorporated across all pillars.

In 2016, each economy will develop an individual action plan setting forth its structural reform priorities (priorities need not be limited to the collective priority areas listed in the pillars above), objectives and policies through to 2020. The inclusion of quantitative and qualitative indicators to demonstrate how progress will

be monitored is strongly encouraged. Economies are also encouraged to nominate reform actions under all pillars and across all sectors, particularly services, to ensure individual action plans are suitably ambitious and comprehensive.

To further advance the structural reform agenda and monitor progress, we will undertake the following activities:

- . through the Economic Committee (EC), we will increase our engagement with the private sector through consultation with the APEC Business Advisory Council, emerging businesses and SMEs, to ensure economies' individual action plans are commercially-relevant and adequately address real reform needs;
- . convene a high-level structural reform experts meeting (i.e. senior structural reform officials) .This could include discussions between structural reform experts, EC representatives and other relevant APEC fora, on emerging opportunities and challenges, to share experiences and lessons learnt, and guide the nomination of economies' reform actions. The meeting will take place in 2018 to align with the RAASR mid-term review;
- . through the EC, work with the APEC Policy Support Unit to develop a set of quantitative indicators, including using existing APEC indicators, to monitor and report on APEC-wide progress on structural reform under RAASR at biennial intervals (i.e. as part of the mid-term review of RAASR in 2018 and the final review in 2020).

Recognising the critical importance of capacity building to assist economies undertake structural reform, we will continue to conduct targeted APEC-wide support activities, including:

- . assisting economies develop objectives, indicators or measures for structural reform, as needed;
- . assisting economies design and implement structural reform policies/projects in line with identified priorities;
- . targeted activities on different elements of structural reform (e.g. on specific sectors or specific structural reform issues) based on recommendations from the biennial structural reform experts meeting and APEC structural reform progress reports, or Ministerial/Leaders' directives.

We, the Senior Officials, take primary responsibility for the overall monitoring and reviewing implementation of RAASR. We instruct the EC to take a stronger leadership role in APEC's structural reform agenda going forward, recognising the nature of its 'horizontal' work on structural reform across all markets. In undertaking capacity building efforts, sharing lessons learnt and identifying challenges and opportunities, we strongly encourage the EC to engage in cross-fora collaboration, including with: the Human Resources Development Working Group; the Group on Services/Committee on Trade and Investment; the Finance Ministers' Process; and the SME Working Group.

# SECOND APEC EASE OF DOING BUSINESS ACTION PLAN (2016-2018)

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# SECOND APEC EASE OF DOING BUSINESS ACTION PLAN (2016-2018)

## I. INTRODUCTION

In August 2014 at SOM 3, the APEC Economic Committee (EC) recognized the importance and value of APEC's first Ease of Doing Business (EoDB) Action Plan (2010 – 2015), and decided to continue efforts aimed at improving the enabling environment for businesses in the Asia-Pacific region. Through subsequent discussions, EC members agreed to develop a post-2015 Ease of Doing Business (EoDB) agenda, which 1) continues to focus on the existing five priority EoDB areas (i.e., Starting a Business, Dealing with Construction Permits, Trading across Borders, Getting Credit, and Enforcing Contracts),<sup>1</sup> 2) runs for a period of three years (2016-2018), and 3) sets an APEC-wide target of 10 percent improvement by 2018.<sup>2</sup>

While the **Second APEC EoDB Action Plan** builds off of the strong foundation of capacity building and targeted technical assistance created under the first APEC EoDB Action Plan that identified needed reforms and associated challenges, members have agreed to place greater emphasis on the implementation of EoDB reforms in 2016-2018, inclusive of increasing the capacity of member economies to implement these reforms.

This document provides both the background on the EoDB initiative in APEC and summarizes the parameters of the APEC EoDB agenda for the next three years. Annex I presents an initial draft of **APEC EoDB Implementation Plan for 2016-2018**, which will function as a living document to be adjusted as needed throughout the duration of this initiative.<sup>3</sup>

## II. BACKGROUND

As part of APEC's efforts to promote sustainable economic growth and improved living standards in the region, APEC has promoted structural reforms to reduce "behind-the-border" barriers to trade and investment to enhance the business environment in the region and to complement the trade and investment liberalization and facilitation agenda.

<sup>1</sup> Out of the 10 World Bank EoDB indicators (in 2009), these five indicators were identified by member economies as the highest priorities for reform efforts.

<sup>2</sup> Member economy views were collected through a survey conducted in 2014 and then discussed at EC1-2015. At EC1-2015 the United States presented a paper summarizing the key findings from the Post-2015 questionnaire as well as of the discussions that took place at the EC, which economies endorsed as the basis for the development of the APEC Post-2015 Agenda.

<sup>3</sup> It is envisioned that a needs assessment workshop will be organized on the margins of SOM 3 2015 to develop content to inform/populate the APEC EoDB Implementation Plan 2016-20

In 2009, APEC launched the Ease of Doing Business Action Plan and set an aspirational target of making it 25 percent cheaper, faster and easier to do business in the Asia-Pacific region in five priority areas by 2015, with an interim target of 5 percent by 2011. APEC Ministers instructed officials to develop multi-year capacity building work programmes for each EoDB priority area. The work programmes were led by Champion Economies<sup>4</sup> and generally followed a two-phased approach of 1) introductory workshops, and 2) economy level capacity building/technical assistance.

In 2010, Champion Economies for each priority area organized general workshops (Phase 1) that introduced the indicator and its importance to economic development, set the context for APEC's objectives, and provided an opportunity to share experiences of reform successes and challenges among APEC economies. These workshops were followed by capacity building activities led by Champion Economies and tailored to the needs of volunteer economies (Phase 2), in the form of diagnostic studies, workshops, and guided visits that provided customized, practical recommendations for reforms. In addition, there were two stocktake workshops that assessed progress and shared experiences and best practices (see Annex 2 for a snapshot of activities undertaken during 2010-2015).

### **APEC EoDB Progress 2010-2015**

The APEC Policy Support Unit (PSU) conducted annual interim assessments which show that APEC economies have made continuous progress in the five areas from 2010 to 2014. The collective improvement registered (12.7 percent) as of early 2015 is lower than the pro-rata 2014 benchmark (i.e., 20 percent) of the 2015 goal. Moreover, improvements in some areas were more difficult than others, like enforcing contracts and getting credit, reflecting the challenges in pursuing and implementing complex structural reforms.

There is also an issue of potential under-reporting of progress as measured by World Bank EoDB rankings. The World Bank's Doing Business (DB) Report does not always accurately reflect changes in the enabling environment for each economy under analysis. Hence, numerous reforms undertaken by APEC economies in the 2010-2014 period and that have been highlighted by economies during EC-related workshops and policy dialogues may not have been captured by DB. Over time they eventually will translate into outcomes reported by the World Bank's DB report.<sup>5</sup> It should also be noted that the World Bank uses standardized assumptions about firms. For example, it contemplates firms that do not engage in foreign transactions.<sup>6</sup> Thus, some improvements that are inherently important for furthering the APEC objective of integrating small and medium-size enterprises (SMEs) and entrepreneurs into global value chains may not be adequately captured by the World Bank's Doing Business indicators.

Many of the easier improvements—like streamlining procedures and reducing costs—have in large part been accomplished. More difficult issues involving institutional changes that will help sustain reform in the long run still need to be addressed.

<sup>4</sup> Capacity building and technical assistance activities for each of the five EoDB priority areas were managed by "champion economies" who volunteered to lead indicator specific work programs: Starting a Business (New Zealand and the United States); Getting Credit (Japan); Trading Across Borders (Singapore (and Hong Kong, China – Phase 1 only)); Enforcing Contracts (Korea); and Dealing with Permits (Singapore).

<sup>5</sup> For example, reforms that may have been recommended in a 2013 economy-level diagnostic report and addressed in 2014-2015 timeframe may not show up in the World Bank's Doing Business Report until 2016 or later.

<sup>6</sup> With the exception of the Trading across Borders topic, EoDB solely examines domestic transactions and processes.

### III. STRENGTHENING THE EASE OF DOING BUSINESS IN APEC

By committing to making it faster, easier and cheaper to do business in the Asia-Pacific region, APEC has contributed to its own objective of fostering inclusive growth by promoting reforms that facilitate entrepreneurship and improve the competitiveness of SMEs, specifically through lower costs to doing business, better access to credit, added opportunities to engage in international trade, and more efficient regulatory institutions, among others. And as noted above, under the first APEC EoDB Action Plan, APEC economies shared experiences and implemented technical assistance that increased their capacity to design and implement meaningful reforms in these areas.

The 12.7 percent improvement during 2010-2014 may indicate that APEC may not be able to achieve the aspirational target of 25 percent by the end of 2015; however, it still constitutes significant progress towards producing tangible results while taking into account the challenging economic environment in which reforms were implemented. Moreover, the evaluation of the EoDB work programme has demonstrated that reforms have collateral or spillover benefits in addition to the direct improvements in the indicators. These benefits include raising the level of governmental capability in key areas of regulation and providing means to tackle corruption (including through the reduction of the number of processes businesses must go through to comply with regulation). Finally, various reforms undertaken to date by member economies have set strong foundations to continue with more complex regulatory reforms in the future.

As mentioned before, the interim assessments conducted by PSU show that progress under the first APEC EoDB Action Plan has been uneven across EoDB indicators due to the level of complexity of reforms, and that there is still room for further work. According to the DB 2015 Report *“reforms aimed at cutting red tape and improving regulatory efficiency are generally easier to implement (...) By contrast, reforms aimed at improving legal institutions are typically complex. Most entail substantial changes to legal frameworks, are costly to implement and can take years to yield positive results.”*<sup>7</sup>

In the current economic context, APEC economies recognize the importance of renewing the emphasis on structural reforms needed to boost productivity and to make growth stronger and more inclusive, and thus, have agreed to continue supporting the implementation of regulatory reforms to improve the business environment in the region through the Second APEC EoDB Action Plan (2016-2018).

APEC will build on the experience and information shared during 2010-2015 to intensify its efforts to implement reform, while also contributing to the advancement of several other APEC priorities and initiatives, such as the APEC Growth Strategy, APEC Structural Reform Agenda, and the SME Working Group Strategic Plan.

Additionally, APEC can take advantage of the new developments and improvements introduced by the World Bank Doing Business Report and other resources, including information of regulatory challenges and reform experiences at the local level, to work towards increasing economic opportunities of SMEs, stimulating the creation of new businesses, facilitating access to credit, reducing unemployment and supporting innovative firms, that result in more inclusive and sustained economic growth in the APEC region.

<sup>7</sup> World Bank. 2014. Doing Business 2015: Going Beyond Efficiency. Washington, DC: World Bank.

#### IV. OBJECTIVES OF SECOND APEC EODB ACTION PLAN (2016-2018)

The goal of the Second APEC EoDB Action Plan is to further improve business environment in Asia-Pacific region, and sets an APEC-wide target of 10 percent improvement by 2018. This target will use the percentage of improvement achieved by APEC members at the end of 2015<sup>8</sup> as a baseline for 2016-2018 while taking into account the historical progress registered by APEC economies since 2010. In adopting the plan, APEC members recognize that EoDB metrics do not provide a comprehensive measurement of the underlying legal infrastructure required for a strong business environment, hence reforms should not be limited to those that are specifically measured in the EoDB indicators in order to achieve the progress desired.

This 10 percent target aims to reaffirm APEC's strong commitment to implement regulatory reforms to improve the business environment. It will build on the accomplishments achieved during 2010-2015 and will provide a realistic yet challenging objective for APEC economies.

Additionally, the specific objectives of the Second APEC EoDB Action Plan (2016-2018) include:

- Build upon existing APEC EoDB efforts and support the "implementation" of EoDB reforms.
- Identify challenges in the implementation of EoDB reforms and address them by sharing best practices and experiences.
- Carry out additional tailored capacity building activities that strengthen the competencies of APEC member economies to implement EoDB reforms
- Identify possible areas of collaboration with other international organizations, including the World Bank, UNCITRAL, OECD, the International Competition Network, the World Economic Forum, and the Hague Conference, among others to implement capacity building activities.

#### V. PRIORITY AREAS – INDICATORS

APEC economies recognize that progress has been made in the five APEC EoDB priority areas 2010-2015; however there is still room for improvement. APEC member economies agreed to maintain the same priority areas. There was also a general consensus that reforms should not be solely driven by EoDB indicators as measured by the World Bank but that deeper, more thorough-going reforms, as suggested by instruments of international organizations, should be considered that would not only improve Doing Business scores, but also have an enduring impact on growth and the business environment.<sup>9</sup> Both the 2014 Ministerial Statement and 2014 Leaders' Declaration emphasized the role of internationally recognized private international law instruments such as the Hague Conference Conventions and UNCITRAL instruments in facilitating cross-border trade and investment, enhancing ease of doing business, and fostering effective enforcement of contracts and settlement of business disputes.<sup>10</sup>

The Second APEC EoDB Action Plan will concentrate efforts in the programming, design and implementation of EoDB-associated reforms, particularly reforms identified during the diagnostic phase, while also allowing flexibility for volunteer economies that have yet to participate to request diagnostic reports from champion economies.

<sup>8</sup> The DB Report is usually released in late October/early November of each year.

<sup>9</sup> The 2012 APEC Economic Policy Report reported that "APEC economies agreed to look beyond the Ease of Doing Business Indicators and investigate legal and institutional components that are relevant to the five EoDB categories but not necessarily directly measured by the World Bank."

<sup>10</sup> Economies have held a series of workshops to identify key instruments that are relevant to the EoDB priority areas.

The following table contains the list of priority areas and their associated EoDB indicators:

Priority Area	Indicators
Starting a business	<ul style="list-style-type: none"> <li>• Number of procedures</li> <li>• Time</li> <li>• Cost</li> <li>• Paid-in Min Capital</li> </ul>
Getting credit	<ul style="list-style-type: none"> <li>• Strength of legal rights index</li> <li>• Depth of credit information index</li> <li>• Public registry coverage</li> <li>• Private registry coverage</li> </ul>
Trading across borders	<ul style="list-style-type: none"> <li>• Number of Documents</li> <li>• Time</li> <li>• Cost</li> </ul>
Enforcing contracts	<ul style="list-style-type: none"> <li>• Number of procedures</li> <li>• Time</li> <li>• Cost</li> </ul>
Dealing with permits	<ul style="list-style-type: none"> <li>• Number of procedures</li> <li>• Time</li> <li>• Cost</li> </ul>

## VI. CHAMPION ECONOMIES

The Second APEC EoDB Action Plan proposes to maintain the use of one or more champion economies as coordinators and facilitators of the work program for each of the priority areas. Additionally, economies willing to lead or support the implementation of a specific activity under a work program, in coordination with respective champion economies, are invited to become co-sponsors.

This approach may increase the engagement of APEC economies in creating capacity to improve the business environment in APEC; and therefore may result in a greater number or variety of capacity building activities. It will also allow for more opportunities to share experiences and best practices regarding implementation of EoDB reforms.

The following table identifies the champion economies for each of the priority areas under the Second APEC EoDB Action Plan (2016-2018):

Priority Area	Champion Economies
Starting a Business	<ul style="list-style-type: none"> <li>• New Zealand</li> <li>• United States</li> </ul>
Getting Credit	<ul style="list-style-type: none"> <li>• Mexico</li> <li>• United States</li> </ul>
Trading across Borders	<ul style="list-style-type: none"> <li>• Singapore</li> <li>• Malaysia</li> </ul>
Enforcing Contracts	<ul style="list-style-type: none"> <li>• Korea</li> <li>• Hong Kong, China</li> </ul>
Dealing with Permits	<ul style="list-style-type: none"> <li>• Singapore</li> </ul>

## VII. CAPACITY BUILDING AND TECHNICAL ASSISTANCE

EoDB reforms remain a high policy priority in APEC economies, and capacity building and technical assistance can help economies overcome constraints and challenges in implementing such reforms.

The capacity building and technical assistance activities already implemented in APEC during 2010 - 2015 have proved to be successful in increasing understanding of the importance of regulatory reforms in the five EoDB priority areas to improve the business environment; sharing best practices and experiences; and identifying constraints and recommending areas for reforms. However, they may not be sufficient to address the more complex and difficult task of implementing actual reforms.

The Second EoDB Action Plan focuses on increasing the capabilities of APEC economies to effectively implement reforms through APEC-wide activities and capacity building activities tailored to the needs and context of participating economies. The Plan will also consider sharing experiences and learning from case studies at the local level, especially to address regulations or procedures under the responsibility of local authorities (e.g. Starting a Business and Dealing with Construction Permits). Given the diversity among APEC economies, references to successful experiences, best practices and case studies at the local level could provide valuable insights for the development of new policies and reforms for APEC members. APEC economies agreed to continue capacity buildings in two formats:

- **APEC-wide activities**, which include workshops, seminars or policy dialogues where economies share best practices and exchange lessons learnt from their experiences designing and implementing EoDB reforms.
- **Capacity building activities tailored to the needs and context of participating economies**, which may include additional tailored diagnostic studies for participating economies, technical assistance to implement the recommendations from previous diagnostic studies, or technical assistance for economies that have their own action plan for reforms.

Annex I presents a detailed APEC EoDB Implementation Plan (2016-2018) which identifies capacity building and technical assistance activities to be implemented under the Second EoDB Action Plan (2016-2018).

The aim of Annex I: APEC EoDB Implementation Plan for 2016-2018 is to be a living document, developed through a consultative process with champion economies, and inclusive of relevant and doable inputs from economies.

## VIII. MONITORING AND EVALUATION

To assess APEC's progress in achieving the target of the Second APEC EoDB Action Plan (2016-2018), the APEC Policy Support Unit will conduct annual progress assessments that will be presented to the Economic Committee. The EC may wish to supplement these annual progress reports with qualitative updates from member economies.

Additionally, champion economies of each priority area will report the progress in implementing the Second APEC EoDB Action Plan (2016-2018) at EC meetings.

## ANNEX 1 –APEC EODB IMPLMENTATION PLAN (2016-2018)

*(Living Document: to be updated)*

<b>Proposed Activity</b>	<b>Priority Area(s)*</b>	<b>Champion Economies/Co-sponsor Economies</b>	<b>Participating Economies</b>	<b>Other APEC Fora/Organization</b>	<b>Timeframe</b>
<i>As much description as possible should be described for each proposed activity. There should be at least several activities per year per workstream such as (workshops, policy discussions, tailored technical assistance, reports, case studies etc)</i>	<i>This can be a single workstream, multiple workstreams or all workstreams</i>	<i>This should include the champion economies for each priority identified as well as additional co-sponsoring economies</i>	<i>This can be APEC-wide, several economies, or one economy depending on the type of activity.</i>	<i>This can include outside partners, or other APEC working groups.</i>	<i>Try to be as specific as possible, but at least should include the year. Activities should cover the 3 years of the implementation plan.</i>
Implementation of EoDB reform recommendations on Starting a Business	Starting a business	US New Zealand	TBC		2016
Workshop on best practices for inter-agency coordination mechanisms for EoDB reforms	All	TBD	All	World Bank	SOM3-2016
Implementation of a Security Rights Registry Phase I Workshop Phase II Implementation Assistance or Diagnostic studies	Getting Credit	Mexico	All	UNCITRAL World bank NATLAW	2016-2017

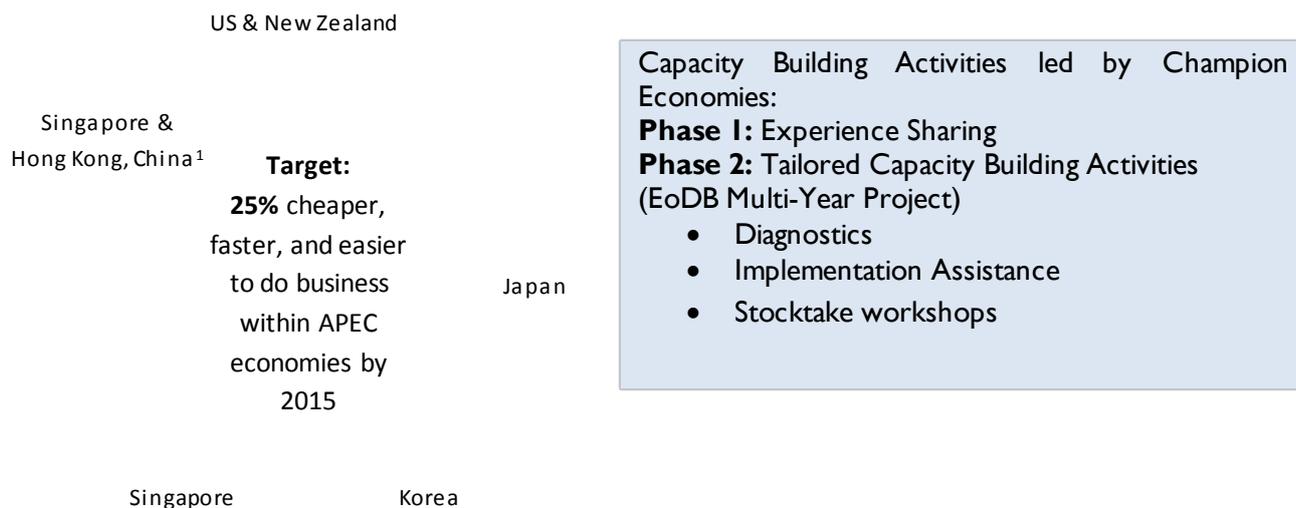
Key Elements of a Model Law on Secured Transactions Phase I Workshop Phase II Implementation Assistance or Diagnostic studies	Getting Credit	Mexico	All	UNCITRAL World bank NATLAW	2018

\* Second column to reflect cross cutting activities (multiple priority areas)

\*\* The proposed activities are examples

## ANNEX 2 – SUMMARY OF THE APEC EODB ACTION PLAN (2010-2015)

APEC's **Ease of Doing Business (EoDB) Action Plan** was launched in 2009 to improve the business environment in the Asia-Pacific region by promoting regulatory reforms that make it cheaper, faster and easier to do business. The Action Plan takes as a starting basis the World Bank's Doing Business report. Based on inputs from the business sector and member economies, five priority areas were identified from amongst the 10 areas covered by the World Bank's report to help focus APEC's efforts.



Priority Area	Activity	Beneficiaries
Starting a Business	<b>Phase 1:</b> Workshop on reducing start-up and establishment time of businesses (Hiroshima, March 2010)	All Economies
	<b>Phase 2:</b> <ul style="list-style-type: none"> <li>• Diagnostic study (2010)</li> <li>• Diagnostic studies (2011)</li> <li>• Diagnostic studies (2013)</li> <li>• Diagnostic study (2014)</li> </ul>	Indonesia Thailand & Peru Viet Nam & Papua New Guinea Brunei Darussalam
Getting Credit	<b>Phase 1:</b> Seminar on "Getting Credit for SMEs" (Sendai, September 2010)	All Economies
	<b>Phase 2:</b> <ul style="list-style-type: none"> <li>• Diagnostic study in terms of strengthening the secured lending (2011)</li> <li>• Roundtable meeting with legal and economic experts (2012)</li> <li>• Diagnostic on SME financing (2013)</li> <li>• Workshop on Getting Credit (2013)</li> </ul>	Thailand Chinese Taipei Indonesia
	<b>Phase 1:</b> APEC Workshop on Enforcing Contracts (Seoul, June 2010)	All Economies
	<b>Phase 2:</b> <ul style="list-style-type: none"> <li>• Diagnostic Study (2011)</li> </ul>	Indonesia & Peru

Enforcing Contracts	<ul style="list-style-type: none"> <li>Workshops on Enforcing Contracts (2011)</li> </ul>	All Economies
	<ul style="list-style-type: none"> <li>1st APEC International Conference on Enforcing Contracts (2011)</li> </ul>	Thailand & The Philippines
	<ul style="list-style-type: none"> <li>Diagnostic Study (2012)</li> <li>Workshops on Enforcing Contracts (2012)</li> </ul>	All Economies
	<ul style="list-style-type: none"> <li>2nd APEC International Conference on Enforcing Contracts (2012)</li> </ul>	Viet Nam & Brunei Darussalam
	<ul style="list-style-type: none"> <li>Diagnostic Study</li> <li>Workshop on Enforcing Contracts (2013)</li> </ul>	All Economies
	<ul style="list-style-type: none"> <li>3rd APEC International Conference on Enforcing Contracts (2013)</li> </ul>	Mexico
	<ul style="list-style-type: none"> <li>Diagnostic Study (2014)</li> </ul>	
Trading Across Borders	<b>Phase 1:</b> Workshop on Trading Across Borders (Sendai, September 2010)	All Economies
	<b>Phase 2:</b> <ul style="list-style-type: none"> <li>Diagnostic Studies (2011)</li> <li>Diagnostic Study (2013)</li> </ul>	Peru & Mexico Vietnam
Dealing with Construction Permits	<b>Phase 1:</b> Workshop on Reforming the Regulatory System for Construction Permits (Singapore, October 2010)	All Economies
	<b>Phase 2:</b> <ul style="list-style-type: none"> <li>Diagnostic Studies (2011-2013)</li> <li>Diagnostic Studies (2014)</li> </ul>	Indonesia, Peru & Thailand Brunei Darussalam
1 <sup>st</sup> Stocktake Workshop (Moscow, February 2012) 2 <sup>st</sup> Stocktake Workshop (Beijing, August 2014)		All economies

**Phase 1 - Workshops:** Overview seminars implemented by champion economies with the objective to deepen understanding, share experiences and discuss best practices to improve the business environment in each of the five priority areas.

**Phase 2 - Diagnostic studies:** Studies or programs tailored to the volunteer economy's needs in the priority area, to identify areas for improvement and develop customized, practical recommendations and implementation plans. These activities are developed in cooperation with the relevant champion economies. During the diagnostic studies and implementation of recommendations, technical experts often work very closely with government agencies responsible for developing, implementing, and enforcing policies and regulations related to EoDB.

**Stocktake workshops:** Workshops organized on the margins of the Economic Committee meetings to present the status of progress in accomplishing the APEC-wide EoDB objective, share experiences and best practices among member economies on EoDB related reforms, and discuss on possible APEC future work on EoDB.

## **The 9<sup>th</sup> APEC Transportation Ministerial Meeting**

### **Joint Ministerial Statement**

**October 9, 2015**

**Cebu, Philippines**

1. Cognizant of the significant role played by the transportation sector in achieving APEC's goal of free and open trade and investment in the Asia-Pacific region, and bearing in mind the goal of strengthening physical connectivity envisioned in the 22nd APEC Economic Leaders' Declaration, we, the Ministers responsible for transportation in the APEC region, met in Cebu, the Philippines, on 09 October 2015, to discuss domestic and regional plans and initiatives, as well as current challenges and needs, under the theme Driving Economic Growth through Inclusive Mobility and Sustainable Transport Systems. It is our intention to ensure that the APEC transportation sector reinforces this shared vision, as articulated by our Economic Leaders, such that APEC efforts will tangibly improve the lives of all our citizens, as we move toward our common goals built through trade and investment liberalization and facilitation, as well as economic and technical cooperation, in accordance with domestic economic circumstances.
2. We acknowledge the holding of the second APEC Women in Transportation (WiT) Forum on 08 October 2015, where the WiT Task Force proposed a framework for women's inclusion in the sector along five pillars: education, recruitment, retention, leadership, and safe use and access to transportation systems. We endorse this framework that affirms the important role women play in APEC economies and encourages the use of data collection to track the effectiveness of actions taken to increase their inclusion.
3. On 09 October 2015, we, Ministers, had a dialogue with leaders from the private sector, and discussed how we can work together in addressing the APEC region's massive sustainable transportation needs.

#### *Progress on Initiatives from the 8th Transportation Ministerial Meeting (TMM8)*

4. We acknowledge the progress that the APEC Transportation Working Group (TPTWG) has made on various initiatives it was directed to undertake during TMM8 in Japan in 2013.
5. These forward-looking initiatives include gathering information and collating best practices as bases to advance the understanding and implementation of public-private partnerships (PPPs), particularly on sustainable transportation infrastructure investment, financing and operations, the development of a Quality Transport vision, encompassing user-friendliness, ease of access, efficiency, environment friendliness, safety, resilience and the lowering of life-cycle cost as priorities, and the creation of an APEC Connectivity Map, visualizing our ideal of physical and institutional

integration to be reached by the year 2020.

6. We express our appreciation to Japan for its work on these three (3) initiatives, and encourage TPTWG to continue to progress these initiatives.

### ***Inclusive Mobility***

7. Recognizing that improving mobility increases people's productivity, and, results to the acceleration of economic growth, we endorse the initiative on creating an Inclusive Mobility Framework for the APEC region. It is envisioned to pave the way for the development of projects, programs, activities and transport planning mechanisms to address the transport needs of all individuals, especially those of the most vulnerable members of society, including persons with disabilities, older people, women, children and students, and other such groups.

### ***Developing Sustainable Transport Systems***

#### *Enhancing Transportation Safety and Security*

8. We reaffirm that enhancing the safety and security of transportation networks in the APEC region must remain among the highest priorities of the TPTWG. Both are fundamental elements in a viable transportation system that is able to facilitate the effective movement of passengers and goods.
9. We instruct the TPTWG to continue to collaborate with the public and private sectors from all modes of transportation, as well as other APEC fora and international organizations, like the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO), to address any gaps or needs in safety and security, and improve, through capacity building, member economies' governance, compliance and services in these aspects, while also taking into consideration the energy efficiency and environmental sustainability of operations.
10. We stress that adhering to recognized international safety and security measures for all modes of transport standards is a priority. These standards must be complementary and aligned to ensure safety and security objectives are pursued in the most efficient way, and without compromise on facilitation to movement of passengers and goods.
11. Recognizing the importance of aviation and maritime safety and security, we encourage economies to ensure that their respective aviation and maritime security frameworks comply with the ICAO Standards and Recommended Practices in Annex 17 (Security) to the Convention on International Civil Aviation, and Part A of the IMO International Ship and Port Facility Security Code (Chapter XI-2, International Convention for the Safety of Life at Sea), respectively.
12. We encourage economies to ensure that their respective aviation safety frameworks comply with the ICAO Standards and Recommended Practices in ICAO Annexes 1, 6,

and 8. We note the ICAO direction on the need for Civil Aviation Authorities to ensure fully qualified and trained inspectors with conditions of service and remuneration consistent with their education, technical knowledge and experience, and comparable to those personnel of the entities they regulate.

13. Economies are encouraged to utilize the latest transportation security technology and give a high priority to providing comprehensive training to transportation security personnel.
14. In support of relevant international agreements, we encourage economies to push forward with the implementation of relevant activities to raise awareness on road safety issues to reduce road deaths and serious injuries. We instruct the TPTWG to continue to share information on economies' road safety strategies and targets, and maintain coordination with other relevant APEC sub-fora, the International Transport Forum, the Asian Development Bank and other organizations dealing with road and rail safety. We also encourage economies to share their best practices and research on road safety policies and programs.

#### *Investing in Resilient Infrastructure*

15. In support of relevant international agreements, we call on economies to promote the resilience of new and existing critical transportation infrastructure to ensure that they remain safe, effective and operational during and after disasters in order to provide life-saving and essential services.
16. We commend the ongoing work, under the Supply Chain Resilience program promoting the *Seven Principles of Supply Chain Resilience* to improve the viability of businesses and the physical and social infrastructure of the supply chain for disaster situations. We note the benefits of the workshop held in Peru in May 2015 on "*Using Hazard and Risk Mapping to Improve Supply Chain Resilience*," and the knowledge transfer it facilitated to numerous APEC Economies. We commit to continue to support this multi-year, United States-led program where all APEC economies will focus on one of the Seven Principles each year.
17. In addition to this ongoing commitment, we will focus special attention on one APEC Economy to help them develop a framework for enhancing the resilience of their supply chain which we recognize supports us all. Though focused on supply chains within individual APEC Economies, these efforts are relevant to the entire region; and we encourage the sharing of lessons learned from such initiatives within the TPTWG and the Emergency Preparedness Working Group. We note the outcome of workshop in The Philippines earlier this week.

#### *Promoting Green Technology in Transportation*

18. We note that the transportation sector is one of the largest emitters of greenhouse gases. As such, we commit to support global efforts to address climate change.

19. We applaud the ongoing efforts by the APEC Port Services Network to promote green growth in the APEC port industry, including the creation of the Green Port Award System. We encourage all economies to participate in this program, as it serves as an important platform for best practices sharing, the promotion of efficiency and sustainability, and the improvement of the overall competitiveness of the APEC port industry.
20. We further encourage economies to promote energy-efficient and environmentally friendly modes of transportation.

### ***Encouraging Innovation in Transportation Systems***

#### *Harmonizing Vehicle Standards*

21. We encourage economies to participate, to the extent possible, in international discussions aiming at the improvement of the safety and environmental performance of vehicles, as well as greater economic integration through harmonized vehicle standards and technical requirements.

#### *Studying Disruptive Technology and Evolving Regulations*

22. We acknowledge that today's innovations and new technologies can enhance the capacity, sustainability and efficiency of transportation systems.
23. We instruct the TPTWG to encourage economies' participation in existing fora, including standards development organizations, and to provide additional venues, as needed, for dialogue and collaboration among economies on the uses of these technologies in the transportation sector, as well as on the mechanisms to be put in place to address any subsequent challenges.

#### *Using Intelligent Transport Systems (ITS) to Improve Transportation Efficiency and Effectiveness*

24. The development of ITS is essential to the improvement of the transportation system in the APEC region. In this light, we encourage economies to implement ITS to enhance the efficiency and effectiveness of transport infrastructure, especially recognizing the significant safety and environmental benefits which may be realized simultaneously.
25. We encourage economies to cooperate with the relevant authorities or organizations to ensure data protection and system integration and integrity. In addition, security measures need to be put in place and actively maintained to support the use of big data in ITS applications.
26. Consistent with initiatives to promote inclusive, user-friendly mobility, we recommend that economies explore how ITS can make transportation networks more

accessible to persons with disabilities, older people, women, children and students, low-income populations, and other vulnerable groups.

27. We reaffirm our support for the Global Navigation Satellite System (GNSS) Implementation Team and stress the importance of the application of GNSS technologies in achieving seamless and green intermodal transportation to enhance safety, security and sustainability. In view of this, we encourage economies to continue to promote and adopt GNSS technologies, especially those that will contribute to the improvement of supply chain connectivity as well as to the enhancement of capabilities for preparedness to natural disasters and emergency response.
28. We recognize the decision by TPTWG41 to establish a Task Force within the APEC TPTWG framework to explore the benefits and challenges of APEC-wide Transport Cards. We encourage economies to support this Task Force.

### ***Promoting Connectivity***

29. We reiterate our commitment to implement the APEC Connectivity Blueprint (2015- 2025), and achieve the overarching goal of strengthening physical, institutional and people-to-people connectivity, by taking agreed actions and meeting agreed targets by 2025. The objectives are to achieve a seamless and comprehensively connected and integrated Asia Pacific, as well as develop, maintain and renew quality infrastructure under physical connectivity, of which cross-sectoral aspects include quality of infrastructure, good practices and principles, and people-centered investment, to improve transportation systems to ease the flow of goods, people, services, and investments in the APEC region. We instruct the TPTWG to continue to enhance its work on connectivity of transportation networks.
30. We encourage economies to address the choke points identified by the APEC Supply Chain Connectivity Framework Action Plan, in order to promote a seamless, safe, green and reliable transport system through intermodal connectivity and innovation.
31. We strongly encourage economies to strengthen cooperation on PPPs by sharing best practices on a framework of bankable projects for transport supply chain connectivity and infrastructure, which will increase governments' capacities to structure their transportation infrastructure transactions to make them both appealing to the private sector and responsive to the needs of the key users of transportation networks. In connection with this, we recognize the importance of collaboration between the TPTWG, the Finance Ministers Process (FMP), the Committee on Trade & Investment (CTI), and the Investment Experts Group (IEG) within APEC on the topic of PPPs.
32. We recognize that an open and liberal international aviation regime and developed international air services are essential to continued economic growth and trade facilitation in the APEC region. Thus, we encourage economies to actively continue to pursue the goal of market access liberalization, using existing avenues including bilateral and multilateral agreements, for example, the Multilateral Agreement on the

Liberalization of International Air Transportation, and the exploration of additional avenues in line with the ICAO's long-term vision for international air transport liberalization.

33. We also welcome the progress made by economies in developing and liberalizing intra-APEC aviation markets according to their respective situations and requirements, and recommend that they continue their work based on the spirit of APEC cooperation.
34. In accordance with the set of core principles outlining best practices in the economic treatment of international business aviation operations, as developed by the TPTWG, we recommend that economies continue to pursue work on facilitating the more seamless operation of business and general aviation across the APEC region. Such operations can connect major Asia-Pacific centers of trade in an unprecedented, time-saving manner. Increased compatibility among economies in their regulatory treatment of this sector may serve to open the door to more opportunities for global commerce.
35. We take note of the results of the APEC Air Traffic Management Emissions Reduction Study/Project, and encourage the TPTWG to continue conducting efforts/projects to assist member economies in analyzing airspace capacity and developing methods to increase capacity of both en route and terminal operations, while still maintaining safety levels. We recognize that Under ICAO's Committee on Aviation Environmental Protection (CAEP), efforts continue on an aircraft CO<sub>2</sub> standard and an agreement is expected in February 2016.
36. We note the work being accomplished by the APEC Port Services Network (APSN), since its inception in 2008, to facilitate cooperation and communication amongst ports and related sectors in the APEC region. We reaffirm the importance of APSN initiatives, such as the conduct of workshops on ports and supply chain connectivity, one of which will be held on 10-11 November 2015 in Cebu, and a study on APEC Gateway Port Connectivity, in strengthening comprehensive connectivity in the APEC port and related industries. We encourage all member economies to continue their active participation in the APSN to strengthen regional economic integration.
37. We welcome the progress on the initiatives on *Promoting Cruise Visits to Ports in the APEC Region* and *Exploration on Strengthening of Maritime Connectivity*. We instruct the TPTWG to undertake further work on these initiatives.
38. We encourage economies to continue to explore ways to facilitate safety improvements for heavy vehicles, including overmass and oversize vehicles, to ensure transport supply chain connectivity.

### ***Capacity Building***

39. We recognize that the success of a safe, secure, effective and seamless transport system in the APEC region will depend largely on the competence of human resources. Therefore, we encourage economies to put more effort into collaborating on developing joint personnel training in smart and green supply chain connectivity.

40. We stress that there is a continued need to provide effective economic and technical cooperation for the further development of the transportation sector, achieving our goal of bridging development gaps.
41. We recommend that the TPTWG continue to promote capacity building efforts within APEC in cooperation with the Human Resources Development Working Group and explore programs and measures to implement ICAO and IMO requirements on air and maritime safety and security, respectively, utilizing the latest technology where appropriate.
42. We commend the efforts of the TPTWG in assisting economies to analyze their airspace capacity, and to develop methods to increase the capacity of both en route and terminal operations while maintaining safety levels.
43. We also applaud the efforts of the TPTWG to continuously conduct training courses on common principles to shipping policy that address real and complex issues of the maritime sector including international shipping policies and other related maritime policies.

#### ***Women in Transportation***

44. We commend the WiT Task Force for its efforts towards the facilitation of the exchange of information among economies on initiatives, outreach, and measures to increase the role of women in transportation and share best practices for expanding their educational, recruitment, retention, and leadership opportunities.
45. Further to the directive given to the group at the TMM8 to develop a framework for the collection of data and sharing of resources that will enhance opportunities and measure progress for women in the transportation sector, we instruct the WiT Task Force to work with the APEC Policy Partnership on Women and the Economy to establish a “network of champions,” to shape, coordinate, plan and execute activities under the WiT initiative. We encourage all member economies to ensure their representation/participation in this network.

#### ***Cross-Fora Collaboration***

46. We reiterate the need to strengthen engagement and collaborative efforts with other fora within and beyond APEC in working towards the achievement of the TPTWG’s objectives.
47. We encourage more collaboration with the Tourism Working Group on passenger transport. We acknowledge the progress made on the Travel Facilitation Initiative (TFI) and welcome the mid-term review and its recommendations. We instruct the TPTWG to redouble efforts to achieve the goals of making travel easier, faster, and more secure throughout the Asia-Pacific region.

48. We encourage more collaboration with the Anti-Corruption and Transparency Working Group in combating the problem of human trafficking in the Asia-Pacific region as part of a larger work stream. Since transportation networks in the Asia-Pacific region are exploited by traffickers, we believe the TPTWG can add value by working with the ACT on this issue.
49. We also encourage further collaboration with the APEC Policy Partnership on Science, Technology and Innovation on the application of ITS and other applications to improve road safety and transportation efficiency.
50. Cognizant of the directive to the TPTWG to give priority to developing and promoting fuel-efficient transport practices, including use of alternative fuels and development of energy efficient transport infrastructure, we direct the TPTWG to continue collaboration with the Energy Working Group and other agencies to facilitate the development and diffusion of climate-friendly technologies, policies and practices in transportation.
51. We encourage continued collaboration with the Mainstreaming Ocean-Related Issues Steering Council in efforts to prevent and combat marine pollution, promote investment in port infrastructure and promote submarine cable cooperation.
52. We instruct the TPTWG to support the APEC Automotive Dialogue's development of the APEC Roadmap for Electric Vehicles, to harmonize electric vehicle and electric vehicle component standards and regulatory approaches, and support interoperability of competing technologies, by focusing work in existing international fora.
53. Cognizant of the vital role of services in achieving economic growth and of the need for cross-fora and multi-stakeholder collaboration to ensure that APEC's services agenda continues to respond to economic, market and technological developments, we welcome the plan to have an APEC Services Cooperation Framework (ASCF). The ASCF will be a valuable guide in aligning efforts to develop more inclusive, innovative, competitive and productive transportation services.
54. Furthermore, we welcome the work of the APEC Business Advisory Council at promoting dialogues between economies and the private sector. We welcome these dialogues and look forward to working with ABAC on exploring PPPs as a means to increase transportation infrastructure investment and development.

### ***Conclusion***

55. In addition to the directives and recommendations set out in this document, we direct the TPTWG to continue its efforts with respect to the implementation of directives and recommendations set out during the TMM8 and previous Ministerial Meetings.
56. We agree to meet again in 2017 to work towards the further advancement of the transportation sector in the APEC region.

57. We note that the TPTWG has proved an effective tool for enhancing cooperation amongst transportation ministries since its inception in 1991, almost 25 years ago. With the TPTWG continuing efficacy in mind, we direct the TPTWG to conduct a review of its own internal structure to ensure that its current composition of expert groups, sub-expert groups, and task forces, as well as its interactions with other APEC fora, are appropriate to meeting the transportation needs of APEC member economies for the next quarter century. The Lead Shepherd will provide recommendations to Ministers at the next APEC Transportation Ministerial Meeting.



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