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Introduction

*Key APEC Documents 2017* is the 24th 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 2017 together with the APEC Economic Leaders’ Declaration from their recent meeting in Da Nang, Viet Nam.

The APEC website, 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 2017
THE 25TH APEC ECONOMIC LEADERS’ MEETING
Da Nang, Viet Nam
11 November 2017

Da Nang Declaration
Creating New Dynamism, Fostering a Shared Future

1. We, the Leaders of APEC, gathered in Da Nang, Viet Nam under the theme Creating New Dynamism, Fostering a Shared Future, determined to take bolder and sustained collective actions to inject new dynamism into APEC cooperation to promote sustainable, innovative and inclusive growth, deepen regional economic integration, realize the full potential of the business sector, particularly micro, small and medium-sized enterprises (MSMEs), and enhance food security and sustainable agriculture.

2. A quarter-century after the first APEC Economic Leaders’ Meeting, APEC has proven to be the premier economic forum in the Asia-Pacific, a driver of economic growth and integration, an incubator of ideas for future economic cooperation, a coordinating mechanism of trade agreements, and a global leader in addressing pressing problems. For nearly three decades, APEC has contributed to sustaining growth and advancing economic integration in the Asia-Pacific region, a process that has created millions of jobs and lifted hundreds of millions out of poverty.

3. We meet at a time when the regional and global landscapes have experienced complex and fundamental shifts, coupled with the emergence of far-reaching challenges and opportunities. Regional and global economic recovery is on firmer footing, but medium and long-term risks remain. The Fourth Industrial Revolution and advancements in technology are altering the nature of work, transforming our societies and the ways we connect and interact. Trade and investment have brought unprecedented prosperity to the Asia-Pacific region, but serious challenges persist.

4. We, therefore, recommit to our common purpose – to foster a shared future of a peaceful, stable, dynamic, inter-connected and prosperous Asia-Pacific community. We reaffirm our support for the 2030 Agenda for Sustainable Development, as a framework for inclusive growth.

5. We reaffirm our long-standing commitment to APEC’s mission of supporting sustainable economic growth and prosperity in the Asia-Pacific region. Recognizing the significant challenges our economies face, we pledge to work together and take the following actions:

I. Promoting Innovative Growth, Inclusion and Sustainable Employment

6. We reaffirm our aspirations towards balanced, inclusive, sustainable, innovative, and secure growth in the APEC region through monetary, fiscal and structural policies, individually and collectively, and highlight the importance of achieving quality growth.

7. We underscore that structural reform, including competition policy, ease of doing business, regulatory reform, strengthening economic and legal infrastructure, corporate and public sector governance, and promoting human capital development, is key to balanced, sustainable, innovative and inclusive growth, job creation, productivity and competitiveness. We reaffirm our commitment to foster integrity in the public and private sectors and fighting corruption and bribery, and denying safe havens for corrupt officials and stolen assets. We instruct economic and finance officials to work jointly on the 2018 APEC Economic Policy Report on Structural Reform and Infrastructure.
8. We emphasize the importance of innovation, science and technology as key drivers for economic growth and international trade and investment in the APEC region. We recognize the vital importance of continuing to work for quality and equitable education to enable people of all ages to meet the challenges of rapid changes in today’s world. We commit to promoting science, technology, engineering and mathematics (STEM) education and the pursuit of STEM-based entrepreneurship.

9. We resolve to enhance energy security to sustain economic growth in the APEC region. We encourage the facilitation of energy-related trade and investment, enhancement of access to affordable and reliable energy, and promotion of sustainable, efficient, and clean energy sources, which, in particular, would contribute to reducing global greenhouse gas emissions.

10. We note the need for urbanization to be people-oriented, sound and sustainable and encourage knowledge sharing and policy exchange in this area.

**Economic, Financial and Social Inclusion in a Globalized World**

11. Recognizing new opportunities and emerging challenges presented by globalization and digital transformation, we resolve to advance economic, financial and social inclusion, with a vision to build an inclusive, accessible, sustainable, healthy and resilient APEC community by 2030, consistent with the 2030 Agenda for Sustainable Development. We endorse the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion (Annex A) to guide our efforts moving forward. We commit to advance progress towards achieving full, productive and quality employment and equal pay for equal work; ensure access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance; and progressively achieve and sustain income growth for all members of society, especially women, and youth, persons with disabilities and other vulnerable groups, and enable them to seize global opportunities. We encourage APEC economies to invest in their health systems to increase productivity and economic growth.

12. Acknowledging that greater economic participation by women spurs economic growth, we encourage economies and the private sector to implement initiatives that enhance women’s economic empowerment, improve women’s access to capital, assets and markets, increase women’s participation in high-growth and high-wage sectors, and promote women’s leadership, entrepreneurship, skills and competencies.

**Quality Human Resources Development in the Digital Age**

13. We place importance on the need to prepare our people and all workers, especially vulnerable groups, for the changing world of work. We endorse the APEC Framework on Human Resources Development in the Digital Age (Annex B). We are committed to strengthening human resources development, including through education and life-long learning, technical and vocational education and training (TVET), and up- and re-skilling to increase workers’ employability, mobility and preparedness for the digital age; and ensure that active labor market policies can better match the needs of the labor market with various aspects of skills training and development.

**II. Creating New Drivers for Regional Economic Integration**

**Advancing Free and Open Trade and Investment**

14. We commit to attaining the Bogor Goals of free and open trade and investment in the Asia-Pacific region. We agree to accelerate efforts to address WTO-inconsistent barriers to trade and investment and take concrete actions towards the achievement of the Bogor Goals by 2020. We also note the importance of non-discriminatory, reciprocal and mutually advantageous trade and investment frameworks. We will work together to make trade more inclusive, support improved market access opportunities, and address unfair trade practices. We urgently call for the removal of market-distorting subsidies and other types of support by governments and related entities.
15. We are committed to carrying out further actions to promote an enabling and conducive environment for investment in the Asia-Pacific region.

16. We will work together to realize the potential of the internet and digital economy, including through appropriate regulatory and policy frameworks, and taking into account fair competition to encourage investment and innovation. We welcome the adoption of the APEC Internet and Digital Economy Roadmap and the APEC Framework on Cross-border E-commerce Facilitation. We will consider actions to facilitate the development of the internet and digital economy, including e-commerce and digital trade.

17. We are committed to further actions to increase APEC’s competitiveness in the services sector by 2025 and intensifying our efforts to address barriers that inhibit our businesses from competing or trading in services markets.

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

18. We reaffirm our commitment to advance in a comprehensive and systematic manner the process toward the eventual realization of an FTAAP to further APEC’s regional economic integration agenda. We commend the efforts of economies to advance work related to the eventual realization of an FTAAP, including capacity building initiatives and information sharing mechanism. We encourage economies to make further progress and to develop work programs to enhance APEC economies’ ability to participate in high quality, comprehensive free trade agreement negotiations in the future.

**Multilateral Trading System**

19. We welcome the entry into force of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and call for its full implementation, recognizing that it helps bring about meaningful and widespread benefits for all economies and businesses. We commit to work with other members of the WTO towards a successful 11th WTO Ministerial Conference.

20. We underline APEC’s crucial role in support of a rules-based, free, open, fair, transparent, and inclusive multilateral trading system. We commit to work together to improve the functioning of the WTO, including its negotiating, monitoring, and dispute settlement functions, to adequately address challenges facing the system, bringing benefits to all of our people and businesses. We will work to ensure the effective and timely enforcement of the WTO rules.

21. We note the importance of bilateral, regional and plurilateral agreements, and commit to working to ensure they complement the multilateral trade agreements.

22. We will strive for a climate conducive to investment and job creation. We will work to ensure a level playing field through continuing APEC’s leadership in pursuing open markets. We recall our pledge to extend our standstill commitment until the end of 2020 and recommit to fight protectionism, including all unfair trade practices, recognizing the role of legitimate trade defence instruments.

**Fostering Regional and Sub-regional Comprehensive and Inclusive Connectivity**

23. We reaffirm our commitment to build a seamless and comprehensively connected and integrated Asia-Pacific by 2025. In this regard, we welcome economies’ efforts in promoting cooperation to advance policy collaboration, trade facilitation, connectivity, financing, and people-to-people exchanges. We reiterate the importance of quality infrastructure for sustainable economic growth and pledge to promote infrastructure in terms of both quantity and quality through adequate investment and strengthened public-private partnership. We encourage further collaboration and synergy among various connectivity initiatives and work on advancing economic development and integration of sub-regional, rural and remote areas in the region, including efforts to develop safe, secure, resilient, efficient, affordable and sustainable transportation systems.

24. We underline the need to develop policies that take full advantage of global value chains. We encourage further actions to enable better participation, greater value added and upward mobility of developing economies and MSMEs in GVCs. We appreciate initiatives such as
Asia-Pacific Model E-port Network and APEC Green Supply Chain Network and their positive contribution to supply chain connectivity.

25. We commit to promote sustainable tourism, and explore its potential for development in remote areas as an important part of APEC economic growth strategies and enhanced people-to-people connectivity. We are determined to reach the target of 800 million APEC tourist arrivals by 2025.

26. We express concern over the growing threat of terrorism in the APEC region, which stems from ISIL, Al-Qaida and other terrorist organizations, and is exacerbated by the cross-border travel of foreign terrorist fighters and emerging sources and channels of terrorist financing. APEC economies commit to continually and effectively respond to the terrorist challenges in the region and their economic impact, as guided by APEC’s strategy to secure supply chains, travel, finance, and infrastructure.

27. As the Asia-Pacific is highly exposed to natural disasters, we commit to strengthen cooperation, including with the private sector, to enhance resilience to disasters through effective mitigation, preparedness, disaster risk reduction, response and recovery efforts. This includes advancement in policy, innovation, science and technology, business continuity planning, early warning systems, and search and rescue. We underline the importance of financial instruments and policies against disaster risks.

III. Strengthening the Capacity and Innovation of MSMEs

28. We commit to strengthen the ability of MSMEs to compete in international markets and participate in global value chains through the following actions:
   • Increase MSME’s innovation capacities, including by facilitating their access to finance, technology and capacity building, especially for women and youth-led businesses;
   • Improve access to the internet and digital infrastructure;
   • Enhance MSMEs digital capabilities, competitiveness and resilience;
   • Create an enabling environment for MSMEs, including by promoting business ethics; and
   • Support start-ups through establishing an innovative start-up ecosystem with conducive regulatory frameworks that promote a business-friendly environment, ensuring access to resources, and building start-up networks and partnership.

29. Acknowledging efforts to promote supporting industries, we encourage economies to enhance competitiveness and facilitate industries’ participation in global value chains.

30. We welcome the endorsement of the APEC Strategy for Green, Sustainable and Innovative MSMEs.

IV. Enhancing Food Security and Sustainable Agriculture in Response to Climate Change

31. We underscore that APEC can play a key role in ensuring food security and sustainable agriculture, aquaculture and fisheries in the Asia-Pacific region and beyond, particularly in the context of climate change and rural-urban development. We reiterate our commitment to achieve a sustainable APEC food system by 2020. We welcome the adoption of the Food Security and Climate Change Multi-Year Action Plan 2018-2020. We urge economies to work together to promote sustainable agriculture, aquaculture and fisheries to assess and reduce food loss and waste, enhance food safety, agricultural productivity and resilience against climate change, and reduce greenhouse gas emissions, where appropriate.

32. We commit to take actions to enhance regional food markets, food standards and supply chain connectivity to reduce costs of food trade, improve market transparency and help both importing and exporting economies adapt to food price volatility. We recognize that APEC can contribute to addressing challenges to food security, including by taking steps to integrate food producers into domestic and global food supply and value chains, address chokepoints arising from infrastructure gaps, and burdensome and unnecessarily restrictive trade measures.
We underscore the need for an enabling policy and regulatory environment to facilitate investment in rural infrastructure, logistics and agro-industry to improve the connectivity of food markets. We support public-private partnerships on strengthening rural-urban development at the economy and regional levels. We welcome the adoption of the APEC Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth.

33. We reaffirm our commitment to promote sustainable management of natural resources in achieving sustainable food security and higher productivity of the agriculture, aquaculture and fisheries sectors. We commit to continue to foster APEC cooperation on sustainable use and integrated management of land, forest, marine and water resources, through trans-boundary cooperation and collective efforts.

V. Fostering a Shared Future

34. We appreciate deliberations on APEC toward 2020 and beyond that started in Peru in 2016 and furthered in Viet Nam, as the Bogor Goals target date approaches and APEC is about to enter its fourth decade. We look forward to APEC intensifying efforts to achieve free and open trade and investment in the region by 2020 and setting a strategic, aspirational and action-oriented vision for its future.

35. We reaffirm our enduring commitment to underwrite dynamism, inclusiveness and prosperity of the Asia-Pacific region and to build a responsive, responsible and people- and business-centered APEC toward a shared future – resilient to challenges and accountable to its businesses, workers and people. We pledge to uphold the Asia-Pacific partnership based on mutual respect and trust, inclusiveness and mutually beneficial cooperation. We recognize APEC’s contribution toward achieving sustainable development. We further encourage the participation of relevant stakeholders in APEC cooperation so that cooperation achievements can benefit larger population across the Asia-Pacific.

36. We are committed to carrying out further concerted actions to maintain APEC as a key driver of regional and global economic growth and integration and a major contributor to the regional economic architecture. We welcome members’ initiatives that promote trade and investment in the region. In an increasingly interconnected world, we pledge to enhance synergy and complementarities with other regional and international institutions and fora. In this connection, we congratulate the ASEAN on its 50th Anniversary and commend its contributions to regional development and prosperity. We will strengthen APEC’s global leadership in addressing the most pressing economic challenges.

37. We welcome the establishment of the APEC Vision Group to assist Senior Officials in shaping the post-2020 Vision, including through consultations with relevant stakeholders. This Vision would build upon past achievements, addresses unfinished business, and explore new areas of cooperation to better respond to new and emerging challenges and pressing issues in the coming decades.

38. We highlight the importance and welcome the contribution of capacity building efforts by member economies. In this regard, we note with appreciation new initiatives, including the establishment of the Women and the Economy Sub-fund, and encourage more contributions, especially untied contributions.

39. We thank Viet Nam for its leadership this year, eleven years after its first hosting of APEC, in advancing the APEC process built on the vision and work of the previous APEC hosts. We look forward to meeting again in Papua New Guinea in 2018.

Annexes:

Annex A: APEC Action Agenda on Advancing Economic, Financial and Social Inclusion
Annex B: APEC Framework on Human Resources Development in the Digital Age
ANNEX A: APEC ACTION AGENDA ON ADVANCING ECONOMIC, FINANCIAL AND SOCIAL INCLUSION IN THE APEC REGION

1. We, the Leaders of APEC, reiterate the call for effective economic, financial and social inclusion, which has become all the more necessary in the Asia-Pacific. Expanded trade and investment and digital transformation have spurred significant economic growth and employment, but the gains have been spread unevenly to different segments of our societies. Our region is faced with challenges to economic, financial and social inclusion, such as persistent inequality and unemployment, enduring multi-dimensional poverty affecting health, education and living standards, and impacts of technological progress. Moreover, significant demographic changes in some APEC economies, such as aging populations and the rise of the middle-income segment of the population, pose other challenges to inclusive growth.

2. We share the view that advancing inclusion is critical to achieving inclusive growth with far-reaching impacts on both developing and developed economies, large and small, from the Southern and Northern hemispheres and both sides of the Pacific. While many APEC initiatives already work toward supporting inclusion and aim to capture the emerging regional and global trends, significant gaps remain to be addressed. It is imperative that APEC develop a holistic set of policies and measures to promote the multiple dimensions of inclusion. This endeavor is part of our collective efforts in alignment with the 2030 Agenda on Sustainable Development.

3. This Action Agenda on Advancing Economic, Financial and Social Inclusion draws together work currently under way in APEC relating to inclusion and adds new elements to ensure that efforts are relevant and responsive to the fast-changing global and regional landscape. Our overarching goal is to achieve a more inclusive APEC community by 2030.

4. The three key pillars of the Action Agenda include:
   a. Economic inclusion refers to equality in being informed of and having access to economic opportunity for all members of society to meaningfully participate in their economy.
   b. Financial inclusion implies that individuals and businesses have appropriate access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.
   c. Social inclusion is defined as the process of improving the terms of participation in society for people who are at risk of poverty and social exclusion and enhancing equity.

5. This Action Agenda aims to achieve the following APEC aspirational objectives:
   a. Economic inclusion: Advance progress towards achieving full and productive employment and decent work for all, including young people, the elderly, and persons with disabilities, and equal pay for equal work; progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the average level in each economy as envisioned in the 2030 Agenda on Sustainable Development.
   b. Financial inclusion: Strengthen the capacity of financial institutions to encourage and expand access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance; and
   c. Social inclusion: Empower all members of society to take advantage of economic opportunities.
6. We identify the following priority areas of work:

a. On economic inclusion:

- Increasing equal access to new opportunities and employment by progressing structural reform in the key areas of competition policy, ease of doing business, good regulatory practices and cooperation, and public sector and corporate governance; strengthening institutional capacity, transparency and anti-corruption efforts; spurring innovation and creativity; and increasing the competitiveness of the services sector;

- Enhancing economic opportunity and labor force participation, including for underrepresented and vulnerable groups - such as youth, women, the elderly, persons with disabilities and rural communities - by taking measures to remove barriers to training and employment, strengthening active labour market policies, and supporting human capital development that bridges educational competencies with labour-market demand.

- Deepening regional integration, trade and investment, including by improving trade facilitation, access to markets, and internationalization of MSMEs.

- Accelerating investment in infrastructure in terms of both quantity and quality; improving access to energy; and enhancing physical, institutional and people-to-people connectivity, including to under-developed, remote and rural areas; and

- Promoting the internet and digital economy, start-ups and entrepreneurship; capitalizing on opportunities and overcoming challenges presented by the Fourth Industrial Revolution.

b. On financial inclusion:

- Accelerating financial infrastructure development, particularly digital infrastructure and legal frameworks to enable e-payment transactions, credit information sharing, secure transactions, valuation and insolvency ecosystems to promote broader MSMEs’ access to credit; enhancing availability of microfinance and supply-chain finance for MSMEs; establishing an enabling environment for MSMEs to access financial services and providing capacity-building and technical assistance to allow them to do so;

- Promoting financial products and services appropriate for the unserved and underserved financial consumers, especially those from rural areas and the agricultural sector as a means to promote sustainable development and poverty alleviation;

- Ensuring a conducive regulatory environment that enables microfinance providers to more easily provide access to services in an efficient and cost-effective manner and secures appropriate levels of consumer protection;

- Developing and implementing APEC member economies’ financial inclusion strategies, including capacity building, financial education and digital tools to improve financial literacy and human resource development in the financial sector; developing safe and well-regulated digital finance (especially, digital banking and Fintech); providing support to help financially vulnerable citizens gain access to formal financial services; and

- Promoting international cooperation, including harmonization of standards and policies; building a financial inclusion and literacy database; sharing knowledge and enhancing capacity building.
c. On social inclusion:

- Developing eco-systems for harnessing the benefits of digitalization and better understanding the impacts of technological innovation, including improving access to education, training and childcare opportunities; and strengthening human resource development policies for the digital age and the future of work, including by intensifying efforts for re-skilling and life-long learning and targeting workers displaced by structural changes;
- Enhancing the social empowerment of women, youth, the elderly, persons with disabilities, rural communities and other underrepresented and vulnerable groups, including by enabling access to digital platforms and quality social services; and promoting social investment approaches;
- Strengthening social safety nets; improving access to social protection, including by promoting floors in line with ILO Recommendation 202 on Social Protection Floors; and promoting the Fundamental Principles and Rights at Work and safe and healthy workplaces.

7. To implement the Action Agenda, we commit to the following actions:

- Encourage APEC Committees, fora and sub-fora to incorporate economic, financial and social inclusion in their work plans or strategic plans if and where relevant;
- Call on APEC fora to collectively propose in 2018 a total of at least six new initiatives, two initiatives for each of the economic, financial and social inclusion areas.
- Strengthen cross-fora coordination, particularly between SOM and SFOM, in developing and implementing initiatives to strengthen economic, financial and social inclusion;
- Enhance collaboration and synergies with important regional and global institutions, where appropriate, particularly those that are focused on fostering economic, financial and social inclusion, such as the G20, OECD, World Bank, IMF, ERIA, PECC and APEC study centers; and
- Task officials to begin implementing the Action Agenda beginning from 2018, with a mid-term report of progress in 2024, and a final review in 2030. This initiative should be coordinated through the SOM Steering Committee on Economic and Technical Cooperation.
ANNEX B: APEC FRAMEWORK ON HUMAN RESOURCES DEVELOPMENT IN THE DIGITAL AGE

I. Background

The emerging digital age and fourth industrial revolution is having an unprecedented impact on the way people live and work. Recognizing that all economies face challenges in meeting human resources demands in this new era, in 2016 APEC committed to strengthening efforts to ensure decent work and work life quality for all, especially socially vulnerable groups, by providing access to quality inclusive education and vocational training; boosting entrepreneurship; improving social protection; and enhancing regional cooperation.

The world of work is going through major structural changes, with technological advancement, increased fragmentation of production, growing demand for new skills and shifting employment relationships. Technology, digitalization and automation promise to improve productivity, increase economic output and create high-skilled jobs – bringing immense economic and social opportunities in all economies. Adopting digital technologies and automation techniques can not only increase labour productivity but also enable the development of new business models, new markets and job opportunities.

However, at the same time, digital technology may be disruptive with far-reaching effects on productivity, employment and well-being. These changes will likely render some occupations obsolete and expose more workers to vulnerable employment (e.g. own-account and unpaid family workers, which already account for 50 per cent of jobs in Southeast Asia and the Pacific, and 40 per cent in East Asia). Furthermore, industry sectors, such as manufacturing are at risk. Evidence shows that the risk of automation could deny poorer economies the opportunity for economic development resulting in new digital divides and greater inequality. This could result in “premature de-industrialization” in many developing economies before reaching the threshold of industrialization achieved by developed economies. (Rodrik, 2015).

Advancement in technology has led to a pressing need for human resources development including research into the implications for the labour market, education, training and reskilling. This coupled with on-going labour market analyses will support targeted investment consistent with economic needs. Evidence-based policy is required to ensure that labour market participants are employable and prepared for the challenges and opportunities in the new digital age.

II. Purpose

The Framework puts forward an appropriate set of policy directions and measures to support economies to prepare labour market participants for the challenges and opportunities in the world of work today and beyond. In view of the challenges and opportunities associated with digitalization, it is important for APEC to be used as a regional platform for policy dialogue and cooperation on Human Resources Development in the Digital Age.

The Framework complements existing initiatives, such as the APEC Education Strategy and contributes to global efforts including the ILO’s “future of work centenary initiative” and the United Nations’ Sustainable Development Goals as well as fostering shared prosperity for our region, particularly Goal 4 to ensure inclusive and equitable quality education for all and promote lifelong learning and Goal 8 to create new dynamism for growth, achieve sustainable, innovative, and inclusive growth, employment and decent work for all.

1 According to 2016 (ILO) report: “ASEAN in Transformation: How Technology is Changing Jobs and Enterprises?” automation could have significant implications for labour-intensive manufacturing sectors. It could result in large displacement of mostly low-skilled workers. In the auto sector alone, over 60% of salaried workers in Indonesia and 73% in Thailand could be displaced by automated production. In Viet Nam, about 75% of workers in electronics and 86% in apparel and footwear are also at risk of automation.

III. Objectives:

Objectives of the framework are to:

i. provide high-level strategic direction on strengthening regional cooperation in human resources development in the digital age;

ii. outline common policy challenges in building human capital in the face of rapid technological change; and

iii. identify and take action in priority areas of collaboration where APEC can add value.

IV. Priority Areas and Actions

APEC members will boost regional cooperation in the following priority areas to address common policy challenges in building and adapting human capital in the digital age:

1. Future of work in the digital age and labour market policy implications

   (i) Joint and Regional/ APEC research activities to:

   ● examine the impacts of new technology and digitalization on the world of work; and to provide APEC member economies a good indication of where, when and how digitalization and new technology will change production processes. This will include examining the opportunities and challenges from “Industrialization 4.0”, “Digital trade” and “E-commerce”.

   ● assess the impact of digitalization and automation on labour market outcomes, demand and supply, and policy intervention, including structural adjustment policies to increase workforce participation, support the reintegration of displaced workers and sectoral, occupational and geographical mobility;

   ● examine labour market challenges for vulnerable groups and policy measures that support their adaptability to structural change; and

   ● identify new growth sectors and business models for job creation and opportunities for labour market policy reforms to encourage workforce participation.

   (ii) Regional/ APEC policy discussions to:

   ● generate policy-relevant discussion among APEC economies in order to identify clear recommendations for public interventions as appropriate;

   ● identify approaches to government-wide policies that support labour market adaptability, employment, life-long learning and workforce participation; and

   ● initiate policies to promote innovation and entrepreneurship in the digital age.

   (iii) Development of joint programs, projects and initiatives to promote cooperation and exchanges of best practices to:

   ● explore the role of labour market information system and data, and the role of public and private employment service in addressing the challenges and opportunities caused by globalization and digitalization as well as the way these institutions can be improved through Information and Communication Technology;

   ● examine the impact of structural adjustment on human resources development and to take into consideration the recommendations of the forthcoming APEC Economic Policy Report on Structural Reform and Human Capital Development;
• underscore the impact of the governance of work on APEC economies, considering gaps in decent work and increasingly fragmented production processes, as well as to examine new forms of employment relations and workers’ association in the context of polarization and personalization of work;

• assess new forms of work arising from increased digitalization, including the growth of virtual work and the “gig economy” under which the demand and supply of working activities is matched online or via mobile apps and its implications on the changing nature of employment relationships, social protection and labour mobility; and

• exchange good practices and innovative approaches in improving public employment service which will better respond to the diversified needs of workers in the digital era.

2. Skills education and training

(i) Joint and regional research activities to:

• anticipate and identify the future skills and competencies in the region that will be required to meet the need of emerging technologies and digitalization across the life-long learning continuum; and

• investigate and share information on the best means and best practice in teaching, learning, and distance-learning of those skills in need in the digital age.

(ii) Regional/ APEC policy discussions to:

• share views on the need for and implications of the adaptation of education and training systems;

• draw from the experiences of APEC member economies on how to improve implementation of TVET systems including quality assurance system that are better aligned to the needs of the labour market toward inclusive society;

• consider models for public private partnerships that will enable relevant institutional and local/central coordination mechanisms and structures to support skills systems to meet labour market needs;

• develop and implement industry-demand-driven 21st century competencies including technical and soft skills; and

• enhance the use of technology in expanding collaboration between government, academia and industry to develop 21st century competencies and entrepreneurship.

(iii) Development of joint programs and projects to promote cooperation and exchanges of best practices related to:

• developing flexible and innovative training programs to fill any gap in the supply of new skills and higher-skills for the digital age, including implementing domestic/local/sectoral qualification frameworks;

• initiating formal skills recognition for some medium-skilled occupations in migrant intensive sectors such as construction and domestic work;

• identifying how innovation and technology can be used to strengthen institutional capacity of Technical and Vocational Education and Training (TVET) system;

3 The “gig economy” includes two forms of work “crowd work” (jobs through online platforms) and “work-on-demand via apps” (e.g. Uber, Taskrabbit etc.)
● striving to lift the quality of teaching, and participation at all levels in learning STEM disciplines; and

● expanding the use of information and communication technology to improve workforce employability in the digital age, including through lifelong learning.

3. Social protection

(i) Joint and regional research activities to:

● study new social risks (intensification of work, effects on health and safety, blurring of the boundaries between work and private life, or discrimination) in order to inform new social protection policies and programs; and

● study new forms of social assistance (such as income support/replacement and community programs); and identify how digitization/new technological change will create circumstances that will require social protection solutions.

(ii) Regional/ APEC policy discussions to:

● consider how participatory social insurance schemes will need to adapt to new forms of employment;

● explore options that support the development of adequate social protection policies in the changing world of work, to ensure that social protection coverage for workers reflects diverse forms of employment; and

● promote access to social protection for women, the elderly, workers in the informal economy and in the sharing economy.

(iii) Development of joint programs and projects to promote cooperation and exchanges of best practices to:

● map out suitable social protection solutions that are adaptable to new forms of work in the digital age; and

● share experience on how social protection systems may need to be changed or adapted to meet new forms of work.

V. Implementing the priority areas of action through platforms for cooperation

The platform for cooperation should be through the existing HRDWG and complement existing Ministerial Statements such as the APEC Education Ministerial Statement adopted in Lima 2016 and HRD Ministerial Statement adopted in Ha Noi 2014. This could include:

● Strengthening cooperation through collaboration, representation and social dialogue.

Taking into account various levels of development amongst APEC economies, the framework will provide a platform to promote best practices, share information and strengthen capacity-building among APEC economies on human resources development in the digital age in cooperation with relevant partners. In particular progress in new technology may have implications for dialogue with social partners.

● Promoting linkages with other APEC initiatives.

Initiatives under this framework can be enriched and built from various initiatives under the APEC Strategy for Strengthening Quality Growth; Renewed APEC Agenda for Structural Reform; APEC Connectivity Blueprint; Framework for Youth Education, Employment and Entrepreneurship; APEC Education Strategy; and other relevant
frameworks, to ensure mutual benefits among APEC economies on human resources development in the digital age.

- Promoting linkages with other APEC sub-fora, such as ECSG, GOS, PPSTI, PPWE, and GOFD.

VI. Proposed timeframe for the implementation of the framework

The proposed timeframe for implementation of the Framework is from 2017 to 2025 with progress to be reviewed in 2022 by the Ministers responsible for human resources development.
2017 APEC MINISTERIAL MEETING

Joint Ministerial Statement

1. We, the Asia-Pacific Economic Cooperation (APEC) Ministers, met on 8 November 2017 in Da Nang, Viet Nam under the chairmanship of H.E. Pham Binh Minh, Deputy Prime Minister, Minister of Foreign Affairs, and H.E. Tran Tuan Anh, Minister of Industry and Trade of the Socialist Republic of Viet Nam.

2. We welcome the participation of the Director General of the World Trade Organization (WTO), the 2017 Chair of the APEC Business Advisory Council (ABAC), the Association of Southeast Asian Nations (ASEAN), the Pacific Economic Cooperation Council (PECC), and the Pacific Islands Forum (PIF).

3. The global and regional economies have shown positive signs with growth picking up, and cyclical recovery continues unabated with higher employment rates in many of our economies. In the medium term, the risk of global financial conditions tightening remains and slower productivity gains continue to inhibit sustainable growth. Against this backdrop, it is imperative for APEC to put a high premium on sustaining the momentum of regional cooperation with a view to reinforcing our forum’s profile as a driver of economic growth and integration in the Asia-Pacific region.

4. Against such a backdrop, under the theme “Creating new dynamism, fostering a shared future”, we are committed to strengthening cooperation and taking joint actions to foster regional economic linkages and growth for a dynamic, inter-connected and prosperous APEC community and promote an Asia-Pacific partnership for inclusive and sustainable development.

5. We advance our work with focus on the following APEC 2017 priorities: (i) Promoting sustainable, innovative and inclusive growth; (ii) Deepening regional economic integration; (iii) Strengthening micro, small and medium-sized enterprises’ (MSMEs) competitiveness and innovation in the digital age; and (iv) Enhancing food security and sustainable agriculture in response to climate change. To this end, we pledge to take the following actions:

I. Deepening Regional Economic Integration

6. We remain committed to achieving the Bogor Goals of free and open trade and investment in the region. We will take concrete actions toward the achievement of the Bogor Goals by 2020.

7. We recognize the work of the WTO in ensuring international trade is rules-based, free, open, fair, transparent, predictable and inclusive. Members must improve adherence to rules as agreed upon. We commit to cooperate to improve the functioning of the WTO by addressing challenges. We recall our pledge to extend our standstill commitment until the end of 2020 and recommit to fight protectionism, including all unfair trade practices, recognizing the role of legitimate trade defense instruments.

8. We commit to work with other Members of the WTO towards a successful 11th Ministerial Conference.

9. We refer to our Leaders’ Declaration for an elaboration of our views.

Free Trade Area of the Asia-Pacific (FTAAP)

10. We commend the efforts of economies to implement the Lima Declaration on FTAAP. We encourage economies to make further progress on advancing the Lima Declaration
on FTAAP and develop multi-year work programs to further enhance APEC economies’ ability to participate in high quality, comprehensive free trade agreement negotiations in the future. We instruct officials to advance technical work and related initiatives for the eventual realization of an FTAAP. We look forward to the implementation of the Action Plan Framework for the 3rd REI Capacity Building Needs Initiative (CBNI) and the RTAs/FTAs Information Sharing Mechanism.

**Services and Investment**

11. We welcome the progress and encourage further implementation of the APEC Services Competitiveness Roadmap (ASCR). This includes the initiative on developing an index for the APEC region on the regulatory environment of services trade with a view to eventually covering all members based on the outcomes of the pilot programs and differences of member economies’ context in APEC, and the initiative to develop a set of non-binding principles for domestic regulation of the service sector. We stress the importance of capacity building and supporting MSMEs integration into global value chain in services industries.

We welcome the action plan for the interim review to be conducted in 2018 on the Manufacturing Related Services Action Plan (MSAP), and encourage economies to report on regulatory regimes and policy environments in manufacturing-related services.

12. We encourage the continued implementation of the Investment Facilitation Action Plan. We encourage economies to enhance capacity building, support more investment and policy dialogues, and promote inclusive business and community engagement to highlight the benefits of investment and encourage investment that supports inclusive economic growth.

**Internet and Digital Economy**

13. Bearing in mind the role of the Internet and Digital Economy in promoting innovative development and empowering economic participation, we emphasize the opportunities that the Internet and Digital Economy offers to achieve sustainable, inclusive and innovative growth, including businesses’ participation, particularly MSMEs’ in GVCs and the global market. We commend the achievements of the Ad Hoc Steering Group on the Internet Economy (AHSGIE) and support the APEC Roadmap on Internet and Digital Economy. We encourage member economies to implement the Roadmap effectively.

We encourage economies’ initiatives to explore new areas of potential economic growth in the area of digital trade, including identifying building blocks. As building consumer trust in the use of the Internet is critical to the growth of Internet and Digital Economy in the region, we support continued dialogue between the public and private sectors to strengthen that trust through appropriate consumer protection and privacy rules.

14. To strengthen APEC’s leadership in promoting cross-border e-commerce in the region, we endorse the APEC Cross-Border E-commerce Facilitation Framework (Annex A). We emphasize that MSMEs’ participation in the digital economy should foster inclusive growth and reduce inequality. In that regard, we recognize the importance of APEC Cross-Border Privacy Rules (CBPRs) System, a voluntary mechanism whose participants seek to expand participation. We support enhanced cooperation in this area, including through promoting capacity building.

15. We commit to constructively engage in discussions on e-commerce at the WTO and other international fora within their respective mandate.

**Environmental Goods and Services**

16. We commend the progress in implementing the commitment to reduce tariffs to five percent or less on the 54 products in the APEC List of Environmental Goods and strongly urge economies that have yet to fulfill this commitment to do so as soon as possible. We
welcome the progress of implementing the Environmental Services Action Plan (ESAP) and look forward to further concrete outcomes.

Regional and sub-regional inclusive and comprehensive connectivity

17. Recognizing that strengthened connectivity contributes to opening up new sources of growth, we reaffirm our commitment to the overarching goal of a seamless and comprehensively inter-connected and integrated Asia-Pacific and applaud initiatives to implement the APEC Blueprint on Connectivity 2015-2025 across the 3 pillars of physical, institutional and people-to-people connectivity. We encourage new initiatives that will promote further work on progressing the Connectivity Blueprint before the mid-term review of 2020. We acknowledge the importance of adequate investment and strengthened public-private partnerships in infrastructure development in term of both quality and quantity. We welcome the progress of quality infrastructure initiatives, including the Peer Review and Capacity Building on APEC Infrastructure Development and Investment. We look forward to further deepening and accelerating initiatives, and welcome the upgrading of APEC Guidebook on Quality Infrastructure Development and Investment.

18. Noting the importance of the economic integration of rural and remote areas for sustainable and inclusive growth in the APEC region, we recommend actions to promote sub-regional, rural and remote area connectivity, sustainable tourism and reliable transportation, telecommunication and internet. We encourage officials to continue the discussion on practical initiatives to enhance rural development and poverty alleviation.

19. We acknowledge that fostering complementarity and synergy among connectivity initiatives provides new opportunities and serve as a driving force for regional prosperity. We commit to further promote collaboration and policy coordination between APEC and various regional mechanisms on the connectivity initiatives for the people and businesses in the region.

Global Value Chains and Supply Chain Connectivity

20. We welcome the progress to implement the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation to create an enabling environment for GVC development and cooperation, including the promotion of MSMEs’ participation. We note the launch of APEC Global Value Chain Partnership Platform, the Global Value Chains Investment Climate Improvement Report, and the 2018 Annual Work Plan on the APEC Technical Group of Measurement on Trade in Value-Added (TiVA), moving towards the completion of the APEC TiVA Database by 2018.

21. We welcome the conclusion of the study on Global Data Standards (GDS) and encourage officials to explore the wider use of interoperable GDS in the region.

22. We reaffirm our commitment to advance work programs that reduce trade costs in the region. To that end, we endorse the Monitoring Framework of the APEC Supply Chain Framework Action Plan Phase II 2017 - 2020 (SCFAP II) that aims to identify challenges, key stakeholders, targets and measurements for each of the SCFAP II chokepoints. We also commend the progress in promoting single window systems’ international interoperability and the study of the Policy Support Unit (PSU) on the issue. We note the initiatives such as the Asia-Pacific Model E-Port Network (APMEN) and its Implementation Measures for SCFAP II and APEC Port Services Network (APSN) and their contribution to supply chain connectivity in the region. We note the progress made by APEC Cooperation Network on Green Supply Chain (GSCNET) and its pilot centers to promote green development in APEC.

Good regulatory practices

23. We welcome efforts and instruct officials to continue working on aligning advertising standards. We recognize the benefits, effectiveness and efficiency of public sector and self-regulatory organizations working together on self-regulatory approaches, contributing to potential reduction of the cost of doing business in the region.
24. We note the publication of the 2016 Final Report on Good Regulatory Practices in APEC Economies, as well as continuing work to strengthen good regulatory practices of transparency, stakeholder consultation and internal coordination to enhance regulators’ understanding of the WTO Agreement on Technical Barriers to Trade. We encourage officials to promote the active implementation of good regulatory practices in the report, including through appropriate capacity building activities.

Supporting Industry

25. Acknowledging the importance of supporting industry to the sustainable growth of the region, we welcome the APEC Best Practices for Promoting Supporting Industry in the Asia-Pacific region and encourage information sharing and related capacity building activities.

Industry Dialogues

26. Noting the importance of risk-based chemicals management, we note the efforts of the APEC Chemical Dialogue to encourage the use of good regulatory practices and address divergences in the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) to facilitate trade.

27. We note the work done by the Auto Dialogue together with the Transportation Working Group (TPTWG) and the Energy Working Group (EWG) to facilitate Electric Vehicles (EV) use, production and trade throughout the region. We note the progress in implementing the APEC Roadmap for Electric Vehicles to facilitate adoption and implementation on international standards.

Intellectual Property Rights

28. We recognize the importance of cooperation in the area of intellectual property (IP) rights, including protection and enforcement. We encourage economies to promote IP policies and programs that cultivate, foster, support, protect and advance innovation and creativity. We welcome new initiatives that encourage entrepreneurship and innovation through effective and comprehensive measures, including IP systems and capacity-building. We note progress under the APEC Best Practices in Trade Secrets Protection and Enforcement Against Misappropriation and initiatives to enhance MSMEs’ innovation and capacity on IP enforcement and commercialization.

II. Promoting sustainable, innovative and inclusive growth

Economic, financial and social inclusion

29. We stress the importance of promoting economic, financial and social inclusion in promoting economic growth, narrowing the development gap, reducing inequality and broadening access to finance, quality education and health services with a view to further spreading the benefits of growth to all segments of our societies, including the most vulnerable groups, towards a more inclusive APEC community by 2030, thus consistent with 2030 Agenda for Sustainable Development. To this end, we adopt the Action Agenda on promoting Economic, Financial and Social Inclusion and submit the Action Agenda to APEC Leaders for their endorsement.

Structural Reform

30. We commit to the robust implementation of the Renewed APEC Agenda for Structural Reform (RAASR) through economies’ Individual Action Plans (IAPs). We look forward to the RAASR Mid-term Review in 2018. We call on economies to take concrete unilateral actions and collaborate on initiatives to share experiences and capacity building for implementing IAPs throughout 2017 - 2020.

31. We welcome the 2017 APEC Economic Policy Report (AEPR) on Structural Reform and Human Capital Development, which provides a set of options members may wish to take into account when considering domestic policies. We approve the topic “Structural Reforms and Infrastructure” for the 2018 AEPR. We encourage collaboration between
the Economic Committee and Senior Finance Officials on the 2018 AEPR. We welcome the APEC-OECD (Organization for Economic Co-operation and Development) Framework on Competition Assessment, a tool helpful in achieving the benefits of competition.

32. We commit to effectively implement Phase II of the Ease of Doing Business (EoDB) initiative, including reaching the target of 10% improvement of the business environment by 2018.

*Human Resources Development in the Digital Age*

33. We acknowledge the progress made in implementing the APEC Education Strategy 2016 - 2030, and welcome its Action Plan to guide our work to promote competencies, innovation and employability in the APEC region. We encourage further cooperation in cross-border education, including higher education, and technical vocational education and training (TVET).

34. We welcome the outcomes of the High-level Policy Dialogue on Human Resources Development in the Digital Age which focused on promoting quality human resources and education, skills needed in the digital age, sustainable employment, social safety nets and capacity building, particularly for women and youth, persons with disabilities and other vulnerable groups. We adopt the APEC Framework on Human Resources Development in the Digital Age and submit it to APEC Leaders for their endorsement.

*Financial Cooperation*

35. We welcome the outcomes of the Finance Ministers’ Process, particularly the Finance Ministers Joint Statement, and the progress towards implementing the Cebu Action Plan, enhancing fiscal reforms, economic resilience and integration, and contributing to strong, sustainable, innovative and inclusive growth in the Asia-Pacific region.

*Sustainable Tourism*

36. We appreciate the outcomes of the High-level Policy Dialogue on Sustainable Tourism. We underscore the importance of strengthening cooperation to facilitate sustainable tourism development and to highlight best practice in measurement and monitoring methodologies to enhance sustainable tourism. This helps with conserving and managing natural resources, biodiversity and ecosystems and built and living cultural heritages, and adapting to and capitalizing on new technologies to develop tourism and promote cultural exchange. In turn, this connects people in the APEC region and brings social, financial and economic integration of remote areas.

*Women and the Economy*

37. We recognize the outcomes of the APEC 2017 Women and the Economy Forum and we note the development of voluntary guidance on gender inclusion by the Policy Partnership on Women and the Economy. We commit to women’s economic, financial and social inclusion across APEC economies. We call on economies to support women’s economic empowerment through concrete policies and measures to improve women’s access to capital, assets, markets, and capacity building and to improve women’s skills, education, and health outcomes. We encourage economies to support policies and programs that increase women’s leadership and gender diversity in management; provide better opportunities for women in the cultural and creative industries; and harness innovation to better bridge gender gaps, including by boosting career opportunities in high-growth, high-wage sectors like science, technology, and transportation. We advocate for the promotion of women’s entrepreneurship through expanding women’s entrepreneurship networks, and in this regard, we commend the second APEC contest for women-entrepreneurs APEC Business Efficiency and Success Target Awards (APEC BEST Awards). We welcome the efforts to integrate gender across APEC, including through the 2017 version of the APEC Women and the Economy Dashboard, and the establishment of the Women and the Economy Sub-fund.
Health

38. We commend initiatives and projects to implement the Healthy Asia-Pacific 2020 Roadmap (HAP), including the progress in developing key performance indicators of HAP 2020 priorities, and encourage and promote innovation and partnerships to address health-related issues. We also encourage economies to share best practices and explore innovative sustainable health financing tools, improve health systems and recognize that members’ goals to promote Universal Health Coverage (UHC) can be important in building healthy populations which in turn support economic growth. We welcome the outcomes of the High-level Meeting on Health and the Economy, including efforts for healthy aging societies, and the High-level Dialogue on Innovation, Regulatory Systems, and Regulatory Convergences. We value the importance of efficient, science – and risk – based regulatory systems in enabling life sciences innovation and welcome the first-ever Life Sciences Innovation Forum High Level Dialogue on this topic. We also welcome ongoing support from the APEC Harmonization Center and the Regulatory Harmonization Steering Committee on regulatory convergence and the launch of network of APEC Regulatory Science Centers of Excellence (CoEs). We commend the progress achieved by APEC members in establishing the Supply Chain Security Toolkit for Medical Products.

Science, Technology and Innovation (STI)

39. We encourage further STI information exchange and policy coordination among member economies as well as increased engagement of multi-stakeholders such as private, scientific, industrial and academic sectors in promoting inclusive and innovative development. We commend the 2017 APEC Science Prize for Innovation, Research and Education (ASPIRE) under the theme “New Material Technologies”, PPSTI Policy Statement on STI Communication and PPSTI Jiading Declaration on Internet of Vehicles. We recognize that STI has an important role in underpinning sustainable economic growth and development, and the full benefit of innovation can only be realized by promoting an enabling environment for scientific research and market-based innovation, STI capacity building, public involvement in STI and collaboration amongst APEC economies.

Urbanization

40. We emphasize the need to achieve people-oriented, sound and sustainable urbanization. We welcome the implementation of the APEC Cooperation Initiative for Jointly Establishing an Asia-Pacific Urbanization Partnership, including the PSU’s study on Partnerships for the Sustainable Development of Cities in the APEC Region. We encourage APEC economies to further enhance cooperation through knowledge sharing and policy coordination to promote sustainable urbanization. We recognize the APEC 2017 Dialogue on Sustainable Urbanization and note the Guidebook for Development of Sustainable Cities.

Persons with Disabilities

41. We support full inclusion of persons with disabilities in our economies. We encourage officials to promote equal access of persons with disabilities to high quality, inclusive education and training, as well as competitive, integrated employment. We recognize the efforts of the Group of Friends on Disability in promoting the employment of persons with disabilities through advancing their participation in the internet economy and the open labor market without discrimination and on equal basis with others.

Emergency Preparedness and Disaster Management

42. Recognizing the Asia-Pacific region as one of the most disaster-prone regions in the world, in face of the “new normal” – the increasing frequency, magnitude and scope of natural disasters, including earthquakes, volcanic eruptions, typhoons, rising sea levels, drought, flood, wildfires and other extreme weather events, we emphasize the need for economies’ continued efforts in building a resilient, sustainable, inclusive, people-and-business-centered APEC community. We pledge to implement the APEC Disaster Risk
Reduction Framework Action Plan with emphasis on cooperation in capacity building, early warning systems, disaster risk assessment and financing policies, mitigation, search and rescue, and post disaster recovery assistance. We welcome the outcomes of 11th Senior Disaster Management Officials Forum and the Joint Recommendations on enhancing science and technology for disaster risk reduction.

Anti-corruption

43. We reiterate our previous commitments to prevent and fight against corruption, domestically and globally, including APEC’s Beijing Declaration on Fighting Corruption, and to effectively implement the UN Convention against Corruption. We commit to strengthen the role of the APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) in enhancing informal and pragmatic cross-border cooperation among law enforcement agencies in fighting corruption, bribery, money laundering, as well as in recovery of stolen assets. We advocate efforts to share and implement good practices, including related to fighting corruption and illicit trade, and underscore the importance of enhanced international and regional cooperation. We are committed to deny safe havens for corrupt officials and their proceeds of corruption. We also commit to working towards strengthened cooperation on extradition.

Counter-terrorism

44. We commit to work cooperatively to improve our preparedness to effectively respond to regional terrorism challenges, through the implementation of the APEC Consolidated Counter-Terrorism and Secure Trade Strategy, increased cooperation to ensure secure supply chains, infrastructure, finance, travel, trade and seamless connectivity.

III. Strengthening the MSMEs’ Competitiveness and Innovation

45. We pledge to implement the Boracay Action Agenda to Globalize MSMEs and to conduct the mid-term review in 2018. We welcome the development of the Compendium on Methodologies for SMEs Internationalization and the launch of the “MSME Marketplace”. We also support initiatives to promote e-commerce to expand MSMEs participation in the global value chain.

46. We adopt the APEC Strategy for Green, Sustainable and Innovative MSMEs (Annex B). We encourage member economies to create an enabling environment for MSMEs to engage in activities that would lead to a sustainable and inclusive Asia-Pacific.

47. We call for a reduction in costs associated with non-tariff barriers to facilitate the building of MSMEs’ capacity for internationalization and the promotion of a pro-competitive environment with a view to widening access to finance, infrastructure, particularly IT infrastructure and technology. We support initiatives to foster greater MSMEs’ capacity and participation in e-commerce, and promote “Online-to-Offline” (O2O) model and digital resilience. We welcome the establishment of APEC SME Center for IT Promotion.

48. We welcome the APEC Initiative on Promoting Innovative Start-ups with a view to building a strong and vibrant start-up ecosystem in the APEC region. We urge APEC economies to support start-ups through establishing conducive regulatory frameworks that promote a business-friendly environment.

IV. Enhancing Food Security and Sustainable Agriculture in Response to Climate Change

49. We reiterate the importance of food security and sustainable and resilient agriculture, aquaculture and fisheries in eradicating poverty, increasing agricultural trade, promoting sustainable and inclusive development in the Asia-Pacific region. We welcome the outcomes of the High-Level Policy Dialogue on Enhancing Food Security and Sustainable Agriculture in Response to Climate Change. We reaffirm our commitment to realize a sustainable APEC food system through the implementation of the APEC Food Security Roadmap towards 2020.
Food Security and Climate Change

50. We urge member economies to strengthen policy coordination and cooperation and share experiences in addressing the relationship between food security and climate change and collaborate on technology development, information sharing, and capacity building. We recognize that innovation in agriculture, aquaculture and fisheries can grow trade, increase farm productivity and incomes, and build resilience to resource constraints in the context of climate change. We note the role of the APEC Climate Center (APCC) in fostering strengthened science-based climate information systems for environmental and risk management related to food production. We welcome the endorsement of the Food Security and Climate Change Multi-Year Action Plan 2018-2020 (Annex C).

Sustainable Management of Natural Resources

51. We support increased policy and technical cooperation to enhance the efficiency and effectiveness in natural resources management and utilization while securing the long-term and disaster - resilient food supply. We call for closer coordination to foster sustainable use and management of land, forestry, marine and water resources to ensure both food security and environmental protection, while promoting biodiversity conservation. We recognize the importance of the blue economy in sustainable food security, commend the progress in this area, including in developing the APEC Marine Sustainable Development Report II. We believe it is crucial to strengthen policy and technical cooperation to improve sustainable use of natural resources while securing long-term food supply, including addressing the negative impacts of illegal, unreported and unregulated (IUU) fishing on fish stocks, the marine environment and food security. We encourage all economies and stakeholders, particularly the private sector, to engage in ocean-related cooperation, including investment in sustainable materials management and waste management infrastructure, to reduce land based sources of marine debris in APEC.

Sustainable Rural-Urban Development

52. We call on APEC economies to promote sustainable, resilient and inclusive rural-urban development with emphasis on improving the participation and welfare of disadvantaged groups, smallholder farmers and small-scale fishermen, and MSMEs in the agricultural and aquaculture sector to ensure livelihoods, poverty reduction, food security and natural resources conservation. We will continue to share experiences in comprehensive rural-urban development. We welcome the endorsement of the APEC Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth (Annex D).

Facilitation of Trade and Investment in Agriculture and the Food Market

53. We recognize that trade and investment in food, agriculture, aquaculture and fisheries are crucial to food security in the APEC region and beyond. Recognizing APEC’s role in the global food market and in securing the global and regional food value chains and supply chains, we call for strengthened cooperation in facilitating investment in agriculture, rural transportation and logistics, food processing and retail, and related services. We reaffirm our commitment to engage constructively and make all concerted efforts to adopt a permanent solution on the issue of public stockholding for food security purposes, as committed. We also encourage economies to address relevant measures, including Non-Tariff Measures and Non-Tariff Barriers. We encourage regional cooperation on food standards and improved efficiency of food trade.

Food Loss and Waste Control

54. We commit to implement the APEC Action Plan for Reducing Food Loss and Waste and encourage initiatives to control post-harvest food loss and waste, including the development of infrastructure, application and transfer of advanced technologies for processing, storing and preserving food across the food value chain and strengthening public and private partnership.
Food Safety

55. We encourage member economies to continue advancing work in the Food Safety Cooperation Forum, including its Partnership Training Institutes Network, and the Wine Regulatory Forum, to promote the use of science-based standards and guidelines and risk-based approaches to regulation of food and wine so as to protect human, plant and animal health and facilitate trade.

V. Economic and Technical Cooperation (ECOTECH) and Other Sectoral Outcomes

56. We support cooperation to build capacity, bridge development gaps, and assist member economies to fulfill APEC's long-term goals. We welcome the incorporation of capacity building policies into the Guidebook on APEC Projects. We welcome and encourage members’ further contributions to the APEC Support Fund and its sub-funds, as well as members’ efforts in providing capacity building. We acknowledge the 2017 ECOTECH Report and welcome the APEC Guidelines on Promoting Cross-fora Collaboration.

Energy

57. We welcome the efforts toward reducing aggregate energy intensity, accelerating clean, efficient, and renewable energy deployment, pursuing sustainable and resilient energy development, and developing diversified, flexible and integrated natural gas market in the Asia-Pacific, which in particular may contribute to reducing greenhouse gas emissions. To this end, we urge economies to strengthen coordination and cooperation through sharing best practices, and deploying advanced technologies, including waste recycling. We note with appreciation efforts to pursue energy smart communities and low carbon model towns.

58. Bearing in mind that energy access, energy resilience, and energy security are significant to our long-term prosperity and shared future, we strive for a clean, sustainable and secure energy system. We stress the importance of promoting energy-related trade and investment in fostering sustainable, resilient and safe energy infrastructure.

Mining

59. Recognizing the importance of sustainable development, use and trade of minerals and metals in generating socio-economic benefits, we are continuing to apply the APEC Mining Policy Principles and encourage sharing best practices in management; voluntary technology transfer and capacity building in sustainable development of the mining sector.

Forestry and Wildlife

60. We welcome the outcomes of the 4th APEC Meeting of Ministers Responsible for Forestry. We recognize the importance of achieving and assessing in due course, aspirational goal of increasing forest cover in the region by at least 20 million hectares by 2020. We commit to foster sustainable forest management and conservation and reforestation. We commit to work together to combat illegal logging and associated trade and support capacity building for APEC economies, application of technology and best practices. We emphasize the importance of strengthening our efforts and increasing cooperation among members economies in preventing and combating illicit wildlife trafficking.

Transportation

61. We commend the outcomes of the Transportation Ministerial Meeting and underline the significance of developing a safe, secure, resilient, efficient and sustainable transport system. We welcome initiatives to adopt new technologies in the transport sector. We note the development of a transport connectivity map. We stress the importance of building capacity in this regard.
Telecommunications and Information

62. We welcome the implementation of the Telecommunications and Information Working Group (TEL) Strategic Action Plan 2016 - 2020. We support the continued development of information technology and communications, promoting a secure, resilient and trusted information and communications technologies (ICT) environment. We stress the importance of capacity building and the application of new technologies to promote innovative and inclusive growth. We commend TEL for its coordination with other fora to develop a safe and reliable information technology environment.

VI. Looking Forward

63. We share a common vision to build a peaceful, stable, dynamic, inclusive and prosperous Asia-Pacific region. We welcome the discussion at the Multi-Stakeholders Dialogue on APEC Toward 2020 and Beyond and welcome the endorsement of the initiative on APEC Toward 2020 and Beyond, including the establishment of an APEC Vision Group.

64. We reaffirm APEC's global leadership in promoting growth, regional economic integration, trade and investment liberalization, and addressing global challenges, and we recognize APEC's contribution to sustainable development. In doing so, we are committed to strengthening APEC's cooperation and coordination with other international and regional organizations. We welcome member economies' initiatives to promote trade and investment in the region. We congratulate ASEAN on its 50th anniversary, commend its achievements and support further synergy between APEC and ASEAN in fostering inclusive growth and comprehensive connectivity.

65. We welcome continued deliberation and efforts aimed at improving and streamlining APEC governance to ensure it is more relevant, accountable, effective and responsive, while ensuring continuity of its core agenda. We emphasize the importance of cross-fora collaboration within APEC and encourage outreach with the business community. We appreciate the active contributions of APEC Business Advisory Council (ABAC) to the APEC process. We grant an ongoing mandate to the Policy Support Unit (PSU).

66. We endorse the 2017 APEC SOM Chair's Report, the Annual Report of the Committee on Trade and Investment to Ministers, and take note of the 2017 Report of the APEC Secretariat Executive Director. We approve the 2018 APEC Secretariat Account Budget and corresponding level of 2018 Members' Contributions.

67. We look forward to Papua New Guinea's hosting of APEC 2018.

Annex A: APEC Cross-Border E-Commerce Facilitation Framework
Annex B: APEC Strategy for Green, Sustainable and Innovative MSMEs
Annex C: Food Security and Climate Change Multi-Year Action Plan 2018 - 2020
Annex D: Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth
ANNEX A: APEC CROSS-BORDER E-COMMERCE FACILITATION FRAMEWORK

Introduction

1. Electronic commerce (e-commerce) has the potential to provide an extraordinary stimulus to the growth and trade in the Asia-Pacific region. In 2016, B2C e-commerce sales worldwide reached 1.9 trillion USD and the sales in the Asia-Pacific were estimated to be 1 trillion USD. B2C e-commerce sales also made up a larger share of total retail sales in Asia-Pacific than all other regions, at 12.1%.

2. E-commerce is becoming a major pillar of the Internet and Digital economy which has contributed to the development of trade in the region. Online services had the largest share of the total digital market in 2015.

3. Cross-border e-commerce is one of the fastest growing segments of global trade, growing from practically zero two decades ago, to an estimated value of 1.92 trillion USD globally by the end of 2016. The Asia-Pacific region also had the biggest volume of sales in 2016, followed by Western Europe and North America. Cross-border B2C e-commerce sales in the Asia-Pacific region reached 144 billion USD, accounting for 35.9% of worldwide cross-border B2C e-commerce sales. The figures are estimated to be 476 billion USD and 47.9% in 2020.

4. Recognizing very early on the key role that e-commerce would play in linking APEC Economies, in their 1998 Declaration, APEC Leaders commended the APEC Blueprint for Action on Electronic Commerce, which set out the principles for the promotion and development of e-commerce in the region. In Auckland in 1999, APEC Leaders once again urged APEC to continue its efforts to create a favorable environment for e-commerce and called for specific implementation strategies in e-commerce. Since then, along with the establishment of Electronic Commerce Steering Group (ECSG) in 1999, many activities have been implemented based on the principles set out in the Blueprint.

5. Today, the rapid digitalization of the global economy has opened up new growth opportunities for APEC’s Micro, Small and Medium Enterprises (MSMEs). Cross-border e-commerce is a powerful enabler for the internationalization of APEC’s MSMEs, who no longer need physical, commercial presence to market and sell their products to the world. Recognizing this, in 2014 APEC Leaders endorsed the APEC Cross-border E-commerce Innovation and Development Initiative. At the APEC Ministerial Meeting (AMM) in 2015, Ministers welcomed the proposal to Promote E-commerce to Globalize MSMEs. And in 2016, Ministers agreed to encourage further work to exchange experience on the implementation of the WTO Agreement on Trade Facilitation and promotion of customs control over cross-border e-commerce for better connectivity, further integration of regional economy and modernize MSMEs. These are instructions that need a response from the APEC Economies.

6. Noting the foundation and work streams that have begun in this critical area, and recognizing the importance of capturing issues relevant to APEC and today’s global trading environment, in 2017 APEC recommends establishment of a framework to guide a comprehensive and coherent response.

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1 https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-trillion-This-Year/1014369
3 Facilitating Digital Trade for Inclusive Growth, Issue Paper No. 12 by APEC Policy Support Unit, April 2017
7. This Framework should serve as a complement to ongoing work related to the Roadmap for the Internet and Digital Economy, as well as to the ongoing work related to digital trade under the Committee on Trade and Investment (CTI) in APEC. The possible next phase of the Framework will meet new objectives set out in the APEC Beyond 2020 vision.

**Principles**

8. The Framework shall be guided by the APEC Principles on Trade Facilitation endorsed in 2001, taking into account the APEC Blueprint for Action on e-commerce.\(^5\)

**Objectives**

9. Taking into account the above considerations, the Framework aims to promote cross-border e-commerce across APEC by:

- Creating a favorable regulatory eco-system for e-commerce to promote predictability, transparency, security, fair competition and consistency;
- Promoting development of Information and Communication Technology infrastructure for facilitating cross-border e-commerce;
- Encouraging and facilitating greater participation of businesses in global commerce, in particular MSMEs;
- Enhancing cooperation between public and private sectors, including on consumer protection;
- Contributing to trade and investment facilitation in the region, supporting the achievement of the Bogor Goals and post 2020 vision.

**Working Pillars**

10. To achieve the above objectives, APEC should focus on the following working pillars. Each pillar should include specific activities to assess the performance:

(i) **Promoting transparent and predictable legal and regulatory approaches and measures that are business friendly and coherent to facilitate cross-border e-commerce in the region**

11. Lack of coherent policies and regulations on e-commerce has been one of the obstacles for cross-border e-commerce.

12. Efforts should be made to assist APEC economies, especially developing economies, to understand and develop transparent and predictable regulatory and legal framework for cross-border e-commerce, with the aim of promoting better alignment among Economies throughout the region.

13. Consequently, working towards sharing best practices in e-commerce regulations in the region remains a priority to create a favorable environment to facilitate cross-border e-commerce and promote online consumer protection.

14. The following activities could be considered under this pillar:

- Review existing legal and regulatory issues related to cross-border e-commerce including but not limited to digital products;\(^6\)

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\(^5\) This Framework is applied to facilitate for cross-border e-commerce in B2C, B2B and G2B transactions and for commercial transactions of both physical goods and services and digital products via electronics means.

\(^6\) Use of the term 'Digital product' should not be understood to reflect a Member’s view on whether trade in digital products through electronic transmission should be categorised as trade in services or trade in goods.
Consider existing international standards and guidelines;

Identify choke points and measures to cross-border e-commerce from legal and regulatory perspective, taking into account Phase II of the Supply Chain Framework Action Plan;

Promote dialogue and interaction on new legal and regulatory issues among government agencies and other related stakeholders;

Promote transparency and predictability in implementation of e-commerce regulations;

Share best practices as useful tools for capacity building of policymakers;

Encourage APEC Economies to undertake reviews of their domestic e-commerce policies;

Conduct research on emerging technological and regulatory trends in e-commerce;

(ii) Enhancing capacity building so that APEC Economies can assist MSMEs to increase their cross-border e-commerce participation in global and regional markets

15. Although MSMEs account for the majority of all enterprises in the region, their participation in global trade is not commensurate with their potential and share of employment.  

16. Cross-border e-commerce provides MSMEs with opportunities to lower operating costs and thus easing MSMEs’ access to global markets and increasing their capacities to participate in global trade.

17. It is necessary to reduce barriers that impede MSMEs expansion in the region, in parallel with efforts to enhance capacity building programs for Economies to assist MSMEs participation in cross-border e-commerce.

18. The following activities could be considered under this pillar:

- Identify choke points and measures for businesses, especially MSMEs, to participate in cross-border e-commerce;

- Identify, share and develop best practices among economies, especially MSMEs to participate in cross-border e-commerce;

- Identify supply side gaps such as knowledge of market expertise and trade rules, standards and service quality required to support the use of cross-border e-commerce in the region;

- Actively encourage public and private sectors to develop and implement projects in appropriate fora to address issues related to MSMEs’ participation in cross-border e-commerce;

- Encourage cooperation and collaboration between public and private sectors such as Public Private Partnership (PPP), Public-Private Dialogue (PPD) on existing and emerging issues in cross-border e-commerce;

- Support capacity building activities within Economies to facilitate MSMEs’ gain on cross-border e-commerce.

7The APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development.
(iii) Strengthening cross-border data privacy protection through increased implementation of existing APEC programs

19. We recognize the importance of effective protection of information and data privacy, while still maintaining information and data flows among economies in the Asia-Pacific region, and among their trading partners.

20. We value APEC’s on-going efforts and programs on privacy. We recognize the importance of the APEC Cross-border Privacy Rules (CBPRs) System and Privacy Recognition for Processors (PRPs) System, voluntary mechanisms whose participants seek to expand the participation, and we support enhanced cooperation in this area, including through promoting capacity building.

21. The following activities could be considered under this pillar:

- Promote appropriate domestic data privacy protection for personal information taking into account the APEC Privacy Framework;
- Encourage APEC economies to update their Data Privacy Individual Action Plan;
- Encourage facilitation of interested APEC economies’ participation in CBPRs and PRPs in APEC;
- Facilitate discussion on the APEC Privacy Framework and domestic regulations to ensure a coherent and consistent approach to data privacy regulations;
- Support capacity building efforts among the APEC members to enhance their domestic data privacy regulations which take into account the APEC Privacy Framework;
- Share experience and best practices on issues related to cross-border data privacy regulations and policies;
- Enhance and strengthen international collaboration aimed at promoting interoperability between privacy frameworks;
- Continue regional monitoring developments in and share information with other international fora on cross-border privacy issues and initiatives.

(iv) Facilitating cross-border paperless trade in the region

22. It is recognized that paperless trade, the advanced electronic submission and processing of documents are a key foundation of trade facilitation. APEC recognizes that continued efforts to strengthen paperless trade are critical to the efficient processing and clearance of e-commerce shipments.

23. We encourage members to consider approaches to cross-border paperless trade facilitation in cooperation with the business community, particularly with MSMEs in the region.

24. In addition, we encourage APEC Economies to implement the WTO Trade Facilitation Agreement (TFA), particularly those provisions which aim to make more information related to customs procedures available on the Internet (Article 1, Article 7 and Article 10).

25. In recognition of the importance of trade facilitation, we encourage ongoing and additional ways to further facilitate cross-border paperless trade, working with relevant fora and sub-fora.

26. The following activities could be considered under this pillar:

- Identify chokepoints and build capacities for further facilitating cross-border paperless trade including business-to-consumer (B2C), business-to-business (B2B) and
Establish a favorable environment to facilitate cross-border paperless trade through streamlined shipments and clearance goods while supporting risk management;

- Identify chokepoints and work towards strengthening the use of e-payment systems while ensuring the security;
- Share best practices and support capacity building on cross-border paperless trade regulatory approaches including single window development and border management;
- Working with the relevant sub-fora, explore other technologies and innovations to further facilitate cross-border paperless trade, while supporting effective risk management;
- Encourage APEC members to update their APEC Paperless Trading Individual Action Plans;
- Conduct collaboration with other international fora and organizations in this area such as the United Nations Commission on International Trade Law (UNCITRAL), The Economic and Social Commission for Asia and the Pacific (ESCAP), World Customs Organization (WCO), Universal Postal Unit (UPU) or National Postal Operators (NPO), World Trade Organization (WTO) and other relevant organizations outside of APEC.

(v) **Addressing emerging and cross-cutting issues in cross border e-commerce**

27. Existing and emerging cross-cutting issues related to cross-border e-commerce needs to be taken into serious consideration. This would require working groups and APEC fora to collaborate closely to find the most suitable solution for such issues.

28. We support the free flow of information for promoting cross-border e-commerce while respecting legitimate public policy interests including applicable domestic and/or international legal frameworks for privacy and data protection.

29. Besides, several issues have emerged as significant in the promotion of cross-border e-commerce in the region including border management, taxation, Intellectual Property Rights, online consumer protection and security in the use of ICTs, which are considered to be of particular importance for businesses participating in cross-border e-commerce.

30. We encourage the development of policies and frameworks that promote trust and confidence among cross-border e-commerce participants, and which ensures the benefits of cross-border e-commerce are available for consumers and businesses alike.

31. The following activities could be considered under this pillar:

- Research, study and understand new and emerging cross-cutting issues related to cross-border e-commerce;
- Identify barriers and encourage best practices sharing in facilitation of cross-border information flows for cross-border e-commerce;
- Encourage sharing best practices on online consumer protection, taxation issues on cross-border e-commerce operators;
- Identify and share best practices for the promotion of electronic authentication methods, including electronic signatures;
- Identify barriers and encourage best practice sharing in border management, including but not limited to goods inspections processes at the border;
- Coordinate with the UPU or NPO and other stakeholders involved in cross-border delivery and distribution to safeguard and improve the sustainability of cross-border e-commerce;
2017 KEY APEC DOCUMENTS

- Raise awareness of cybercrimes and the need for strong, effective security in the use of ICTs for cross-border e-commerce;
- Maintain implementation of emerging information communication technologies and industries ensuring interoperability in the sphere of cross-border e-commerce in the region;
- Promote better measurement of cross-border e-commerce and analysis on its economic impacts, including measurements examining negative impacts of relevant protectionist measures and anti-competition practices;
- Modernize the TOR of ECSG by focusing on e-commerce and capturing emerging issues;
- Continue close collaboration with other working groups and APEC fora, including but not limited to the Sub Committee on Customs Procedures (SCCP), Small and Medium Enterprises Working Group (SMEWG), Telecommunication Working Group (TELWG), CTI, and Steering Committee on Economic and Technical Cooperation (SCE) etc.

The Way Forward

32. An Annex to the Framework includes past, current and future projects, initiatives, APEC member action-plans and working group work-plans, with the aim to promote and facilitate cross-border e-commerce in the region.

33. The Annex of APEC Collective Actions is a living document and will be updated annually.

34. This Framework will contribute to the strategic and long-term planning of APEC’s work program through all relevant Committees and Working Groups.

35. The ECSG, and the possible successor sub-fora under CTI, will have a leadership and coordinating role to implement the Framework beginning in 2018 and report to CTI annually. Relevant fora and working groups are encouraged to implement the Framework in their scopes to facilitate cross-border e-commerce in the region.
<table>
<thead>
<tr>
<th>No.</th>
<th>Name of projects/initiatives/plans</th>
<th>Working Pillars</th>
<th>Working Group / APEC fora</th>
<th>Year</th>
<th>Member</th>
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<tr>
<td>1</td>
<td>Idea Show for start-up in e-commerce in Asia Pacific 2017</td>
<td>(ii)</td>
<td>ECSG</td>
<td>2017</td>
<td>Chinese Taipei</td>
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<tr>
<td>2</td>
<td>Enhance MSME’s Capacity for Inclusive Development by Cross-Border e-Commerce Adoption</td>
<td>(ii), (iv)</td>
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<td>2017</td>
<td>Viet Nam</td>
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<tr>
<td>3</td>
<td>Work Plan for Promoting E-commerce to Globalize MSMEs</td>
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<td>Korea</td>
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<tr>
<td>4</td>
<td>DPS-ECSG Work Plan 2017</td>
<td>(iii)</td>
<td>ECSG</td>
<td>2017</td>
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<tr>
<td>5</td>
<td>APEC Workshop on Facilitating Market Access for Women–Led MSMEs through E-Commerce</td>
<td>(ii)</td>
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<td>2017</td>
<td>Viet Nam</td>
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<td>6</td>
<td>APEC SME Cross-Border E-Commerce (CBE) Leaders' Conference</td>
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<td>7</td>
<td>Seminar on “Capacity-Building for Compliance with Cross-Border Privacy Rules System in APEC.”</td>
<td>(iii)</td>
<td>ECSG</td>
<td>2017</td>
<td>Chinese Taipei</td>
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<tr>
<td>8</td>
<td>Phase Two of Supply Chain Connectivity Framework Action Plan 2017-2020</td>
<td>(ii) (v)</td>
<td></td>
<td>2017</td>
<td>CTI</td>
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ANNEX B: APEC STRATEGY FOR GREEN, SUSTAINABLE AND INNOVATIVE MSMEs

1. The APEC Strategy for Green Sustainable, and Innovative MSMEs will serve as guidance for APEC policymakers to create an enabling environment for MSMEs to engage in activities, such as the adoption of green technologies, the use of eco-friendly packaging materials and design, the compliance with international environmental standards and socially responsible investment, which would lead to a sustainable and inclusive Asia-Pacific. The Strategy will also outline future plans for activities on promoting green and sustainable MSMEs by different APEC fora.

2. We encourage APEC member economies to consider the following actions

   a. *Raising green awareness for enhancing competitiveness among stakeholders*

      We are aware that smaller enterprises tend to focus mainly on economic benefits, but could benefit from better understanding social and environmental impacts. We recommend member economies to promote green awareness among stakeholders by:

      - Providing appropriate information and guidance on the benefits and ways of going green to MSMEs;

      - Encouraging larger companies and successful green companies to share best practices on adopting a green business model to MSMEs to increase their opportunities in engaging in international markets where green standards are widely accepted; and,

      - Educating the younger generation on the green economy, environmental awareness and sustainable development to enhance their understanding and demand for green products and services.

   b. *Providing training and skills development for MSMEs*

      We recognize that most MSMEs lack the capacity for adopting green economy practices. In addition, they lack sufficient skills to adopt green and innovative technologies and sufficient digital literacy. Governments can play an important role in enhancing MSMEs’ capacity to better access innovation and technologies, compete international, and participate in GVCs. Governments can also help to bridge the digital divide by offering necessary training programs and courses, and support green MSMEs’ efforts to effectively communicate the unique attributes of their eco-friendly products and services to potential consumers.

      We also recognize that a number of MSMEs are suppliers to large enterprises, possibly through green procurement programs. We thus welcome the engagement of larger companies in offering best practices and mentoring schemes to support the greening of MSMEs. Moreover, we encourage such companies, universities, and relevant government officials to exchange relevant information to improve knowledge and capacity to nurture future green MSMEs.

   c. *Promoting the compliance with related international standards and the development of an integrated policy framework, at the regional and domestic levels*

      We support APEC member economies in launching policy instruments for creating an enabling environment for MSMEs to engage in green activities. These instruments can include the establishment of green standards and certifications, eco-labeling schemes consistent with international standards, as well as the effective implementation of environmental laws. We also encourage APEC member economies to ensure the successful implementation of related international standards among MSMEs. Moreover, we support policies and regulatory frameworks that reduce trade barriers and facilitate the export of green products by MSMEs and to help green MSMEs invest abroad.
Partnerships among multi-stakeholders, including different concerned agencies, the private sector and academia, should also be strengthened to push forward green business policies.

d. Providing incentives and promoting science, technology and innovation (STI) and internet and digital economy to expand MSME market reach

We encourage APEC member economies to create incentives to facilitate MSMEs’ shift towards the green economy. We welcome and encourage universities and research institutes, as the sources of green technologies in the APEC region, to conduct joint research to promote green innovation that is applicable to MSMEs.

We recognize the importance of e-commerce platforms as a pathway to increase the sales of green products and services, as well as to allow green products to be more accessible to the purchasing population. We also welcome APEC members’ support for MSMEs’ innovation with the focus on development and commercialization of highly applicable products and capacity building programs that support MSMEs’ innovation in term of products, procedure, marketing and management, etc.

We urge APEC members to foster incentives for innovation awards, initiatives and creative and green industries; share best practices on appropriate technology adoption among MSMEs to support higher production; coordinate the policies, regulatory practices that can maximize the potential of MSMEs to contribute to innovation and green growth; and strengthen public – private partnership to support MSMEs’ innovation.

We encourage the formation of proper mechanisms for commercially based technology diffusion and facilitation in APEC in order to foster the transition to green technologies for MSMEs.

e. Promoting green supply chain development and establishing the networks for green, sustainable and innovative MSMEs

We encourage green government procurement and green procurement policies by large companies to encourage MSME suppliers to provide environmentally sustainable goods and services. We also encourage partnerships among green, sustainable and innovative MSMEs. We support the establishment of green sustainable and innovative MSMEs’ networks and encourage the use of e-commerce as a means to expand the green supply chain.

We encourage APEC member economies to build global and regional networks of MSMEs innovators and accelerators, (e.g. internship consortium, APEC SME Service Alliance [ASSA], innovation centers, supply chain institutes, women and youth networks) as part of an ecosystem which supports enterprise creation, increases the innovative capabilities of MSMEs and joint collaboration among MSMEs, large enterprises and academia.

3. The above-mentioned prioritized actions for greening MSMEs should be based on the Public-Private Partnership (PPP) approach while promoting benefits for local MSMEs and communities.

4. Five sectors can be considered, at an initial stage, by the Strategy namely

- Biomass and renewable energy
- Construction and green building
- Tourism
• Food industries
• Textile

We encourage member economies to volunteer as the champion economies to take lead in promoting green and sustainable MSMEs in the suggested pilot sectors; for example, by initiating the projects or organizing relevant activities.

5. In developing the Strategy, member economies must come to an understanding on the parameters that can help identify what a green, sustainable and innovative MSME is, taking into account the existing green growth indicators developed by other organizations including the OECD and UNEP.

Implementation

6. As a cross-cutting issue, cross-fora collaboration will be required. In addition to the APEC SMEWG, efforts to promote green and sustainable MSMEs could be considered by other APEC fora including the Committee on Trade and Investment (CTI) on encouraging MSMEs’ participation in green value chains; the Economic Committee on structural reform towards a green economy; the Human Resources Development Working Group (HRDWG) on education, skills development and training on green economy values; the Energy Group, Transportation Group, PPSTI, PPFS, Tourism Group among others; as well as the APEC Business Advisory Council (ABAC) on strengthening PPP in greening MSMEs. Engagement and collaboration with relevant organizations and experts, such as OECD, UNIDO and UNEP, will also be advisable.

7. Once the Strategy has been endorsed, the SMEWG will undertake an annual stock-take and review of the APEC projects, activities and initiatives that promote green, sustainable and innovative MSMEs during 2018 - 2022, based on, but not limited to, the stock-take prepared by the APEC Secretariat as presented in the Annex. APEC member economies may consider taking a mid-term review of the Strategy in 2020 to monitor the progress and to ensure effective implementation.
1. Purpose

The MYAP is intended to implement the Multi-Year APEC Program on Food Security and Climate Change, fulfilling the APEC Food Security Roadmap Toward 2020 and Bogor Goals 2020. Furthermore, the MYAP will promote a more coordinated regional effort at addressing the closely linked challenges of food security, development, and climate change adaptation and mitigation. The MYAP will be executed by the Policy-Partnership on Food Security (PPFS), in collaboration with other APEC fora such as the Agricultural Technical Cooperation Working Group (ATCWG), the High-Level Policy Dialogue on Agricultural Biotechnology (HLDPAB), and the Oceans and Fisheries Working Group (OFWG). PPFS will engage with the related APEC fora to ensure that MYAP activities are closely coordinated with their efforts so that there is coherence in implementation of the MYAP.

2. Background

Increasing frequency and intensity of extreme weather events due to climate change are already negatively affecting agricultural production systems and food security. Climate change will continue to have a profound impact in APEC economies, with developing economies facing the largest reductions in food production potential, according to a study by the Asian Development Bank. These environmental challenges could affect the food supply by asserting downward pressure on production and upward pressure on prices, thereby creating problems for food availability, food accessibility and affordability. With agriculture, livestock, and fisheries sources representing a portion of global greenhouse gas emissions, efforts to address the food security-climate relationship have also focused, where possible, on mitigating greenhouse gas emissions from food systems. The MYAP reflects APEC’s Multi-Year Strategic Framework on Food Security and Climate Change where the three primary pillars are defined as:

a. Sustainably increase agricultural, fisheries, and aquaculture productivity and incomes (“productivity”);

b. Adapt and build resilience to climate change (“adaptation”); and

c. Mitigate or reduce greenhouse gas emissions where possible (“mitigation”).

This MYAP was developed using the discussions, goals, and direction laid out in the APEC Food Security Roadmap Towards 2020, the Piura Declaration on APEC Food Security, and the Strategic Framework for the MYAP.

3. Objectives

The key objectives of the MYAP are to:

Enhance the capacities of APEC economies in developing and disseminating approaches to address the food security-climate change relationship in the short, medium, and long term.

Increase the knowledge of adaptation, mitigation, and productivity among APEC economies. Activities such as targeted capacity building activities focused on sharing and disseminating related priorities, good practices, policy approaches, appropriate technologies, lessons learned, and other information will help achieve the goals identified.

Utilize the current APEC structure to provide means of support for APEC economies to better share experiences and promote cooperation in the development of approaches to addressing food security-climate change relationships, as applicable and appropriate.
and based on identified capacity gaps.

**General Approach**

The MYAP is a set of voluntary, non-binding actions determined by each APEC economy. APEC economies have discretion to develop their own actions based on an economy’s domestic priority and available budget.

Coordination and Leading Economies: As the chief coordinating and executing body, PPFS will oversee and manage the MYAP. PPFS will identify a sub-group (“core team”) of MYAP champions to facilitate coordination, implementation and monitoring of the MYAP. This core team will initially include representatives of the PPFS Chair 2017 (Vietnam) and the next three chairs of PPFS (Papua New Guinea, Chile, and Malaysia), other interested economies and private sector participants. Expert organizations are also encouraged to engage in the MYAP implementation. It is envisioned that, under the auspices of and subject to the approval of the PPFS, the core team will triennially review and make recommendations to the PPFS for updating the MYAP, and that the PPFS welcomes all interested economies and private sector participants to join the core team.

**Workstreams:** The MYAP aims to address challenges associated with food security and climate change by pursuing four concurrent, inter-related streams of work, as determined in the Strategic Framework for the MYAP and summarized below:

a. Policies: This workstream focuses on cooperation, communication, and information on food-security and climate change policy.

b. Best Practices: This workstream focuses on cooperation on best practices in agriculture, livestock, fisheries, and aquaculture production and policymaking.

c. Technologies and Knowledge: This workstream focuses on technology development, dissemination, knowledge sharing, and access to advanced technologies.

d. Capacities: This workstream focuses on human and institutional capacity building and outreach for the public and private sector, for policy makers, social associations and agriculture, livestock, fisheries, and aquaculture extension and education.

**4. Key Actions in 2018 – 2020**

Phase 1: 2018 – Stocktaking and Analysis: The first phase of the MYAP will focus on assessment and stocktaking activities that clarify policies, best practices, technologies, and levels of capacity currently existing in the APEC economies. The stocktaking and analysis phase will be aligned within the four workstreams of the MYAP. It is understood and anticipated that some actions (i.e., cross-cutting actions) will address multiple workstreams of the MYAP.

a. Policies Workstream

   i. Economy-level analysis of policies relating to sustainable and climate resilient agriculture, fisheries, and aquaculture.

   ii. Context and situation analysis of policies and regulations that govern three key sectors (staple food/agriculture, livestock, fisheries, aquaculture) and an evaluation of climate conditions, post-harvest loss and waste, and the value chain.

   iii. Share and stocktaking of incentive policies to promote investments in science and technology development, innovations, plant varieties, fisheries, aquaculture
and animal breeds adaptive to climate change, which ensure both quality and quantity for food security.

iv. Research and analysis of greenhouse gas emission reduction in the process of food production and distribution.

b. Best Practices Workstream

i. Stocktaking exercise of on-going and new practices used in each economy in the agriculture, livestock, fisheries, and aquaculture sectors. Review the application of good practices in adapting to and/or mitigating climate change and post-harvest loss and waste.

ii. Stocktaking exercise of feasibility studies done of these best practices to ascertain the ability of economies to adopt new methods and techniques for increasing productivity, reducing post-harvest loss and waste, and improving adaptation and mitigation.

c. Technology and Knowledge Workstream

i. Inventory and assess existing platforms that track adaptation and mitigation technologies and practices, as well as their uptake and upscaling potential.

ii. Inventory existing collaborative mechanisms between economies and international organizations, and between public and private sector organizations that focus on technology development and knowledge sharing.

iii. Inventory food production and processing techniques and technologies throughout the value chain that APEC economies utilize to adapt to climate change and mitigate greenhouse gases and reduce post-harvest loss and waste.

iv. Cooperate to develop an e-bulletin to highlight and disseminate knowledge about applications of climate-change-adaptation and mitigation science and technology in agriculture, livestock, fisheries, and aquaculture production.

d. Capacities Workstream

i. Conduct a stocktaking exercise that inventories and summarizes training programs and capacity building initiatives in or available to APEC economies for increasing productivity, reducing post-harvest loss and waste, improving adaptation and mitigation, and strengthening climate information services.

ii. Evaluate and analyze APEC-funded projects from the Projects Database to specifically consider the capacity building and outreach initiatives focused on improving extension and training services and tools.

e. Cross Cutting Actions

i. Collaborate and build upon relevant stock-taking and analysis work done by other regional entities and other APEC working groups.

ii. Compare results of stocktaking and analysis exercises across all four workstreams; consolidate information to provide a picture of food security and climate change collaborations in APEC economies.

iii. Evaluate youth and gender statistics and compare results of stock-taking and analysis exercises across all four workstreams with respect to how women, youth and marginalized farming groups are integrated into climate change and food security activities.
Phase 2: 2019 – 2020 – Training and Integration: This phase will focus on potential training opportunities and integrating new practices for APEC economies to improve their abilities to combat food insecurity and climate change. These activities will be aligned within the four workstreams of the MYAP. It is understood and anticipated that some actions (i.e., cross-cutting actions) will address multiple workstreams of the MYAP.

a. Policies Workstream

i. Conduct APEC regional level policy dialogues on food security and climate change, engaging the PPFS and other relevant APEC working groups and private sector participants for more insight on regulations.

ii. Hold trainings and workshops on policy design and formulation, coordination and ways of mainstreaming resilient and sustainable agriculture by addressing productivity, adaptation and mitigation in food security policies.

iii. Develop and disseminate information on design and policy formulation, interdepartmental and sectoral coordination and implementation regarding climate change affecting agriculture, livestock, fisheries, and aquaculture to promote overall policy coordination for food security.

b. Best Practices Workstream

i. Conduct collaborative activities such as demonstrations for sharing projects that use best practices in sustainable and resilient agriculture, livestock, fisheries, and aquaculture adapted and mitigation to the climate; utilize existing platforms whenever possible.

ii. Collect and disseminate case studies to identify best practices and hold dialogues about agriculture, livestock, fisheries, and aquaculture risk management and post-harvest loss and waste in relation to climate change throughout the food value chain and across sectors.

iii. Define, assess, evaluate and categorize case studies by types of best practice such as governance, climate information, and adaptation methods.

iv. Create a searchable and easily accessible database of best practices from APEC economies, available on the Asia-Pacific Information Platform on Food Security (APIP), a web-based platform.

c. Technology and Knowledge Workstream

i. Encourage technological exchanges and knowledge sharing among APEC economies via existing knowledge hubs and digital platforms or web-based information sharing tools, such as APIP, for improving productivity, post-harvest loss and waste, adaptation, and mitigation.

ii. Distribute information on climate and agriculture, fisheries, and aquaculture technologies using open data, satellite (i.e., remote sensing) information, regional organizations, early warning systems, market information systems, and pilot projects.

iii. Encourage private sector led innovations/ working with public sector to develop technologies that promote efficiencies; create opportunities for the private sector to share advances made in agriculture, fisheries, and aquaculture and climate technologies through a partnership approach.

iv. Encourage collaborative research, development and extension program on climate change among APEC member economies.
d. Capacities Workstream

i. Develop and submit APEC/self/joint funding proposals for APEC capacity building, training, and outreach initiatives to be considered by APEC (Budget and Management Committee) or other financial supporters focusing on:

- Extension best practices approaches pertaining to agriculture, livestock, fisheries, and aquaculture extension best practice approaches.
- Linkages among food producers, marketers, and consumers.
- Strengthening supply/value chains.
- Agriculture, livestock, fisheries, and aquaculture management approaches for improving productivity, post-harvest loss and waste, adaptation and mitigation.
- Land and water use planning approaches.

ii. Encourage and enable APEC economies to utilize and promote farm management approaches and climate information training already available via existing mechanisms such as: the APEC Climate Center, the APEC Research Center for Typhoon and Society, the Food and Agriculture Organization (FAO), the Association of Southeast Asian Nations (ASEAN), the Centre for Environment, Aquaculture and Fisheries Science (CEFAS), the Consultative Group on International Agricultural Research (CGIAR), the Global Research Alliance on Agricultural Greenhouse Gasses (GRA), and other relevant expert and capacity building networks.

iii. Develop and disseminate tools for estimating and communicating the cost-benefit of approaches, technologies and best practices for improving productivity, post-harvest loss and waste, adaptation and mitigation that can be up-scaled within or across APEC economies for agriculture, livestock, fisheries, and aquaculture.

e. Cross-Cutting Actions

i. Promote PPFS coordination among institutions across APEC region and other APEC working groups on trainings, data sharing, and scientific developments for food security and climate change.

ii. Engage the public and private sectors by jointly consulting them on their experiences across the four workstreams and jointly involving them in policy dialogues, capacity building and training activities.

iii. Promote the integration of gender, youth and marginalized farming groups.

5. Monitoring and Evaluation

The PPFS will oversee monitoring and evaluation (M&E) of all MYAP activities. Accordingly, the PPFS will recommend M&E guidelines and common progress indicators for all projects that fall under the MYAP. MYAP activity-level indicators are voluntary and are monitored/reported at the discretion of the implementing APEC economies.

6. Living Document

Initially the PPFS will utilize the core group, while also seeking to engage other economies, to review, deliberate, and update the MYAP for subsequent years of implementation. The review and updating process can be flexible and should be based upon the progress made on the most recent version of the MYAP. As noted above, under the auspices of the PPFS, the MYAP core team will lead the effort to triennially
update the MYAP. Accordingly, since the current MYAP extends through 2020, the review process to update the MYAP should begin by 2020 to finalize the next (i.e., 2021-2023) iteration of the MYAP.
ANNEX D: ACTION PLAN ON RURAL-URBAN DEVELOPMENT TO STRENGTHEN FOOD SECURITY AND QUALITY GROWTH

Purpose

The Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth (AP) is intended to build on the Strategic Framework on Rural-Urban Development to Strengthen Food Security and Quality Growth (SF), fulfilling the APEC Food Security Roadmap Towards 2020 and the 2014 APEC Connectivity Blueprint. The AP will promote a learning agenda for the APEC region on rural-urban development as well as a more coordinated effort at addressing the food security and quality growth challenges brought about by a rapidly urbanizing region. The AP will be executed by the Policy-Partnership on Food Security (PPFS). PPFS will work to ensure alignment of the AP activities with related APEC and other international fora.

Background

We are rapidly moving toward a majority-urban world, with urban areas accounting increasingly for the predominant share of food consumption in the Asia-Pacific region. According to estimates of the World Bank, the APEC urban population is expected to grow from 1.77 billion in 2014 to 2.38 billion in 2050, which represents an increase from 61 percent to 77 percent of the total population. Asia’s urban population will grow from 48 to 64 percent, while Latin America’s will rise from 80 to 90 percent. Urban growth, together with economic inequality, and urban rural linkages, mean that food insecurity and poverty in cities will also become an increasing concern, alongside poverty in rural areas. This will create an additional burden on vulnerable populations, particularly women, children and the aging population, as these groups are hit hardest by poverty, food insecurity and malnutrition. The urbanization process and the transformation of agriculture, aquaculture, food systems and rural spaces present challenges and opportunities for inclusive growth and poverty eradication; economic, environmental and social sustainability; and food security and nutrition.

Diets in the APEC region are also in transition. In developing Asian and Latin-American economies 65-75 percent of urban food expenditure is on high-value, non-grain food products. Furthermore, about 60-75 percent of those expenditures go to food that are processed to varying degrees. Food continues to be produced predominantly in rural areas leaving urban populations to depend on food purchases. Urbanization has thus led to the need for rural transformation particularly as it relates to on-farm and off-farm employment opportunities for youth, innovative technologies across the value chain, as well as the fast growth in the volume of food moving through rural-urban value chains. Furthermore, natural disasters and extreme weather events, including those related to climate change could impact agriculture, aquaculture and fisheries, infrastructure and supply chains connecting rural and urban areas. As a result, there is a need for a holistic and integrated focus on rural-urban linkages and approaches in order to fully address the challenges and maximize the opportunities presented by rural transformation and sustainable urban development.

Objectives

The key objectives of the AP are to:

- Increase knowledge, information, and experience-sharing regarding good practices and lessons learned.
- Utilize current APEC structure to provide means for APEC economies to better share experiences and promote economic cooperation to enhance food security and quality growth.
Enhance capacities of APEC economies to address rural-urban linkages, in order to improve food security and quality growth.

**General Approach**

The AP calls for member-economies to develop activities based on the strategies outlined in the Strategic Framework and to consider the role of private sector in those activities. The actions are to be voluntary and member-economies have the discretion to undertake all or some of the activities based on their domestic circumstance.

The AP aims to address challenges associated with rural-urban development and food security by pursuing four concurrent areas, as determined in the Strategic Framework:

1) Inclusive economic development
2) Sustainable natural resource management
3) Social aspect
4) Administrative efficiency

As the chief coordinating and executing body, PPFS will oversee and manage the AP. In this capacity PPFS is responsible for providing guidance on the appropriateness of activities to be developed and proposed under this AP through the regular review and scoring of concept notes; this should include identifying activities that are appropriate within the scope of the PPFS and not duplicative of the efforts of other APEC working groups and other international fora.

**Key Actions**

Economies are encouraged to carry out actions that move from 1) consolidating and disseminating knowledge on rural-urban linkages for food security and quality growth; to 2) sharing best practices and lessons learned; and finally, to 3) piloting new policies, partnerships, projects and programs to improve food security and quality growth across the rural-urban continuum.

Activities to accomplish these key actions could include:
- Stocktaking of economy-level analysis of policies/programs
- Developing and operating APEC web-based information systems
- Organizing regional/economy-level workshops
- Conducting regional-level dialogues
- Collaborating with and leveraging partnerships with relevant APEC sub-fora, international/regional entities
- Conducting regional/economy-level studies
- Conducting economy-level feasibility studies
- Organizing capacity-building activities
- Consolidating and developing toolkits
- Piloting models of rural-urban development
- Piloting regional/economy-level public-private partnerships
- Establishing and operating APEC multi-stakeholder platforms

These activities should align with the four concurrent themes from the SF as listed under the General Approach.
Monitoring and Evaluation

The PPFS will monitor progress toward meeting the objectives and goals of the Strategic Framework and AP over the course of 2018. As needed, PPFS will provide additional focus to the work stream to encourage collaboration and knowledge sharing on more specified components of rural-urban development in an effort to make substantial progress in key areas.

Living Document

The PPFS will review, deliberate and update the AP for subsequent years of implementation. The review and updating process can be flexible and should be based upon the progress made on the most recent version of the AP. Throughout the year, activities can be added or revised by member economies.
### Appendix: Potential activities during 2018-2020

<table>
<thead>
<tr>
<th>#</th>
<th>Potential activities</th>
<th>Strategic Framework Areas</th>
<th>Potential leading economies</th>
<th>Proposed Timeframe</th>
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<tbody>
<tr>
<td>1</td>
<td>Consolidating and disseminating knowledge to reduce food loss and waste, and promoting food safety and quality across the food value chain, through applying innovative programs and policies in the context of rural-urban development</td>
<td>Inclusive economic development</td>
<td>Chinese Taipei</td>
<td>2018-2020</td>
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<tr>
<td>2</td>
<td>Consolidating and disseminating knowledge, policies and regulations on urban agriculture</td>
<td>Inclusive economic development</td>
<td></td>
<td>2018-2020</td>
</tr>
<tr>
<td>3</td>
<td>Developing and operating APEC web-based information system, within the Asia-Pacific Information Platform on Food Security (APIP), on food production, distribution and finance</td>
<td>Inclusive economic development</td>
<td>Japan in cooperation with Economies</td>
<td>2018-2020</td>
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<tr>
<td>4</td>
<td>Organizing workshops to share best practices on rural governance</td>
<td>Administrative efficiency</td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>5</td>
<td>Conducting economy-level study on rural labor transformation</td>
<td>Social aspect</td>
<td>Viet Nam</td>
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<tr>
<td>6</td>
<td>Piloting value chain models for local specialties in Vietnam</td>
<td>Inclusive economic development</td>
<td>Viet Nam</td>
<td>2018-2020</td>
</tr>
<tr>
<td>7</td>
<td>Organizing workshop on PPP in agriculture to share good practice on enabling rural-urban linkages</td>
<td>Inclusive economic development</td>
<td>Thailand</td>
<td>2019-2020</td>
</tr>
<tr>
<td>8</td>
<td>Organizing workshop on sharing knowledge and practices on sustainable agriculture development in the context of Sufficiency Economy Philosophy (SEP)</td>
<td>Sustainable natural resources management</td>
<td>Thailand</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>
4th APEC MEETING OF MINISTERS RESPONSIBLE FOR FORESTRY

The Seoul Statement of the MMRF4

We, the Ministers and Senior Officials attending the Fourth APEC Meeting of Ministers Responsible for Forestry (MMRF4) in Seoul, the Republic of Korea, on 30-31 October 2017:

Building upon the achievements of and continuing the momentum of the First MMRF in Beijing, China (2011), the Second MMRF in Cusco, Peru (2013), and the Third MMRF in Port Moresby, Papua New Guinea (2015) and recognizing the economies who have supported and volunteered to host these events;

Acknowledging the 2017 APEC theme of “Creating New Dynamism, Fostering a Shared Future” and reaffirming the importance of forests in achieving APEC’s goal of supporting sustainable economic growth and prosperity in the Asia-Pacific region;

Noting the recognition given by APEC Leaders of the important role that forests play in terms of environmental, economic, and social development as well as climate change mitigation and adaptation;

Recognizing the importance of achieving and assessing, in due course, the aspirational goal of increasing forest cover in the region by at least 20 million hectares by 2020 as set out in the 2007 APEC Sydney Declaration;

Acknowledging that illegal logging and associated trade impedes progress towards the APEC Sydney forest goal, and recognizing APEC’s efforts to promote regional cooperation on combating illegal logging and associated trade, especially through the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT);

Recalling the need for a concerted effort by all APEC economies to accomplish the Sydney forest goal, and recognizing that sustainable forest management of all types of forests plays a crucial role in the achievement of the UN Sustainable Development Goals (SDGs);

Reaffirming that sustainable forest management and forest-based industries are critical in providing income and employment opportunities, especially for forest-dependent communities, and recognizing that forests play an important role in enhancing livelihoods and the well-being of people in member economies;

Further recognizing the need for cooperation and proactive discussion, including high-level policy dialogues among APEC economies, to maximize the contributions of forests to the economic, environmental and social development of the region, we aspire to:

Maintain and expedite efforts to achieve the goal of increasing forest cover in the region by at least 20 million hectares by year 2020;

Strengthen cooperation to combat illegal logging and associated trade, by establishing and implementing effective policies within individual economies and sharing information and best practices among APEC economies, especially through the EGILAT;

Further enhance coordination and cooperation amongst APEC economies to promote trade in legally harvested forest products, which would contribute to, among other things, increasing income from forests and international trade opportunities, and to share best practices and information on effective schemes in this regard;

Promote the health, productivity, and resilience of forests to ensure that they continue to provide essential goods and services as well as to further contribute to climate change mitigation and adaptation;
Promote the revitalization of forest-dependent communities and regional development to increase the benefits of forests, especially in terms of forestry-related job creation and income generation;

Enhance the implementation and sharing of successful forest-related policies relating to recreation, healing, education and well-being;

Explore future actions and foster closer cooperation with the FAO, ITTO, UNFF, and other international and regional organizations such as APFNet in order to maximize the contributions of forests to economic, environmental and social outcomes, and address common challenges related to the forestry sector; and

Continue to actively raise awareness on the importance of forests in achieving APEC’s mission by sharing the outcomes of the MMRF4 at relevant fora, including the APEC Leaders’ Meeting.
2017 APEC Finance Ministers’ Meeting  
21 October 2017  
Hoi An, Viet Nam  
Joint Ministerial Statement

1. We, the Finance Ministers of the economies of Asia-Pacific Economic Cooperation (APEC), convened our 24th meeting in Hoi An, Viet Nam on 21 October 2017 under the chairmanship of H.E. Dinh Tien Dung, Minister of Finance of Viet Nam.

Global and Regional Economy

2. We discussed the economic and financial outlook that our economies face and shared views on appropriate policy actions. The near-term outlook for global economic growth is encouraging, with a more broad-based pick up across both emerging markets and advanced economies. In the medium term, the risk of global financial conditions tightening remains and slower productivity gains continue to inhibit sustainable growth. We commit to focus on our priorities and economic and financial cooperation to promote growth, towards the goal of fostering a shared future.

3. We are committed to use all policy tools – monetary, fiscal and structural – individually and collectively to achieve strong, sustainable, balanced and inclusive growth. Fiscal policy tailored to member economy’s circumstances should be used flexibly and be growth friendly, while ensuring that the public debt as a share of GDP is on sustainable path. Monetary policy should continue to support economic activity and ensure price stability, consistent with central banks’ mandates. Strong fundamentals, sound policies, and a resilient international monetary system are essential to the stability of exchange rates, contributing to strong and sustainable growth and investment. Flexible exchange rates, where feasible, can serve as a shock absorber. We recognize that excessive volatility or disorderly movements in exchange rates can have adverse implications for economic and financial stability. We will refrain from competitive devaluation and will not target our exchange rates for competitive purposes. We reaffirm the key role of structural reforms in strong, sustainable, balanced and inclusive growth.

4. We reaffirm the importance of the APEC Finance Ministers' Process (FMP) as an active forum for fostering policy cooperation and exchange of experience among economies in the region.

Cebu Action Plan

5. We welcome the efforts made by member economies in identifying and implementing activities under the Cebu Action Plan (CAP). We encourage member economies, on a voluntary and non-binding basis, to continue to submit activities and initiatives in alignment with the CAP for implementation as appropriate to their domestic circumstances.

6. We welcome the active engagement of international organizations and appropriate APEC sub-fora and encourage their continued assistance to help member economies achieve the goals of the CAP. We welcome ABAC and the APFF’s contribution to the implementation of the CAP, including the recommendations on financial market infrastructure and micro insurance. We encourage continued collaboration among interested relevant stakeholders in advancing these initiatives of the CAP.
Long term Investment in Infrastructure

7. We recognize the importance of mobilizing long-term investments in infrastructure and reiterate the relevance of quality infrastructure for sustainable economic growth. While recognizing the role of public investment in APEC economies, diversification of financing sources and fostering private sector involvement in infrastructure projects is an important solution to meet the significant demand for long-term capital for infrastructure.

8. We welcome the efforts and achievements in cooperation under the theme of long-term investment in infrastructure in APEC 2017, which are in line with Pillar 4 of the CAP. In this regard, we endorse the policy statement on Diversifying Financing Sources and Fostering Private Sector Involvement in Infrastructure Investment in APEC Member Economies (Annex A), and encourage economies, to take into consideration these recommendations to improve long-term investment in infrastructure projects.

9. Recognizing the importance of building risk allocation mechanisms and applying appropriate risk mitigation instruments in PPP contracts as important elements of a successful project, we welcome the report on Selected Good Practices for Risk Allocation and Mitigation in Infrastructure in APEC Economies, developed by the Organization for Economic Cooperation and Development (OECD), in collaboration with the Global Infrastructure Hub (GIH) and the Asian Development Bank (ADB), as a good reference for member economies in building bankable PPP infrastructure projects.

10. We encourage economies to continue strengthening regional cooperation, explore and develop effective financing solutions for infrastructure, and promote private sector involvement in infrastructure projects in the region. We call on OECD, the World Bank Group (WBG), ADB, GIH and other international organizations to continue to work with APEC economies to study good practices and provide technical assistance and capacity building on quality infrastructure investment for member economies.

Base Erosion and Profit Shifting

11. We recognize the importance of base erosion and profit shifting (BEPS) issues in APEC member economies, and the need for enhanced regional cooperation in sharing experiences, approaches and good practices on tax policy development, legislative design and tax administration, in order to address the challenges of BEPS in the region while enhancing the certainty, transparency and fairness of the tax system.

12. We welcome the efforts of APEC member economies in promoting a mutual support program, sharing experiences in the implementation of BEPS minimum standards and other relevant BEPS actions, in the context of the Inclusive Framework in the APEC region, under the work plan initiated in Viet Nam’s host year 2017. We will continue these efforts in Papua New Guinea’s host year 2018. We appreciate the active support from international organizations, such as ADB, IMF, OECD, WBG and encourage these organizations to continue their support for APEC economies

Disaster Risk Financing and Insurance

13. We recognize the importance of improving institutional and legal frameworks on disaster risk insurance against the increasing impacts of natural disasters and their contingent liabilities in economies in the region. Effective strategies on disaster risk financing and insurance, including solutions for financial risk management of public assets, will help
14. mitigate and transfer risks, thereby better support timely rehabilitation and reconstruction when disaster occurs.

15. Given the importance of risk data and information for assessing the governments’ potential disaster-related contingent liabilities and financial impact on public assets, we welcome the cooperation on disaster risk financing and insurance in 2017. Particularly we welcome the report on Improving Public Assets and Insurance Data for Disaster Risk Financing and Insurance Solutions; and report on Financial Risk Management of Public Assets Against Natural Disasters in APEC Economies, developed by the WBG in coordination with member economies; and the report on Managing Disaster-related Contingent Liabilities in Public Finance Frameworks, developed by the WBG and the OECD in coordination with the ADB and with the active participation of a number of member economies, as good reference for us. We look forward to discussing the recommendations from this joint report in 2018. We encourage member economies to continue to improve their risk information systems considering their own particular circumstances. Recognizing the essential role of the private sector in providing innovative market-based risk transfer solutions, we encourage member economies to explore partnership with the private sector for potential solutions.

16. We welcome the work of the APEC Working Group on Disaster Risk Finance and Insurance in 2017 with support from WBG as a lead technical facilitator and OECD and other international organizations, and look forward to the implementation of the work plan for 2018. We encourage more economies to join the Working Group to enhance the regional partnership and knowledge exchange on this agenda. We welcome the APEC disaster risk finance knowledge portal developed by WBG that serves as an online repository of policies, practices and lessons, which could help member economies develop effective policies to address disaster risks. We are committed to enhancing our cooperation and knowledge exchange on disaster risk finance and insurance, particularly on financial risk management of public assets.

Financial Inclusion

17. We acknowledge the significance of financial inclusion and appreciate the collective contributions of APEC member economies and international partners to the sustainable, innovative and inclusive development of financial services in the region. We welcome, in this respect, the OECD/INFE progress report on financial literacy and financial consumer protection in APEC economies and look forward for the final report.

18. We recognize that agricultural finance makes an important contribution to the sustainable development of agriculture and rural areas, and helps narrow income gaps through capacity building for people and businesses in developing household business, micro, small and medium enterprises, value chains, and scientific and hi-tech based agricultural production. The introduction of new and diversified financial solutions in this area will create more favorable opportunities for people and businesses to access suitable and affordable products and services. In this respect, we highly appreciate the recommendations from international development partners, particularly the ABAC, the Foundation for Development Cooperation (FDC) and the Better Than Cash Alliance (BTCA), to further promote financial inclusion and digital payments toward the goal of sustainable agriculture and food security in member economies. We encourage member economies, on a voluntary and non-binding basis, to take into consideration these recommendations in order to contribute to the agriculture restructuring and sustainable development.
19. We recognize the importance of financial infrastructure, particularly credit information, secured transaction and insolvency systems as well as trade and supply chain finance. We also call on World Bank, IFC, ABAC and other development partners to continue supporting APEC economies in implementing initiatives to further improve financial infrastructure development in the region and promote the cooperation on credit information to support cross border trade and investment.

Other Issues

20. We welcome the good progress on the development of the Asia Region Funds Passport (ARFP) and encourage member economies to consider participating in this initiative to increase financial integration. We encourage the participating economies to implement their needed arrangements in domestic regulations, to achieve successful implementation of the ARFP passport, and also encourage other member economies to participate in this initiative for the aim of more integrated financial cooperation in the APEC region.

21. We welcome the enhanced collaboration and coordination between APEC Senior Officials’ Meeting (SOM) and Senior Finance Officials’ Meeting (SFOM) officials this year, which are critical to promote greater coherence in APEC’s work and to ensure that the two processes are mutually supportive. In this regard, we encourage the development of an Action Agenda on Promoting Economic, Financial and Social Inclusion. We instruct SFOM officials to work closely with SOM officials in finalizing this Action Agenda.

22. We welcome the joint activities between senior finance officials and the APEC Economic Committee (EC) this year and look forward to ongoing collaboration to prepare the APEC Economic Policy Report (AEPR) 2018 on ‘Structural Reform and Infrastructure’. We encourage continuing joint discussions between senior finance officials and EC officials in 2018.

23. We welcome the exploratory dialogues between senior finance officials, Life Science and Innovative Forum (LSIF) and Health Working Group (HWG) to address the fiscal and economic impacts of the steep rise in chronic disease and of ageing societies in APEC economies. We encourage further dialogue with interested economies to share best practices and explore innovative, sustainable health financing solutions.

24. We appreciate the support from ADB, IMF, OECD, WBG and ABAC to the FMP work during this year.

25. We thank Viet Nam for hosting the APEC Finance Ministers’ Process this year. We will meet again for our 25th meeting in Papua New Guinea in October 2018.
1. We, APEC Finance Ministers, recognizing the complexity of infrastructure finance and the role of private sector in infrastructure investment, agree on the following policy statement and support the implementation, on a voluntary and non-binding basis, of the following recommendations:

**Diversified sources and instruments for the finance of infrastructure**

2. The analysis of diversified instruments is essential to provide the foundation for the identification of effective financing approaches, instruments, and vehicles that could broaden the financing options available for infrastructure projects and increase as well as diversify the investor base. This also has the potential to lower the cost of funding and increase the availability of financing in infrastructure sectors or regions where financing gaps might exist. The formation of local capital markets, including in local currency denominated debt and equity, is an important step in securing long-term financing for infrastructure projects and can increase the options available for governments. By using 'blended finance' - the strategic use of public finance and developing financing to mobilize further additional private investment - governments can de-risk and mobilize private investment in infrastructure.

3. Regarding equity instruments, there are several key areas to consider including the establishment of robust unlisted infrastructure equity markets and the ability of equity funds (cross-border investment) to access infrastructure assets in the local market. Listed equity instruments including trusts, open- and closed-end funds, could be reviewed as potential models for infrastructure across APEC economies.

4. In most economies, commercial bank lending is the dominant source of debt financing for commercially financed infrastructure. A financial system dominated by banks may mean higher risk of overexposure for the banking system. This, and the call for diversification of financing sources plays in favor of encouraging the development of capital markets. Traditional lending may be complemented by (i) the syndication of bank loans through capital markets, allowing banks to recycle capital for new projects, (ii) the development of a robust project finance market (such as project bonds) as an alternative to traditional infrastructure loans, (iii) the formation of lending consortia through debt funds, direct investment by institutional investors, and other key stakeholders such as Multilateral Development Banks (MDBs) and governments, and (iv) securitization which supports the bundling of small-scale loans in order to reach scale and diversification.

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1 G20/OECD Guidance Note on Diversifying Sources of Finance for Infrastructure and SMEs
5. The financial attractiveness of a project is reliant in part on its stage of development and whether its revenues are proven, compared to the type and extent of risks that are present at that stage. Through strengthening policy frameworks and regulations, governments could promote reliable long-term funding basis of infrastructure projects (including through relevant cash-flow structures) so as to ensure the flow of revenue streams is adequate to attract private investment.

**Institutional investors and promoting infrastructure as an asset class**

6. There is a large potential to expand investment by public and private institutional investors – particularly multilateral and national development banks, pension funds, insurance companies, Sovereign Wealth Funds (SWFs) and mutual funds. Governments may review financial regulations that may potentially pose unintentional barriers to infrastructure investment by institutional investors, taking into account prudential, investor protection, and overarching financial stability objectives.

7. In order to attract institutional investors to the full spectrum of infrastructure assets, such assets need to be structured as attractive investment opportunities, providing revenue streams and risk-return profiles that match investors’ return expectations and liability structures.

8. Policy recommendations could identify opportunities to catalyze greater private sector participation in financing infrastructure projects across multiple stages. It may also be possible to identify a potential framework for cooperation amongst the main stakeholders as a way to promote stable and diversified financing for infrastructure.

9. To arrive to a full understanding of the drivers and impediments of infrastructure investment, detailed analysis of infrastructure assets is required. A standard template for data collection on infrastructure assets, including historical cash flows and qualitative information on project characteristics and sustainability could help promote infrastructure as an asset class and may be considered for APEC economies.

**Public-Private Partnerships, Effective transaction design and Risk Allocation**

10. Improving PPP knowledge, models and expertise will assist in further attracting private capital into infrastructure investment. Some international organizations highlight for instance that three elements\(^2\) are especially useful to define governments’ support of PPP and therefore create a suitable institutional environment: i) establish a clear, predictable and legitimate institutional framework supported by competent and well-resourced authorities; ii) ground the selection of Public-Private Partnerships in Value for Money; and iii), use the budgetary process transparently to minimize fiscal risks and ensure the integrity of the procurement process. The enabling environment is fundamental in attracting private sector investment, with the rule of law, enforcement of contracts and regulatory quality found to be of key importance to infrastructure markets\(^3\).

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\(^2\) OECD Principles for Public Governance of Public Private Partnerships

\(^3\) GIH InfraCompass (May 2017), *Set your infrastructure policies in the right direction*
11. Increasing levels of private investment and financing in PPPs will entail significant risk transfers to the private sector, placing risk allocation at the center of every PPP transaction which is crucial for long-term viability. A deep understanding of the risk allocation principles, measures and government support arrangements is a precondition to attract private sector capital. Consequently, risks need to be clearly classifiable, measurable and contractually allocated to the party best able to manage them. Effective contractual arrangements align the service delivery objectives of the government with the private sector’s objectives to generate profits at an expected level of risk.

Risk mitigation instruments and techniques

12. In promoting the judicious use of risk mitigation techniques, governments and development finance institutions can use public financing (at either concessional or market terms) to enable the viability of infrastructure projects. This is particularly important in APEC developing economies where investment is sometimes further hindered by inadequate policy frameworks and governance. A variety of risk mitigation techniques including guarantees, insurance and hedging, as well as syndication, and debt subordination provide relevant tools to facilitate private investment.

13. Contractual arrangements, insurance, and guarantees are the most effective instruments for mitigating or transferring commercial risks in several APEC economies. To mitigate political risks, joint ventures or alliances with local companies and political risk insurances were reported to be the most effective instruments, along with co-investment platforms and funds. Tools for managing currency risk such as hedging instruments or matching cash flows are important for developing APEC economies.

Infrastructure project pipelines

14. Building project pipelines is conducive to encouraging private sector involvement in infrastructure, and may benefit from a concerted APEC effort to increase or expand capabilities, project preparation facilities, and technical assistance. The formation of a project pipeline may be a prerequisite for certain infrastructure finance strategies, such as for instance, establishing the use of project bonds through local debt markets. The development of standardized documentation, accompanied by capacity building instruments like tool-kits and training programs, information dissemination and communication strategies, has helped empower authorities to not only develop a pipeline of commercially viable PPP projects but also to implement the projects on the ground.

15. Good practices that bring about public investment efficiency should be considered. Infrastructure development is typically hampered by issues such as poor project selection, delays in design and completion of projects, complicated procurement practices, cost over-runs, right of way issues and failure to operate and maintain assets effectively. The infrastructure project pipeline should, thus, focus on efficiency and promote viable and priority projects. A robust system for project evaluation, pricing and analysis should be in place so that the pipeline is aligned with national development goals and the most appropriate financing scheme is chosen.
Further work

16. Taking this statement into consideration, we call for further work to identify and analyze good practices and approaches in our economies, relevant to the issues addressed in this Statement, which can guide and support the voluntary implementation of these policy messages; and ask the OECD, in cooperation with other international organizations including MDBs, to report on these good practices by our next 2018 and 2019 meetings.
Joint Statement of the 7th APEC High-Level Meeting on Health and the Economy
23-24 August 2017, Ho Chi Minh City, Viet Nam

1. Health Ministers of Papua New Guinea, Philippines, Thailand, United States, and Viet Nam; the State Minister of Health, Labour, and Welfare of Japan; Deputy Health Ministers of Malaysia and Chinese Taipei; senior officials from other member economies; academic and industry leaders; and representatives of non-governmental and international organizations met in Ho Chi Minh City, Viet Nam on 23-24 August 2017 for the 7th APEC High-Level Meeting on Health and the Economy (HLM7). The meeting was chaired by the Minister of Health of Viet Nam and organized jointly by the Health Working Group (HWG) and the Life Sciences Innovation Forum (LSIF). The overall objective of the meeting was to share and discuss the health care financing reforms for community health towards sustainable development.

2. Universal health coverage (UHC)\(^1\) has become a major policy priority in many APEC economies in recognition of the role of healthy populations in supporting economic growth and prosperity. UHC is a key tenet of APEC's Healthy Asia Pacific 2020 (HAP2020) initiative agreed in 2014. HAP2020 specifically called on APEC economies to strengthen health systems to support UHC, providing the whole population with access to safe, effective, quality, affordable and sustainable primary health care. Many economies have committed to UHC and are as a result reviewing, analyzing, and modifying health financing arrangements in their economies. Achieving UHC requires political commitment to building a strong public financing system which ensures that essential services are available and accessible to all, and are provided and used in an equitable and efficient manner. Economies also can harness supplementary and complementary public and private innovative solutions with recognition that every economy and population has a unique health profile and health system.

3. HLM7 recognized that there are lessons from international experience which can help inform and shape health financing reforms that support progress towards UHC in APEC economies. The HLM7 provided an opportunity for APEC economies to come together to share these experiences, including innovations in health financing (supplementary, complementary, and alternative) which some economies have introduced. In this context, HLM7 defined supplementary insurance or financing as additional to that provided by government; complementary financing as that supporting the operation and delivery of publicly funded

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\(^1\) Universal health coverage (UHC) means that all people in a society are able to obtain the health services that they need, of high-quality, without fear that the cost of paying for these services at the time of use will push them into severe financial hardship.
systems; and, alternative financing mechanisms as innovative ways of drawing revenue to the public or private health financing system.

4. HLM7 specifically examined the fundamental challenge of raising sufficient revenue for health. The meeting found that while the economic case for increasing investment in health has never been stronger, many APEC developing economies still maintain below recommended levels of public health expenditure. Developing economies are effectively facing a financial cliff as they graduate from eligibility for multi-lateral and bilateral donor funds just as they are facing increasing burdens of non-communicable diseases (NCDs) and aging societies. Public financing systems also are strained from the aftermath of natural disasters, which seem to strike economies in the region disproportionately to the rest of the world.

5. HLM7 considered that to appropriately leverage additional funding for health care, economies need to ensure that they have the capacity to effectively collect and manage revenues from multiple sources and to adequately prioritize health in the budget request process. They also need to develop health financing policies and regulatory arrangements to enable private financing to play a supplementary and/or complementary role, where appropriate. At HLM7, the clear message from potential investors, including social impact investors, is that they will only consider entering a health financing “market” if the government has made clear its commitment to contribute to the financing of the health interventions needed to combat the rise in non-communicable diseases and aging societies.

Prioritizing Health by Measuring Returns on Public Investments in Health

6. HLM7 agreed that health should be a priority in government budgets because of the productivity and broader economic and societal gains from a healthy workforce. Many participants considered that health should be measured as a long term investment with returns collected in the form of longer healthier lives, a more productive workforce, and the development of a valuable sector for jobs and growth. Between 2000 and 2011, about a quarter of the growth in full income in low-income and middle-income economies resulted from Value Life Years (VLYs)\(^2\) gained. The rapid rise in NCDs in the region almost mandates greater investment in health to prevent additional GDP growth losses.\(^3\) Yet there is considerable variation across APEC economies in the extent to which health is prioritized in government budgets. In the Asia-Pacific

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\(^2\) A VLY is the value in a particular economy or region of a 1-year increase in life expectancy. In low-income and middle-income economies, one VLY is estimated to be 2-3-times the per-person income.

\(^3\) A 2014 APEC study, commissioned by the APEC Business Advisory Council (ABAC) and the LSIF, showed GDP losses of between 4-6% in six representative APEC economies from losses in worker productivity due to NCDs (disability-related presenteeism and absenteeism). The study was extended in 2015 to include an assessment of additional economic losses from early retirement due to disability (principally from NCDs), estimated at between 2-2.5% of GDP.
region, governments spend just over USD 930 per person per year on health, against USD 3,618 in OECD countries. This amounts to 4.7% of gross domestic product, on average, in the Asian region, compared to 9.3% in OECD countries in 2014. 4 5

7. HLM7 observed that many health authorities continue to defend their budget requests with a relatively narrow societal impact. However, treasuries want to see the economic return on investment (ROI) of public funds in the health sector and, increasingly, the broad economic and societal impact. To effectively prioritize health in the budget process, governments need to examine the case for increased public investment in health by showing measurable economic and societal returns. HLM7 explored how APEC economies could measure economic and productivity returns through currently available cost-benefit models.

8. HLM7 noted that treasuries in some economies have adopted a “social investment” approach to the health sector, which entails also counting the broader societal impact of public investments in the sector, a method that is often used for measuring public investments in education. HLM7 agreed that more holistic assessments of the full economic and societal costs and full economic and societal benefits of investing in health are needed. HLM7 called for further work on developing metrics for measuring the return on public investment in health and developing tools to improve those measurements and ensure they are user-friendly.

_Mobilizing Resources for Health through Innovative Financing Mechanisms_

9. Maximizing public healthcare investment is dependent on good governance practices and models of health care delivery that drive efficiency and eliminate waste. In some situations, UHC requires economies to move towards predominant reliance on mandatory, prepaid, and pooled revenues for health care, derived from government budgets, social health insurance contributions, or a combination. While recognizing the importance of building such systems, HLM7 explored case studies of innovative ways public and private financing can help to expand health coverage in APEC economies. With careful design to ensure complementarity to public funding mechanisms, innovative, alternative health financing mechanisms, such as health promotion funds using sin-taxes, health savings accounts, micro-insurance, donor seed funds, blended financing, long-term insurance, and social impact bonds, among others, have the potential to allow economies to leverage their limited resources to expand health coverage and

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4 The 34 OECD member countries are: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

thus enable both a broader package of benefits to address the health challenges from the rise in NCDs and aging populations and increased participation.

a. **Broadening the tax base and collection capacity.** In APEC economies there is considerable potential to increase government revenue by being more efficient in the collection of existing taxes, expanding the range of taxes and charges including broadening the tax base. HLM7 noted that APEC economies could improve domestic resource mobilization in the short term by implementing measures to combat tax evasion and illicit financial flows.

b. **Health and Financial Literacy.** In some developed and developing APEC economies, out-of-pocket (OOP) payments accounted for at least 30% of total healthcare expenditure. Globally, OOP spending on adverse health events drives 100 million people into poverty every year. Innovative healthcare financing and in particular long term healthcare financing could greatly improve this statistic. HLM7 considers that significant shifts in mindset and culture will be required for citizens to embrace health insurance or other means of private protection from future adverse health events. HLM7 noted that economic, social and financial inclusion is a key priority for APEC. One of the key components of financial inclusion is the element of trust between purchaser and provider. This is especially so in the purchase of forward protection for health. In addition to using health savings accounts as a transition mechanism, HLM7 considered that much of the success in this area will require promotion by the government and the development of trust between the government, the general public, and the private sector. HLM7 noted that the private sector could play an important role in improving health and financial literacy and recommended the formation of public-private partnerships to undertake community and economy-wide education programs, including the provision of faculty and school programs at the primary, secondary and tertiary education levels.

c. **Microinsurance.** Progress towards UHC is best facilitated through large pools covering populations with diverse health risks and funded from public sources. For fiscally challenged economies, however, public revenues are often not able to provide adequate funding for health and options to bring in complementary financing

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should be considered. Microinsurance for health offers the potential to promote local accountability for those who choose to join. In practice, however, microinsurance has never been a source of significant funding for health systems. For it to play a complementary role, governments need to define clearly what is to be publicly funded, and for whom, and put in place the appropriate regulatory environment to facilitate microinsurance. HLM7 noted that in many economies, microinsurance is regulated by central banks, and advocates a role for the Central Bank Governors and Deputies in the cross-fora dialogue on ways to address the fiscal and economic impact of ill health.

d. **Private Health Insurance.** Private sector participation in the health insurance market is small in most economies, and typically plays one of three roles. First, in a few economies, mandatory social health insurance systems use private insurance companies as back office support. In this context (e.g. the Netherlands, Czech Republic and Switzerland), the private insurers are not an additional source of funding but rather work in partnership with government to operate the compulsory insurance system. Second, it can offer those able and willing to pay the option to insure for services or providers that are not covered by the main publicly funded system. Third, private insurance can provide funding that is explicitly complementary to the public system, by providing a mechanism to cover relatively high patient copayments in the public system. In the two economies where this arrangement is widespread, France and Slovenia, private insurance reduces some of the pressure on public budgets for additional funding of the health system.

10. The policy and regulatory environment for the adoption and deployment of alternative financing mechanisms is uneven in the APEC region. Accordingly HLM7 reviewed and endorsed for appropriate consideration an *APEC Checklist of Enablers for Alternative Health Financing* as a tool to assist economies determine the appropriate policy and regulatory environment for private parties to enter into the health financing space. HLM7 referred the Checklist to the APEC Finance Ministers’ Process for review and consideration.

11. HLM7 welcomed the exploratory discussion between the LSIF and HWG and the SFOM on May 2017 in Ninh Binh, Viet Nam and the proposal to launch a task force to further work in two tracks: (1) health as a social investment and (2) alternative financing mechanisms. HLM7 agreed that the adoption of complementary and alternative financing mechanisms would help relieve the pressure on government budgets and, at the same time help address the health challenges associated with the steep rise in NCDs and aging societies. Accordingly, HLM7
discussed the possibility of participation in the meetings of the APEC Finance Ministers’ Process in October 2017 in Hoi An, Viet Nam to discuss projected outcomes of the two track areas of work.

12. HLM7 considers that best practice models could be developed through this cross-fora collaboration, including for the measurement of the returns to the economy and society on investment in health; sustainable public-private partnerships; and the enabling environment for innovative financing mechanisms. Much of the governance of these models rests with the finance ministries but their development requires significant collaboration with health policy and delivery experts. Participants at HLM7 observed that in cross-fora collaborations of this nature, the region was once again showing global leadership.

Healthy Asia-Pacific 2020

13. HLM7 reaffirmed its commitments to the Healthy Asia-Pacific 2020 Initiative, developed in 2014 to help mitigate threats to the region’s trade and economic security. It calls for a whole of government, whole of society, and whole of region approach to health. The HAP2020 Roadmap, welcomed by Leaders in 2015, outlines a set of actions and critical success factors to help APEC economies develop and maintain sustainable, high performing health systems. HLM7 welcomed a wide range of initiatives and partnerships underway to achieve the goals set-forth in HAP2020 and its Roadmap.

14. Non-Communicable Diseases: HLM7 reaffirmed its commitment to implement the 2011 APEC NCD Action Plan and emphasized that government leadership at all levels is essential for harmonizing and aligning efforts of all sectors and society on NCD prevention and control. HLM7 called on APEC economies to continue to coordinate and work with partners in civil society, the private sector, and international organizations to test and scale up innovative ways of delivering effective care for NCDs, especially through primary health care. HLM7 recognized that to ensure progress towards Universal Health Coverage (UHC) goals, health systems must develop sub-acute, chronic, and rehabilitative capacity. This is a major challenge for many APEC economies where health systems are structured to deliver acute rather than chronic care and the current health workforce has limited capacity to form integrated health care teams able to address the double burden of non-communicable disease and infectious diseases. HLM7 thus welcomed work on an APEC Health Workforce Development Hub to drive the formation and implementation of a multidisciplinary and innovative health workforce development agenda targeted to the health needs of APEC developing economies.
15. **Mental Health:** HLM7 welcomed the progress of the APEC Digital Hub for Mental Health to advance the needs identified by APEC economies, including integration of best practices into primary care and community-based settings. HLM7 affirmed its support for building capacity in workplace mental wellness as a driver of economic and business productivity. HLM7 recognized Canada for its continued leadership in this area of work.

16. **Women’s Health:** HLM7 reaffirmed the value of APEC Healthy Women, Healthy Economies (HWHE), in particular the sharing of innovative implementation experiences in support of policies and programs in the HWHE Policy Toolkit. HLM7 called on additional economies and other stakeholders to implement HWHE policies and programs.

17. **Adolescent and Youth Health and Wellbeing:** HLM7 noted the findings of a 2017 Lancet report that examined the potential economic returns of developing economies embracing a societal approach to the health and wellbeing of adolescents. The study found that improving the physical, mental and sexual health of adolescents aged 10 to 19 -- at a cost equivalent to US$4.60 per person, per year -- could result in a 10-fold economic return. Investments in health and education will not only transform the lives of adolescents in resource-poor settings, but will also generate high economic and social returns. HLM7 recognized the importance of investing in the health and wellbeing of adolescents and youth.

18. **HPV and Cervical Cancer:** HLM7 welcomed continued APEC efforts to promote HPV prevention and cervical cancer prevention and control, recognizing that cervical cancer causes millions of deaths each year and disproportionately affects the lowest-income women within most developing economies. HLM7 noted the findings of the 2017 Lancet study which found that the HPV immunization is one of the best investments that can be made in adolescent health in developing economies. HLM7 further noted the importance of APEC economies instilling public confidence in vaccination programs so that such programs can reach their full public health potential.

19. **Healthy Aging:** HLM7 welcomed the outcomes of the *International Workshop on Adaptation to Population Aging* hosted by Viet Nam in July 2017. APEC economies recognized the need to reorient their healthcare systems by improving access to community-based primary care which can address the needs of growing elderly populations with chronic conditions and to help extend healthy lives. HLM7 noted the importance of encouraging community-based integrated care and functional recovery care including human resource development, promotion of necessary healthcare services and improvement of access to medicines such as through Asia Health and Wellbeing Initiative (AHWIN) proposed by Japan. HLM7 noted that APEC economies should strengthen policies and implement programs to improve the promotion of healthy lifestyle.
including quality nutrition and promote access to primary care and preventative health interventions such as vaccination and diagnostic screening.

20. **Antimicrobial Resistance**: HLM7 observed that Antimicrobial Resistance (AMR) is among the most serious public health challenges facing the APEC region today, affecting hundreds of millions of patients and resulting in significant health and economic costs. HLM7 welcomed APEC’s efforts to date to raise awareness of the public health and financial costs associated with healthcare-associated infections; sharing the best practices of robust antibiotic stewardship programs and infection prevention and control measures; promoting public-private partnerships and multi-sectoral solutions to combating AMR; and supporting efforts to strengthen infectious disease surveillance and reporting capabilities. HLM7 welcomed continued work to develop a support package of antibiotic stewardship programs’ best practices; identify ways to accelerate both antibiotic and diagnostic development; explore innovative financing options and incentives to promote appropriate use and enhance access to new antibiotics, vaccines, and diagnostics; and further support the development and implementation of APEC economies’ AMR plans, strategies, initiatives and activities aligned with the WHO Global Action Plan on AMR.

21. **Tuberculosis**: HLM7 recognized that the global tuberculosis burden amounts to $12 billion annually, with $1 billion attributed to losses in productivity and $11 billion from loss of income due to death. HLM7 recognizes tuberculosis as a public health priority in the APEC region and calls on APEC economies to partner with civil society, the private sector, and international organizations to accelerate efforts to eliminate tuberculosis.

22. **HIV/AIDS**: Since the beginning of the epidemic, more than 70 million people have been infected with the HIV virus and about 35 million people have died of HIV. At the end of 2016, globally, 36.7 million people were living with HIV. In many APEC economies, HIV/AIDS is among top causes of the burden of diseases, that has negatively affected economic development. HLM7 called on APEC economies to accelerate efforts to achieve 90-90-90 targets by 2020 (90% of all people living with HIV know their HIV status; 90% of people with diagnosed HIV infection receive sustained antiretroviral therapy; 90% of people receiving antiretroviral therapy have viral suppression) to help ending the AIDS epidemic by 2030.

23. **Malaria and Dengue**: HLM7 supported the call to action by the Asia Pacific Leaders Malaria Alliance (APLMA) to eliminate Malaria by 2030. HLM7 recognized that malaria elimination will strengthen regional economic prosperity by saving more than a million lives and creating cost savings and social benefits of almost US$300 billion. HLM7 noted that malaria medicines are becoming ineffective and immediate acceleration is required to safeguard regional health security. Multidrug-resistance to malaria threatens the enormous gains made during the past
decade and could undermine the global investments of US$41 billion made since 2000. Among the estimated 2.5 billion people at risk of dengue globally, more than 70% reside in the Asia Pacific. Dengue also remains a public health priority in the APEC region. The global incidence of dengue has increased 30-fold over the last 50 years, but the true magnitude of the disease burden is highly underestimated. The dengue vaccine represents a major advance for disease control and is a critical tool to help achieve or surpass the WHO objectives to reduce Dengue mortality by 50% and morbidity by 25% by 2020 worldwide. HLM7 encouraged APEC economies to consider innovative models and public-private partnerships to finance effective vector control measures and dengue vaccination programs.

24. Rare Diseases: HLM7 welcomed the launch of a new APEC initiative to address barriers to the diagnosis and treatment of rare diseases in the region. HLM7 noted that such efforts will improve the economic and social inclusion of those affected by rare diseases, including caregivers, and ensure a more inclusive Healthy Asia Pacific 2020. HLM7 welcomed the development of an action plan to facilitate greater alignment of domestic policies and best practices and to provide a framework for regional collaboration.

25. Blood Safety: HLM7 commended the LSIF’s work since 2014 to improve the safety and sustainability of the blood supply and welcomed the APEC Hanoi Recommendations on Implementation of Good Manufacturing Practices for Blood and Blood Products and the APEC Recommendations for Enhancing Access to Safe Therapy for Persons with Immunodeficiency and Bleeding Disorders. HLM7 recognized the invaluable contribution of industry in supporting the blood safety network, and welcomed the initiative’s ongoing and future work on advancing implementation of domestic blood policies and quality systems development. HLM7 called for a progress report from LSIF on implementation of the APEC Blood Supply Chain 2020 Roadmap by August 2018.

26. Safe Surgery: HLM7 welcomed regional initiatives and partnerships to address surgical safety and called for improved access in the APEC region to safe, effective, and timely surgical care noting that safe surgery can save lives, prevent disability, and promote economic growth. HLM7 also noted the importance of continued training of health workers working in surgical settings and of partnerships that can build long-term capacity, improve surgical standards and transform healthcare systems over time.

27. Regulatory Convergence: HLM7 welcomed the report of the LSIF High Level Dialogue on Innovation, Regulatory Systems, and Regulatory Convergence held 21 August 2017 in Ho Chi Minh City. HLM7 reaffirmed that regulatory systems and regulatory convergence can enable and accelerate life sciences innovation, making new medical products available to patients, and
urged a redoubling of efforts to meet the convergence goal set by APEC in 2011. To that end HLM7 urged the LSIF’s Regulatory Harmonization Steering Committee to develop a set of performance indicators and track progress as a matter of priority. HLM7 also welcomed the establishment of the APEC Regulatory Science Center of Excellence (CoE) network to build skilled human capacity in regulatory sciences and encourage regulators, industry and academia to all actively participate, as faculty or participants.

28. **Secondary Use of Medical Data:** HLM7 welcomed progress with the development of a framework by the LSIF in collaboration with the Electronic Commerce Steering Group to enable responsible and secure sharing of medical data for secondary analysis to facilitate health and life sciences research.

*Looking Ahead*

29. The 8th APEC High-Level Meeting on Health & the Economy will be held during the Third Senior Officials’ Meeting and Related Meetings (SOM 3) in August 2018 in Port Moresby, Papua New Guinea.

**APPENDIX**

1. **Checklist of Enablers of Alternative Health Financing**
APEC Checklist of Enablers for Alternative Health Financing

**Purpose**
The purpose of the *APEC Checklist of Enablers for Alternative Health Financing* is to help economies assess their current policy and regulatory environment for enabling the adoption and deployment of alternative financing mechanisms to help maintain and expand healthcare coverage.

**Background**
APEC economies face GDP losses of between 6 - 8.5% by 2030 due to the current and projected steep rise in non-communicable diseases (NCDs) notably cancer, cardiovascular disease, and mental illness, coupled with aging populations. A 2014 APEC study, commissioned by the APEC Business Advisory Council (ABAC) and the Life Sciences Innovation Forum (LSIF), showed GDP losses of between 4 - 6% in six representative APEC economies from losses in worker productivity due to NCDs (disability-related presenteeism and absenteeism). The study was extended in 2015 to include an assessment of additional economic losses from early retirement due to disability (principally from NCDs), estimated at between 2 - 2.5% of GDP.

Recognizing that more must be done to avert the predicted steep losses in GDP growth, APEC Leaders called for work on the fiscal and economic impacts of ill health. APEC health ministers and finance ministers agreed to collaborate to address the issue. After an initial discussion in 2016, health and finance officials convened in 2017 with private sector experts and discussed the need to expand existing healthcare coverage and the importance of alternative financing mechanisms to support greater access.

The private sector has the potential to provide complementary financing for health in APEC Economies. For example, the private sector can offer innovative and tailored health insurance products to supplement mandated public funding provided the regulatory environment allows such mechanisms to be adopted and operationally deployed in an economy. Private investors can partner with governments and development agencies to provide innovative complementary health financing packages. As such, the private sector can be a source of disruptive innovation - developing simpler and cheaper delivery models that enable the participation of new consumers previously excluded from traditional markets. However, the private sector has had limited engagement in health financing in APEC developing economies to date largely due to underdeveloped legal and regulatory frameworks and business enabling environments that are not conducive to investments of this nature. By assessing and improving their own policy and regulatory environment for alternative
health financing mechanisms, APEC economies will be taking the first step to harness the full potential of these mechanisms to help maintain and expand healthcare coverage.

Within this context, the LSIF and Health Working Group (HWG) developed this *APEC Checklist of Enablers for Alternative Health Financing*. The Checklist is intended for use as a tool by policymakers in APEC economies to assess the current policy and regulatory environment for enabling the adoption and deployment of alternative financing mechanisms. This exercise may help economies identify some of the unintended policy, regulatory, and institutional barriers that may be inhibiting the adoption and deployment of these alternative mechanisms, and to balance regulatory and policy reform with the imperative to maintain and expand health care coverage consistent with the 2030 Sustainable Development Goals.

In a similar structure to the 2008 LSIF *Enablers of Investment Checklist*, this document consists of a set of overarching principles that guide the direction of the assessment. Each of these principles identifies specific enablers of an environment that is supportive of alternative financing, in addition to a set of questions geared towards demonstrating the current successes and areas for improvement within the economy.

**Overarching Principles**

APEC affirms the importance of promoting the following critical principles for enabling alternative financing mechanisms in the health sector:

1. **Political will and government coordination**: Make improving health outcomes a priority
2. **Good Governance**: Maximize efficiency in public healthcare investment
3. **Private Sector Engagement**: Promote private sector engagement in developing healthcare solutions
4. **Legal and Regulatory Frameworks**: Adopt clear, non-discriminatory, consistent, yet flexible legal and regulatory frameworks
5. **Health and Financial Literacy**: Foster a growth in cultural norms and societal beliefs around the importance of health care, the value of insurance, and the role of government and the private sector
6. **Quality Data and Evidence**: Improve the quantity and quality of health data.
1. Political will and government coordination: Make improving health outcomes a priority

Healthcare should be seen as a long term *investment* with returns collected in the form of longer healthier lives, a more productive workforce, and the development of a valuable sector for jobs and growth. To ensure this happens, political will must be established that prioritizes healthcare at the same level as other investments of public funds. Political will and government coordination are necessary to realign budgetary priorities, target burdensome regulations, coordinate with the private sector, and remove redundancies, among other issues.

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<td>☐ Clear direction from senior leadership to prioritize investments in health as both a prerequisite for long term economic growth and as an independent contributor to the economy</td>
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<td>☐ High-level recognition that health is considered as a public investment with a measurable return (such as with infrastructure or education) as opposed to a cost</td>
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<tr>
<th>Key Questions / Performance Indicators</th>
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<tr>
<td>☐ What is the % GDP public investment in healthcare?</td>
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<td>☐ What is the share of government health spending as a percentage of total government spending?</td>
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<td>☐ Where does health rank in terms of priorities for investment of public funds (as compared to % GDP expenditure in other areas)?</td>
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<td>☐ Is there a whole of government approach to health? Which ministries/departments/agencies are involved in developing and implementing healthcare policies? Which policies define and govern relationships between agencies and fund flows?</td>
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<td>☐ Are innovative tax structures currently in place or being developed, that specifically fund healthcare?</td>
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<td>☐ Does the government (economy-wide, regional, or local) have input in setting health sector priorities?</td>
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<td>☐ Are the government (economy-wide, regional, or local) coordinated on healthcare spending and engagement with private sector stakeholders?</td>
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1 Private sector includes any non-governmental stakeholder whether for profit or not for profit
Maximizing public healthcare investment is dependent on good governance practices that drive efficiency and eliminate waste. Essential to funding healthcare on an economy-wide level is growing revenue through a strong tax system, crafting a budget that can be executed, and cutting through unnecessary and redundant processes. Alternative financing mechanisms work best in a complementary environment to traditional financing mechanisms making good governance an essential component of an enabling environment.

### Enabler

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<tr>
<td>☐ Robust formal work force with a system of efficient taxation and/or</td>
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<td>method for indirect taxation of the informal sector</td>
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<td>☐ Ability to collect taxes at point-of-sale and earmark for health</td>
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<td>purposes</td>
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<td>☐ Adequate taxation enforcement abilities</td>
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<td>☐ Reduced administrative burden and bureaucracy</td>
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<td>☐ Budget flexibility in line items that allows for timely disbursement</td>
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<td>of funds for additional health related needs</td>
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<td>☐ Secure and efficient supply chains that are protected from fraud</td>
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<td>and abuse</td>
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<td>☐ Streamlined and efficient health system procurement, purchasing,</td>
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<td>distribution, accounting, monitoring and service delivery systems</td>
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### Key Questions / Performance Indicators

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<td>☐ Are policies and enforcement mechanisms currently in place that</td>
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<td>maximize revenue directed to the health sector?</td>
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<td>☐ Are anti-corruption policies and enforcement mechanisms in place?</td>
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<td>☐ What are the health budget execution rates? For example, what is the</td>
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<td>% of government health funding that reaches services delivery?</td>
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<td>☐ What is the share of public spending on health that goes to the low</td>
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<td>income segment of the population?</td>
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<td>☐ Do metrics exist that measure waste, administrative costs, supplier</td>
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<td>inefficiencies, and the incidence of fraud and abuse?</td>
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<td>☐ Is there any performance assessment system for public investment?</td>
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<td>☐ Is public investment allocated based on performance assessment?</td>
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<td>☐ Is there a strategic plan for the health sector which is aligned with</td>
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<td>the distribution of the burden of disease?</td>
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<td>Question</td>
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<td>For development assistance eligible economies, are there adequate donor coordination mechanisms to align external financing with government priorities, processes, and the health budget?</td>
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<tr>
<td>Are there public procurement policies, regulations that are context-specific, fit for purpose, transparency and value for money for buying medicines, medical equipments and supplies?</td>
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3. Private Sector Engagement: Promote private sector engagement in developing healthcare solutions

The private sector should be treated as a key partner for access to financing and for improving access to high quality, innovative health care products, facilities, and services. Collaboration with private players through Public Private Partnerships (PPPs) can be a key tool for governments. To succeed, PPPs need transparent, stable contracts with clear expectations and guidelines. Governments should review regulatory measures to ensure that there are no unintended consequences of regulation and that they are not overly burdensome. Options that include private players help grow coverage and ease pressure on public financing.

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<td>☐ Openness from government to working with the private sector</td>
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<td>☐ Ability to enforce PPP regulations at the economy-wide and local levels</td>
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<td>☐ Regular, consistent contact between government and private sector to ensure smooth day-to-day operations</td>
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<td>☐ Mutually agreed performance metrics that ensure PPP project quality and protect both the public and private interests</td>
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<td>☐ Facilitation of private sector investments in healthcare infrastructure and delivery</td>
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<th>Key Questions / Performance Indicators</th>
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<tr>
<td>☐ Are there existing public private partnerships in the healthcare sector?</td>
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<td>☐ What aspects of the healthcare system is the private sector involved in?</td>
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<td>☐ Are privately funded healthcare facilities and services viewed as supplementing/complementing the public health sector or as competition?</td>
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<td>☐ Does your government contract with private sector healthcare facilities and/or healthcare service providers?</td>
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<tr>
<td>☐ Do policies exist that prevent or stipulate how private companies may contribute to health financing, service delivery, or healthcare infrastructure?</td>
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<td>☐ What is the availability of supplementary health insurance options beyond basic coverage?</td>
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<td>☐ Has government worked with the private sector health insurers to identify market segments that should be in full or in part covered by the private sector?</td>
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<tr>
<td>☐ Do tax incentives, or other incentives, exist to promote private financing mechanisms in the health sector?</td>
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### 4. Legal and Regulatory Frameworks: Adopt clear, non-discriminatory, consistent, yet flexible legal and regulatory frameworks

Private sector participation in the health insurance market can significantly ease the burden on public financing of health. To generate investor interest and provide a stable environment for market entry, potential investors need clear, consistent, yet flexible regulatory frameworks. Regulatory processes should be designed with inputs from all stakeholders and be enforceable. While serving the intended purpose, regulation should also aim to reduce burdens on both foreign and local private participation in markets.

<table>
<thead>
<tr>
<th>Enabler</th>
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<tbody>
<tr>
<td>☐ Consistent, transparent, and non-discriminatory enforcement of rules, regulations, and contracts for all private and public entities</td>
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<tr>
<td>☐ Transparent, efficient, and non-discriminatory processes for issuing insurance product approvals, permits, and licensing</td>
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<tr>
<td>☐ Contract agreements that are protected from arbitrary or discriminatory changes in law</td>
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<tr>
<td>☐ Independent dispute resolution for private sector engagements</td>
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<tr>
<td>☐ Ability for private stakeholders to establish in foreign markets</td>
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<tr>
<th>Key Questions / Performance Indicators</th>
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<tr>
<td>☐ Does economy-wide and/or local-level legislation exist that clearly identifies the terms of private sector engagement in PPPs in the healthcare sector?</td>
<td></td>
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<tr>
<td>☐ Are PPPs in the healthcare sector regulated by a single governing authority?</td>
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<tr>
<td>☐ Are there measures in place to protect commercially sensitive information during the formation and operation of public – private contracts?</td>
<td></td>
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<tr>
<td>☐ Are there measures in place to protect individually sensitive client / patient information within public – private contracts?</td>
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<tr>
<td>☐ Are there protections in place to reduce risk in private-public contracts due to political change and/or unintended consequences of changes in law?</td>
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<tr>
<td>☐ Are patient populations, civil society, and industry included in the government’s rule making process?</td>
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<tr>
<td>☐ Is there an adequate comment period in the government’s rule making process that is consistent with international best practice?</td>
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<tr>
<td>☐ Is there a public posting of draft rules (e.g. official register, notice of proposed rule-making, e-Government public portal)?</td>
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<td>☐ Is guidance provided online (e.g. through a government portal) by the</td>
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<td>Question</td>
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<tr>
<td>In the drafting of new regulations, is consideration given to regulatory alignment with other economies?</td>
<td>No</td>
</tr>
<tr>
<td>Are the regulatory authority’s disclosure policies consistent with domestic laws on access to information?</td>
<td>No</td>
</tr>
<tr>
<td>Are regulatory impact analyses conducted with the inclusion of health outcomes on economic development?</td>
<td>No</td>
</tr>
<tr>
<td>Are enforcement authorities established and is there capacity for consistent enforcement of the regulations?</td>
<td>No</td>
</tr>
<tr>
<td>Can private international firms invest in and own healthcare facilities?</td>
<td>No</td>
</tr>
<tr>
<td><strong>Health Insurance Sector</strong></td>
<td></td>
</tr>
<tr>
<td>Are there differences in geographic limitations on where foreign companies versus domestic companies may establish?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are clear deadlines and criteria established for health insurance product approvals?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are multiple health insurance options available? (public, private, blended and stacked funding plans, as well as riders)</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there limitations on types of assets in which the health insurer can invest?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there limitations on the location of assets in which the health insurer is allowed to invest (i.e., limiting to domestic bonds as opposed to overseas investments)</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there solvency and capital reserve requirements? Do these differ between domestic and foreign firms?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there stock listing or delisting requirements that vary between domestic and foreign firms?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there citizenship requirements for key corporate personnel or boards of directors?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there restrictions on employment practices (i.e., who can work as agents)?</td>
<td>Yes</td>
</tr>
<tr>
<td>Do limitations exist on brokerage/agency services as opposed to individual insurance companies that sell one brand of insurance?</td>
<td>Yes</td>
</tr>
<tr>
<td>Do limitations exist on reinsurance (i.e., requirement to purchase some or all of reinsurance from local companies)?</td>
<td>Yes</td>
</tr>
<tr>
<td>Does a foreign equity cap exist on establishing a new health insurance business?</td>
<td>Yes</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
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<td>------------------------------------------------------------------------</td>
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<tr>
<td>Do limitations exist on the form of establishment (i.e., not allowing branches thereby limiting to wholly-owned subsidiaries)?</td>
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<tr>
<td>If policies are in place that limit foreign ownership are there provisions that protect foreign companies from divestment once established (allow for grandfathering with acquired rights)?</td>
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</table>
5. Health and Financial Literacy: Foster a growth in cultural norms and societal beliefs around the importance of health care, the value of insurance, and the role of government and the private sector

Out-of-pocket spending on adverse health events drives 100 million people into poverty annually. vi Innovative healthcare financing and particularly long term healthcare financing could greatly improve this statistic but will require significant shifts in mindset and culture for citizens to embrace health insurance or other means of protection from future adverse health events. One of the key components of long term health financing is the element of trust between purchaser and provider. Much of the success in this area will require promotion by the government and trust between the government, the general public, and the private sector.

<table>
<thead>
<tr>
<th>Enabler of Investment</th>
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<tbody>
<tr>
<td>☐ A culture of financial preparedness with the use of health insurance for expected and unexpected negative health events</td>
<td></td>
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<tr>
<td>☐ A culture of mutual trust, dependability, and partnership between public and private sector, with all parties working towards the same goal of improving access to care</td>
<td></td>
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<tr>
<td>☐ Health literacy and financial literacy regarding health insurance and its value</td>
<td></td>
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<tr>
<td>☐ A societal and political will to reduce out-of-pocket spending for healthcare</td>
<td></td>
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<thead>
<tr>
<th>Key Questions / Performance Indicators</th>
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<tbody>
<tr>
<td>☐ Are health, financial, and insurance literacy components of the domestic education system?vii</td>
</tr>
<tr>
<td>☐ Do government programs exist that highlight the benefits of health insurance as a way of defraying future out-of-pocket spending by individuals and families on their healthcare?</td>
</tr>
<tr>
<td>☐ What are out of pocket expenditures for health in your economy and which income segment(s) of the population are making these payments?</td>
</tr>
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</table>
6. Quality Data and Evidence: Improve the quantity and quality of health data.

Standardized collection and analysis of health data (with appropriate privacy and security protections), are critical elements for determining problems, analyzing solutions, and eliminating waste. Quality data is one of the cornerstones of increasing and optimizing public and private investment in health services.

<table>
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<tr>
<th>Enabler of Investment</th>
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<tr>
<td>☐ The consistent collection of data on access to healthcare, quality/outcomes of healthcare, and cost/utilization of healthcare services for use by the public and potentially the private sector(^2)</td>
<td></td>
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<tr>
<td>☐ Consistent intervals for data gathering that are coordinated by a designated entity</td>
<td></td>
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<tr>
<td>☐ Mechanisms to ensure the accuracy and completeness of data from both urban and rural settings</td>
<td></td>
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<tr>
<td>☐ Mechanisms to ensure the accuracy and completeness of data for all income levels</td>
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<tr>
<td>☐ Measurement of population specific health needs and outcomes from tailored health services</td>
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<th>Key Questions / Performance Indicators</th>
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<tbody>
<tr>
<td>☐ What health data is currently being collected on an economy-wide basis and how is it protected?(^3)</td>
<td></td>
</tr>
<tr>
<td>☐ What data is available to the private sector and what are the protection requirements of the private sector?</td>
<td></td>
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<tr>
<td>☐ Do training programs exist regarding the collection of high quality data?</td>
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<tr>
<td>☐ Are there institutional structures in place that track specific health needs by populations and measure outcomes?</td>
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</table>

\(^2\) In accordance with APEC Cross Border Privacy rules in addition to relevant domestic and international data privacy obligations

\(^3\) Health data covers three main areas: data on access to healthcare; data on quality/outcomes of healthcare; data on cost/utilization of healthcare service.
The Impact of Health on Worker Attendance and Productivity in the APEC Region, VISES, July 2014

Cost of Early Retirement due to Ill Health, Victoria Institute of Strategic Economic Studies Victoria University, Melbourne July 2015

Background Paper First Universal Health Coverage Financing Forum Raising Funds for Health

Background Paper First Universal Health Coverage Financing Forum Raising Funds for Health

Canada and Mexico among others have clear legislative authorization for PPPs of various types allowing for transparent and fair interactions with private partners

Protecting households from catastrophic health spending. Xu K, Evans DB, Carrin G, Aguilar-Rivera AM, Musgrove P, Evans T

Japan and Indonesia have adopted strong emphases on financial literacy through inclusion of financial education within domestic strategies. One example from Indonesia was the “Let’s Go to the Bank” campaign and other pilot projects which integrated financial literacy into elementary and junior high curricula.
Enhancing Women's Economic Inclusion and Empowerment in the Changing World

1. We APEC Ministers and Heads of Delegations met in Hue, Viet Nam from 26 to 29 September 2017 for the APEC Women and the Economy Forum (WEF) chaired by His Excellency Dao Ngoc Dungz, Minister of Labour, Invalids and Social Affairs of Viet Nam. We were joined by senior officials, ABAC, private sector leaders, and representatives from international and non-governmental organizations.

2. We share the view that the Asia Pacific is at a crucial juncture of transformation amidst a fast changing global landscape. The Digital Age is having unprecedented impact on the nature of work in general and women’s economic inclusion and empowerment in particular. Inclusive and sustainable growth around the world is the overarching vision of the 2030 development agenda. Gender equality and women’s economic inclusion and empowerment are central to this vision.

3. We acknowledge the first APEC High-Level Policy Dialogue on Women and the Economy held in San Francisco in 2011 as a significant landmark, paving the way for the annual High-Level Policy Dialogue and concrete actions to promote women and the economy as an integral part of the APEC agenda. We recognize the benefits that have arisen from closer collaboration between APEC and ABAC, policy makers and women-focused business associations and networks.

4. Under the APEC 2017 theme 'Creating New Dynamism, Fostering a Shared Future' we focus our deliberations on 'Enhancing Women’s Economic Inclusion and Empowerment in the Changing World' with three priorities: i) Promoting gender equality for sustainable, innovative and inclusive economic growth; ii) Enhancing the competitiveness and innovation of women-owned MSMEs; and iii) Narrowing gender gaps in human resource development.

5. We applaud APEC Leaders' commitment to promote gender equality and women's economic empowerment across APEC by pursuing concrete policies and innovative measures to further enhance women's access to capital and assets; access to markets; skills, capacity building, and health; women's leadership, voice and agency; innovation and technology. We commit to our collective actions following APEC Leaders' recognition of efforts to support women's empowerment and entrepreneurship across APEC: grow women-led micro and small and medium size enterprises (MSMEs); enhance women and girls’ digital literacy; promote women's career development; increase and strengthen women's and girls’ access to and participation in training and careers in higher-wage, high-growth fields such as science, technology, engineering, arts and mathematics (STEAM). We also commit to further encourage gender diversity at management levels, including senior leadership and governance structures.

6. We reaffirm our support for the development of concrete and actionable measures to advance women's economic, financial and social inclusion across APEC fora. We endorse PPWE's Gender Inclusion Guidelines as a significant tool to implement gender-responsive policies and programs across APEC. We instruct the PPWE to work with and across APEC fora to enhance the knowledge of policy makers, decision makers and implementers at all levels charged with formulating gender-responsive laws, policies, programs and APEC projects.

7. We welcome the diverse activities currently being led by the APEC Policy Partnership on Women and the Economy (PPWE) to advance the economic inclusion of women (Annex A) and note the collaboration with other APEC fora in many of these important initiatives (Annex B). In addition, we note that the integration of gender into activities led by other APEC fora is gathering
pace. We instruct PPWE to continue its focus of collaboration and support such activities, and to continue to engage across APEC fora to further strengthen this pipeline of initiatives.

8. We recognize the essential role and co-responsibility of men and boys in deepening the integration and economic empowerment of women in a changing world. We re-affirm that men and boys make a crucial contribution to gender equality and need to be engaged systematically as strategic partners and allies in achieving gender equality.

9. We reemphasize our call to eliminate all forms of violence against women and girls. We recognize that these forms of violence are significant impediments to the achievement of women’s economic empowerment and inclusive growth. We reiterate our call to better understand its economic impact through investments in data collection and long-term research in order to develop holistic and effective approaches to prevent and respond to all forms of gender-based violence against women. We also encourage economies to consider increased gender-responsive expenditure and provision of services that help prevent violence against women in the home, the workplace and public spaces. Social protection services increase women’s economic participation, positively affect human, social and economic development and deflect loss of income and decreased productivity to economies in general and families in particular.

10. We recognize the challenge climate change poses to the achievement of sustainable development and that women and girls are often disproportionately affected by the impacts of climate change and other environmental issues. We encourage economies to respect, promote and consider gender equality and the empowerment of women and girls when taking action to address climate change.

11. We encourage economies to share research, raise the quality of sex-disaggregated data, indicators and best practices regarding women and the economy. We welcome the release of the 2017 version of the APEC Women and the Economy Dashboard and encourage economies to use the data outlined therein for evidence-based decision making.

Promoting gender equality for sustainable, innovative and inclusive economic growth

12. We acknowledge the relevant outcomes from the 2017 World Summit on the Information Society (WSIS), the G20 and 61st United Nations Commission on the Status of Women (CSW). We recognize that governments, the private sector and civil society must work collaboratively to create an enabling environment for women’s full, equal and effective participation in, and benefit from, the changing world of work. This includes strengthening women’s and girl’s access to quality education, training, and skills development environments; implementing, as appropriate, laws and policies to promote decent work, including establishing safe and healthy workplaces; prohibiting gender-based discrimination; requiring equal pay for equal work or work of equal value; promoting the transition from the informal to formal economy; addressing the mobility of women workers; bridging the digital divide; strengthening women’s collective voice and economic leadership in policy decision making; and encouraging investments in policy research, better data collection and impact evaluation for gender equality.

13. We remain concerned that substantial disparities still exist in employment and income opportunities between women and men. Women carry out a disproportionate share of unpaid care, household and agricultural work, while experiencing disadvantages including limited access to assets, markets, networks, ICTs, financial and productive resources. We encourage member economies to:

- Recognize, reduce, and redistribute the disproportionate share of unpaid care and domestic work by enacting legislation and undertaking reforms that realize the equal rights of all women and men with a view to addressing the issue of women’s disproportionate burden of care work.
• Invest in gender-responsive public expenditure on women’s workforce skills, quality health, education and productivity; establish ‘caregiving’ leave; and remove occupational-segregation.

• Enable full participation in business, entrepreneurship and global value chains; integrate women located in rural and remote areas, indigenous women and women’s cooperatives by providing them with access to infrastructure, including public utilities, technology, transportation, water and sanitation.

• Strengthen public-private cooperation to improve, as appropriate, policies and programs that support and facilitate the economic inclusion of those most disadvantaged and vulnerable to poverty, including women in rural and remote areas, indigenous women, ethnic women, women with disabilities, women heads of households, survivors of violence against women, survivors of natural disasters and armed conflict, migrant workers and other vulnerable groups. We encourage participation and cooperation among all stakeholders to collect and process sex-disaggregated labor market information.

• Promote inclusive workplace, training and education environments that are responsive to the needs of women and girls.

Enhancing the competitiveness and innovation of women-owned MSMEs

14. We welcome APEC economies’ implementation of the actions in the Borocay Action Agenda focusing on women-led MSMEs: 1) fostering the use of sex-disaggregated data in measuring the economic and social impacts on MSMEs; 2) promoting an understanding of the divergent constraints faced by men and women-led MSMEs; and 3) encouraging exchange of best practices on women-friendly cross-border procedures with customs and other border authorities. We welcome the Agenda’s common goal towards 2020 to identify indicators to track individual members and regional progress on MSMEs.

15. We recognize women’s immense contribution to the achievement of sustainable, innovative and inclusive growth in the region and acknowledge the remarkable contribution of MSMEs to the GDP of every APEC economy. Business associations are the backbone and voice of the business community, supporting the improvement of the skill base and enabling environment of their constituents. Those that work on behalf of women entrepreneurs are well placed to impart valuable business knowledge to policy makers and help develop inclusive business programs and indicators. We call on the private sector to champion the inclusive business agenda and include women in the development of inclusive business models, whether as workers, suppliers, distributors, customers or consumers. We encourage both the public and private sectors to collaborate on gender-responsive policies and practices, services, training and market information that improve access for women-led enterprises to resources and opportunities. We strongly encourage member economies to directly engage with business associations and other relevant organizations to help them develop business enabling environments that support women entrepreneurs and women-led cooperatives to start up and scale their operations, ensure their equal access to finance and markets; expand women-led MSMEs’ global presence and their participation under equal conditions in global value chains; and empower women entrepreneurs through digitalization. We particularly encourage economies to promote and facilitate the association of women entrepreneurs and cooperatives in rural and highly vulnerable areas, share research, sex-disaggregated data, indicators and best practices in gender-inclusive development.

Narrowing gender gaps in human resource development

16. As the increasingly connected economic environment continues to frame our work, we recognize the shift towards an increase in demand for technology-enabled skills. We recognize that a number of APEC economies have succeeded in developing women’s skills and competencies, boosting their domestic economic growth and integration into the regional economy, including through the use of ICTs.
17. We acknowledge the opportunities and challenges for women and girls, in particular vulnerable groups, of the 4th Industrial Revolution: the convergence of smart phones, cloud computing, the Internet of Things (IoT), sophisticated artificial intelligence, smart cities, and advanced robotic technologies into interoperable global value chains. We welcome the recently endorsed Framework for Human Resources Development in the Digital Age to address capacity-building priorities in this area and where appropriate:

- We call for targeted technical training to improve women and girls’ digital literacy to unlock job opportunities and entrepreneurship.
- We encourage economies to strengthen the ecosystem for women and girls regarding STEAM education and employment to bridge the digital divide; leverage women’s and girls’ talents; and take advantage of new opportunities presented by the Digital Age, including online learning and the removal of the digital gender divide in accessing ICT.

18. We acknowledge that the information technology revolution has brought new forms of violence against women, including cyber-bullying, online harassment and cyber-stalking. Such violence has prevented women from participating in the economy as users, content creators, employees, entrepreneurs, innovators and leaders. We encourage economies to implement awareness raising programs, women-friendly web spaces, monitoring and enforcement mechanisms, and accessible public reporting mechanisms that recognize that cyber-acts can be a form of violence against women and girls.

19. We welcome the outcomes and recommendations of the Public-Private Dialogue on Women and the Economy (PPDWE). We support the ongoing reflection on a post-2020 APEC vision and welcome the deliberations at the PPDWE on building a vision on women’s economic empowerment for the Asia Pacific as part of our contribution to this process.

Towards APEC Economic Leaders’ Meeting 2017 in Da Nang, Viet Nam

20. We seek APEC Leaders’ consideration to include in their 2017 Declaration a statement on the importance of further advancing women’s economic inclusion to tap into their full potential contribution to sustainable, innovative and inclusive growth. We agree to submit this 2017 APEC Women and the Economy Forum Statement to the APEC Economic Leaders’ Meeting to be held in November in Da Nang, Viet Nam.

APEC Women and the Economy Forum 2018

21. We look forward to our next APEC Women and the Economy Forum and relevant activities in Papua New Guinea in 2018.
Annex A: Current PPWE PROJECTS

APEC BEST Award

Launched in 2016, the APEC Business Efficiency and Success Target Awards (APEC BEST Awards) was the first annual contest for women-entrepreneurs across the APEC region. The APEC BEST Awards seek to raise women’s awareness on benefits of self-employment and help women-entrepreneurs to internationalize their businesses, attract international partners and potential investors from the APEC economies. The contest also contributes to building networks among women entrepreneurs, consultants, mentors and investors across the APEC region. Spreading best practices of women-owned SMEs among APEC economies provides an opportunity to involve a larger number of women into entrepreneurship, create new jobs in different industries, and support economic growth and development by applying promising business models based on domestic success stories. The second APEC BEST Awards contest was held on 27 September 2017 in the margins of Women and the Economy Forum in Hue, Viet Nam.

Diversity Management for Women’s Empowerment

‘Diversity Management for Women’s Empowerment’: In the APEC 2016 WEF Statement, all economies were encouraged to increase gender diversity on executive boards and in senior management of companies which positively affect corporate sustainability and growth. In order to deepen last year’s achievement in WEF, this project aims to enhance women’s empowerment through facilitation of mutual-understanding and awareness for diversity management by following two activities: to stock take actions relating to diversity management and women’s empowerment, and to share them as good practices among APEC economies; to organize an APEC Top Management Forum on Diversity Management for Women’s Empowerment in Tokyo for sharing good practices, discussing obstacles and identifying key challenges for facilitating diversity management and women’s empowerment.

Promoting Women in Decision Making Positions in the Public and Private Sector

One of the planned activities is the conduct of a workshop to exchange ideas and promote best practices on implementation of suitable policies to increase women’s representation in leadership roles across both public and private sectors. The report of the Workshop will serve as reference to economies to identify the best policies to promote women in decision making positions in the public and private sectors.

Sex-Disaggregated Data Collection

The Women and the Economy Dashboard is a set of 75 indicators on the status of women in APEC’s member economies. The Dashboard is a tool to track, measure, and communicate progress in reducing barriers to women’s economic participation across our five key pillars: (a) Access to capital and assets; (b) Access to markets; (c) Skills, capacity building, and health; (d) Leadership, voice, and agency; and (e) Innovation and technology. The APEC Policy Support Unit reported on the indicators under the Dashboard for the first time in September 2015, using highly credible international data sources such as the United Nations, the World Bank, the International Labor Organization, the World Economic Forum, and the World Health Organization. The Dashboard’s indicators are assessed and reported on bi-annually.

Women’s Economic Empowerment and ICT

The ‘Women’s Economic Empowerment and ICT’ project will be implemented to update APEC women about the current trends and features of the 4th industrial revolution; to compile and share success stories of women entrepreneurs in the ICT and smart technology-based industry; and to prepare APEC women for business opportunities in the 4th Industrial Revolution.

Women’s Access to Financial Services

This self-funded project “Women’s Access to Financial Services – Data in the APEC Region” proposes to conduct a survey on the number of women having access to various financial services that support women’s participation in starting up and expanding existing women’s
businesses. The project aims to encourage economies to set targets to work towards developing relevant policies of financial inclusion programs.

**Women’s Leadership**

Recognizing that increasing the participation of women in economic activities will serve as a catalyst to promote economic growth, Japan proposed the project ‘Individual Action Plan (IAP) for the Enhancement of the Ratio of Women’s Representation in Leadership’. Every year since 2015 to 2020, APEC economies are asked to submit their action plans, which serve as mechanisms for measurable and aspirational voluntary goals to which economies could work toward by the end of 2020. In order to further promote women’s representation in leadership and accelerate the voluntary goals and the momentum of the initiative of each economy, this project also explores and takes stock of good practices of the policies, as well as actions taken for promoting women’s representation in leadership through the mid-term review study and public-private dialogue held as a side event during the WEF 2017.

**Women’s Entrepreneurship**

The Women's Entrepreneurship in APEC (WE-APEC) initiative, launched in 2014, examined each economy’s efforts with respect to business networks, private-sector initiatives, and government services in support of women's entrepreneurship. Summaries of all 21 economies, including details about their respective networks, initiatives, and services, can be accessed and enhanced to strengthen eco-systems that support women’s entrepreneurship. The WE-APEC online platform (www.we-apec.com) is a dynamic directory of service providers for women-owned businesses across APEC and provides a way for governments, the private sector, business networks and entrepreneurs to connect. This initiative is very helpful for connecting business network, the private sector, and government services in the Asia-Pacific to support women entrepreneurs. To make it work better, capacity building activities will be implemented and the WE-APEC platform will be improved as well to include a mobile platform for better use with cell phones.

**Women as Prime Movers of Inclusive Business**

The APEC Women as Prime Movers of Inclusive Business Project was approved in 2016 for implementation until the end of 2017 in collaboration with the IEG. This Project looks into the broader aspect of Inclusive Business (IB) both in theory and practice, and zooms into how women’s economic empowerment serves as vital contribution in the development, scale-up, and replication of IB models in the Asia-Pacific region. In support to this, a survey was conducted which aimed to draw out a balanced analysis that would reflect the majority of APEC member economies, and present conclusions and recommendations that would be supportive of APEC as a whole. However, due to the difficulty in gathering inputs for the research study, the 2017 APEC Seminar on Women as Prime Movers of Inclusive Business was held on 26 September 2017 in Hue, Vietnam to further enhance the content and substance of the study, prior its finalization and publication for circulation to the APEC member economies.

**Women in STEM**

Launched in 2016, the APEC Women in STEM initiative involves a range of activities, including an APEC-wide survey of initiatives aimed at strengthening the presence of women in STEM educational programs and careers. To help APEC economies tackle the issue of women in STEM, a framework was developed and endorsed with four key pillars: (1) enabling environment; (2) education; (3) employment; and (4) entrepreneurship. Steps in 2017 include: organizing a capacity building workshop on Women in STEM Framework; identifying private sector partners who can serve as co-champions of the APEC initiative; bringing PPSTI formally on board as a cross-fora partner; and developing an implementation work plan based on outcomes of the Workshop.
Annex B: Partnerships with Other APEC Fora

The PPWE has partnered with other APEC Fora to incorporate gender equality and women’s empowerment into their sector-specific public-private dialogues, ministerial meetings, and projects and programs to ensure that barriers to women’s economic empowerment are addressed across sectors.

Economic Committee (EC)

The project “Capacity Building for the Reduction of Educational Gender Gaps through Structural Reforms” was launched to enhance education with equal opportunities for women in APEC economies. With this purpose, the project focuses on improving the capacity of civil servants to adapt, design, implement and evaluate gender gap reduction policies. The project is directly related to the APEC New Strategy for Structural Reform (ANSSR), as well as the SME and Women Development pillar, which has driven the recent activities of the Economic Committee.

Emergency Preparedness Working Group (EPWG)

Recognizing that the Asia-Pacific is the most natural disaster-affected region, the PPWE collaborated with the EPWG to identify and address the needs and concerns of women and girls in emergency preparedness and post-disaster recovery and resilience.

The outcome of the PPWE project “Good Practices of Women Entrepreneurship in Local Communities in the Process of Local Reconstruction” has been shared with the EPWG as a valuable reference for achieving inclusive and sustainable recovery in the post-disaster phase, which can also contribute to the enhanced linkage between the two working groups.

Human Resources Development Working Group (HRDWG)

Cooperative efforts are being explored to improve labor market efficiency and the management of labor mobility, and deepen regional and economic integration and people-people connectivity. This work will contribute to ongoing efforts to fully integrate women in the economy.

HRDWG and Health Working Group (HWG)

Full participation of women in the economy is essential to achieve inclusive economic growth; however, women’s ability to access economic opportunities is sometimes hindered by health concerns. Thus, the PPWE is collaborating with the HRDWG and HWG on the “Healthy Women, Healthy Economies” initiative. A Policy Toolkit was developed to address health-related barriers specific to women so they can join, remain and rise in the work force. The Policy Toolkit includes policy recommendations and practices on: workplace health and safety; health access and awareness; gender-based violence, sexual and reproductive health; and work/life balance. The Policy Toolkit can serve as a guide to APEC economies in implementing actions on a voluntary basis and choosing actions appropriate for their economy. In 2016, APEC is working to equip governments and businesses with the tools needed to implement elements of the toolkit. A forum on the toolkit implementation will be held in August and will include a presentation of the business and economic cases on application of the toolkit.

HRDWG and Policy Partnership on Science, Technology and Innovation (PPSTI)

Human resources development in the digital field is a universal matter and it is vital for economics’ sustainable growth. However, gender gap trends persist as the workforce moves toward new and emerging roles in STEM fields, which continue to outpace the gender gap, causing women to lose out on tomorrow’s best job opportunities and prevent many economies from reaching their sustainable development. The underrepresentation of women in STEM is due to many factors, such as women are lacking female role models, and many environments are still discriminatory. Accordingly, the APEC Gendered Innovation for Technology and Science (GIFTS) is developed in collaboration with HRDWG and PPSTI, aiming to provide best practices as female role models and a workshop to establish a nurturing environment.

Fifteen best practices examples were surveyed. These will serve as a roadmap to set up
outstanding female role models and a guide to learning about role models for STEM women in different career stages. These experiences will provide the impetus to transform women’s participation in the future jobs and empower them to contribute to sustainable economic growth.

Transportation Working Group (TPTWG)

Women are far less likely than men to work in the transportation sector, both in absolute numbers and as compared to their labor market participation within their respective Economies. In addition, women are more susceptible to economic marginalization if transportation networks, connecting them to employment, health services, and educational opportunities, are unsafe for their use. The Transportation Working Group (TPTWG) is host to the Women in Transportation (WiT) Task Force which has developed a framework (WiT Framework) for benchmarking and tracking the participation and influence of women transportation workers, entrepreneurs, leaders, and travelers. The WiT Framework, which was endorsed by APEC Transportation Ministers in October 2015, identifies five key outcome “pillars” that Economies can use to help organize their own efforts to boost women’s opportunities, with 18 specific outcomes listed to support policy engagement in this arena. The five pillars are: education; entry into the sector; retention; leadership; and access and use of transportation systems. By linking the goals of the pillars with concrete activities and metrics that will be carried out by volunteer economies in their own pilot projects, the WiT Framework provides a roadmap to success for policy makers and industry representatives working to facilitate change.

Currently four economies (Malaysia, Papua New Guinea, New Zealand and the United States) are leveraging the WiT Framework to structure a pilot project that will produce a policy response to a specific challenge or impediment embodied in one of these five pillars. It is anticipated that these pilot programs will serve as models of how data, global best practices on women’s issues, and tailor-made policy solutions enacted by government through collaboration with industry can help improve women’s opportunities in all facets of the transportation sector.
10th APEC TRANSPORTATION MINISTERIAL MEETING
7th October 2017
Port Moresby, Papua New Guinea
Ministerial Statement

1. We, the Ministers responsible for transportation, met in Port Moresby, Papua New Guinea on the 7th October 2017 to discuss ongoing and new initiatives and pertinent issues under the theme “Creating New Dynamism, Fostering a Shared Future”.

2. We support the 2017 theme and commit to advance APEC’s overarching agenda of improving connectivity and deepening regional economic integration by promoting quality infrastructure connectivity; enhancing transportation accessibility, safety, security and sustainability; and crosscutting socio-economic improvement.

3. We highlight the central role that transportation plays in facilitating the creation, maintenance and expansion of economic and people-to-people linkages across the Asia-Pacific region, as well as our industry’s leadership in technology commercialization, international best practices dissemination and regulatory cooperation, where the fruits of our economic activity are widely disseminated across all socio-economic levels within society, both as an employer and as a core enabler of economic activity. Quite simply, our ability to increase the safety, efficiency, reliability and accessibility of Asia-Pacific transportation is the means by which APEC will achieve many of its goals.

4. We recall APEC Leaders’ transportation-related commitment in 2015, the most recent year that we, the Ministers responsible for transportation, met, “to develop safe, secure, resilient, efficient and sustainable transportation systems and to promote innovation in the transportation sector”. We acknowledge progress made since the 9th APEC Transportation Ministerial Meeting in 2015 towards promoting accessible mobility, developing sustainable transport systems, encouraging innovation in transportation systems and promoting comprehensive and seamless connectivity.

5. We, the Ministers and private sector CEOs had a constructive Ministers and CEOs Dialogue, on the 7th October 2017, where we had exchanges on ICAO’s efforts to facilitate sustainable growth by the global aviation industry.

6. We will continue to work towards APEC’s goal of achieving a seamless, comprehensively connected and well-integrated Asia-Pacific by 2025 through the implementation of the APEC Connectivity Blueprint 2015-2025. We reaffirm our commitment for cross-fora collaboration in APEC to further advance the Bogor Goals of free and open trade and investment in the APEC region.

7. Recognizing the fast pace of technological change, we highlight the importance of identifying, addressing and removing barriers in existing regulations to allow technology to develop in a manner that does not hamper innovation.

8. We acknowledge the APEC Women in Transportation (WiT) Forum that met in Hue City, Viet Nam and shared knowledge and experiences on the TPTWG’s sectoral approach to encourage women’s participation in the economic life of the Asia-Pacific transportation sector and also the significant progress made by pilot economies. We note that the WiT Taskforce updated the WiT Compendium of Best Practices and we encourage economies to continue to support each other in implementing this work.
9. We welcome the various initiatives undertaken in land, aviation and maritime modes and cross-modally in the area of intelligent transport systems including in collaboration with APEC’s Global Navigation Satellite System Implementation Team.

10. We reiterate our commitments to improving transportation systems to facilitate the efficient flow of goods, people, services and capital in the APEC region, and we direct the TPTWG to continue to improve its work on connectivity including in the areas of aviation, land, maritime, intelligent transport systems and intermodal networks.

11. Acknowledging and celebrating the achievements made by the TPTWG, we remain committed to supporting its efforts to catalyze meaningful, substantive solutions to transportation policy challenges that we collectively face across the Asia-Pacific region.

12. We endorse the new structure that the TPTWG has proposed for itself, as it reflects the fact that making progress on policy challenges requires the Working Group to have a streamlined structure and efficient mechanisms for collaboration.

13. We plan to meet again in 2020 to advance the work of the transportation sector in the APEC region.
10th Meeting of APEC Transportation Ministers - Outcomes/Actions

1. Under the APEC Viet Nam 2017 theme “Creating New Dynamism, Fostering a Shared Future,” we, the APEC Transportation Ministers gathered in Port Moresby on the 7th October 2017, draw attention to the following positive outcomes the APEC Transportation Working Group (TPTWG) has achieved and direct its future work through:

Promoting Quality Infrastructure Connectivity

2. We commend the work of the TPTWG in developing a Transportation Connectivity Map, which is an outcome of TMM8, and encourage economies to continue their work in this regard recognizing the importance of sharing the vision of the transportation network and its role in enabling broad-based economic growth, from dense urban centers to remote rural areas and everywhere in between.

3. We encourage economies to share best practices in terms of mechanisms and programs that promote the integration by each economy of remote areas within their common transport area.

4. We recognize the efforts of the TPTWG in implementing the transport elements of the Supply Chain Connectivity Framework Action Plan and commit to promoting a seamless, safe, sustainable and reliable transportation system through intermodal connectivity, infrastructure connectivity and innovation and pursuing, as appropriate, the compatibility of policies, rules and standards.

5. We encourage economies to advance work on expanding institutional capacity to leverage private investment to support the development, financing, maintenance and operation of quality transportation infrastructure through Public Private Partnerships (PPPs). In this regard, we reiterate the importance of collaboration among the TPTWG, the Finance Ministers Process (FMP), the Committee on Trade and Investment (CTI) and the Investment Experts Group (IEG) within the APEC region on the topic of PPPs.

6. We instruct the TPTWG to continue its support for the APEC Connectivity Blueprint 2015-2025 through programs that work to address chokepoints in the Asia-Pacific region’s robust and growing transportation infrastructure. Seaports, airports, rail/transit terminals, border crossings and intermodal hubs are critical touch points that link our economies and people to one another, helping to accelerate the region’s economic growth.

7. We further instruct the TPTWG to evaluate mechanisms to better maintain, manage and operate existing transportation infrastructure so that its utility to the people and businesses of the Asia-Pacific region is both sustained and long-lasting. This includes best practices exchanges on maintenance technologies, user pricing regimes, big data and transportation planning to enhance capacity utilization.

8. We welcome the efforts and initiatives made by the APEC Port Services Network (APSN) to facilitate cooperation and communication amongst ports and related sectors since its inception in 2008. We applaud the progress made by the APSN in promoting safety, sustainable growth and gateway port connectivity. We also recognize the ongoing efforts by the APSN to promote connectivity and–sustainable growth in the APEC port industry, including the creation of the Green Port Award System (GPAS) in the past few years and we encourage all member economies to participate in this program. We are pleased to see that this program was officially launched in 2016 with seven distinguished ports awarded and note that APSN is on track to commemorate its 10th anniversary in 2018, at the APSN Forum on port connectivity in Singapore.
9. We recommend that economies continue to pursue work on facilitating the more seamless operation of business and general aviation across the APEC region. Increased accommodation of such operations, as well as compatibility among economies in their regulatory treatment of this sector, should serve to create more opportunities for international commerce and sustainable tourism.

**Enhancing Transportation Accessibility, Safety, Security and Sustainability**

10. We acknowledge the progress made under the Seven Principles of Supply Chain Resiliency to improve the viability of businesses and the physical and social infrastructure of the supply chain during disaster situations. We commend the progress made by economies on disaster risk management and hazard mapping; human resource capacity building; and policy and regulations to respond more effectively post disasters.

11. We encourage the TPTWG to continue working with other stakeholders as well as other APEC fora and international organizations, like the International Civil Aviation Organization (ICAO), the International Labor Organization (ILO) and the International Maritime Organization (IMO) to improve transport safety, security and sustainability of operators, service providers and facilities.

12. To fulfil this goal, we encourage economies to ensure that their respective aviation safety frameworks comply with the ICAO Standards. We acknowledge the work of the TPTWG in assisting economies with the implementation of ICAO standards on Performance Based Navigation (PBN) and training of civil aviation authority personnel, and we celebrate the progress that Malaysia and The Philippines have made in their implementation of PBN as a result.

13. We further encourage economies to utilize the latest security technology to better detect threats and facilitate efficiency so as to minimize security risks to transportation within the Asia-Pacific region.

14. In addition, we encourage economies to ensure that their respective maritime security frameworks comply with the International Ship and Port Facility Security (ISPS) Code and acknowledge the work of the TPTWG in assisting economies in this regard.

15. We commend the work underway to explore regulatory approaches for high-mass heavy-road vehicle safety, productivity and infrastructure outcomes.

16. We draw attention to the benefits that will accrue to safe and efficient trade in the APEC region if the TPTWG can help facilitate a more harmonized approach to the labeling, handling and transport of dangerous goods across the Asia-Pacific region. We instruct the TPTWG to use the United Nations Model Regulations on the Transport of Dangerous Goods as a guide to inform the capacity building and technical assistance initiatives the Working Group may undertake in this area.

17. We recognize the importance of Global Navigation Satellite Systems (GNSS) technologies in achieving seamless intermodal transportation to enhance safety, security and sustainability. Therefore, we encourage economies to pursue safe and reliable application of GNSS and regional navigation satellite systems by increasing its resiliency of GNSS services through adoption of recognized international standards and best practices across all modes of transportation and through increased cooperative use of Satellite-Based Augmentation Systems (SBAS) to improve GNSS accuracy, availability and integrity within the Asia Pacific region.

18. We reaffirm our commitment to deploying advanced technologies safely, efficiently and reliably by removing barriers in existing regulations that impede innovation and competition. We commit
to open dialogue with one another to facilitate information exchanges on research and data and sharing best practices that are necessary for safety regulators across the Asia-Pacific region to sufficiently evaluate these rapidly evolving technologies, such as automated and connected vehicles, intelligent transportation systems and, more broadly, the evolving relationship between humans, technology and the operation of transportation.

**Crosscutting Socio-Economic Improvement**

19. We encourage greater participation of women in the transportation sector and acknowledge the importance of equal access for transportation users. We commend the ongoing work of the APEC Women in Transportation (WiT) Task Force and encourage member economies to continue to implement the WiT activities going forward.

20. We commend the work initiated on human trafficking and encourage the TPTWG to continue to discourage the use of any transportation network by human traffickers within and across our borders. By training the general public, transportation service providers and APEC transportation ministries to identify human trafficking that is hidden in plain sight, we can save lives, halt illicit economic activity, help report instances of human trafficking to the proper law enforcement authorities and demonstrate our integral role in the wellbeing of our respective societies.

21. We reiterate the importance of competent human resources in creating a safe, secure, reliable, effective and seamless transport system in the APEC region. Therefore, we encourage collaboration by APEC economies in developing joint personnel training.

**New Structure of the TPTWG**

22. We welcome the outcomes of the review of the TPTWG that was undertaken as a result of our request at the 9th APEC Transportation Ministerial Meeting in 2015. We direct the TPTWG to adopt the outcomes of the review at the start of Papua New Guinea’s 2018 APEC Host Year. We instruct the TPTWG to be mindful of the need for it to structure itself in a way that maximizes meaningful outcomes. Consequently, we encourage it to periodically review its own internal operations, structure and procedures in order to maintain its ongoing efficiency and effectiveness.
CAN THO STATEMENT ON
Enhancing Food Security and Sustainable Agriculture in Response to Climate Change

Preamble

We, the APEC Ministers and high-level representatives responsible for food security and agriculture, met in Cần Thơ, Việt Nam on 25 August 2017 under the chairmanship of Mr. Tran Hong Ha, Minister of Natural Resources and Environment of Việt Nam, to discuss cooperation and solutions to enhance Food Security and Sustainable Agriculture in Response to Climate Change in the APEC region.

We welcome the participation of the representatives of Food and Agriculture Organization, World Economic Forum, the International Rice Research Institute, International Center for Tropical Agriculture.

We underscore that food security is and will remain a critical issue for the international community in general and in the APEC region in particular, given that global food production must rise in volume by at least 60 percent by 2050 to feed the expected world's population of 9.15 billion people. We also highlight the significant role of APEC economies in today's agricultural value chain and the importance of trade.

We recognize the linkages between food security, poverty, climate change and sustainable development. Sustainable and resilient agriculture, aquaculture and fisheries contribute to advancing a number of the Sustainable Development Goals by enhancing food security, rural employment, poverty eradication, community empowerment, economic development, environmental protection and adaptation to climate change.

Under the overarching theme of "Creating New Dynamism, Fostering a Shared Future", and recognizing that climate change is one of the four major priorities of APEC 2017, we seek to address, through relevant APEC fora, including ATCWG, PPFS, OFWG and HLPDAB, the following key issues related to food security, through sustainable agriculture, aquaculture and fisheries:

Addressing the food security – climate change relationship

Increasing frequency and intensity of extreme weather events due to climate change are already negatively affecting agricultural production systems and food security. We endorse the APEC Multi-year Action Plan on Food Security and Climate Change to promote a more coordinated regional effort at addressing the closely linked challenges of food security, development, and climate change adaptation and mitigation.

Sustainable natural resources management

We are conscious that the region's natural resources are under stress from overconsumption, land and marine habitat degradation, fresh water scarcity and loss of biodiversity. Greater concerted efforts, including regional coordination, to foster sustainable use and management of land, forests, water and marine resources, are essential to both food security and environmental protection.
We believe it is critical to strengthen policy and technical cooperation to improve sustainable use of natural resources while securing long-term food supply, including:

- Fostering relevant and coherent policies that promote climate-resilience, water and energy efficiency, biodiversity conservation, and sustainable growth;
- Encouraging investments in a range of integrated approaches at various scales that build synergies and manage trade-offs;
- Implementing innovative successful programs and best practices that promote the sustainable use of land, forest, water, aquatic resources through local, regional, sub-regional, and economy-wide programs and institutions, as a matter of priority;
- Addressing the sustainable management and protection of land and marine ecosystems for food security and livelihoods.
- Promoting activities that make the agriculture, aquaculture and fisheries sectors more resilient to climate-related risks such as droughts, flooding, salination and water quality deterioration; intensify cooperation to mitigate impacts of drought, flood, extreme events of El Niño-La Niña (ENSO), and climate change exacerbated disasters to address sustainable agriculture, aquaculture, fisheries and food security; implement and scale up actions towards restoring degraded land, marine, coastal, lake and river ecosystems and addressing drought issues.
- Addressing the negative impacts of illegal, unreported and unregulated (IUU) fishing on fish stocks, the marine environment and food security.

Sustainable rural-urban development

We acknowledge that most agricultural production takes place in rural areas, where large proportions of poor and malnourished populations live. Accordingly, rural development, as well as rapid urbanization and the subsequent demographic and diet changes, have significant implications for food security and quality growth.

We underscore that sustainable rural-urban development includes minimizing the negative impacts of land-based activities on marine and coastal ecosystems, and the lack of effective solid waste management infrastructure imposes great socio-economic and environmental costs.

We, therefore, encourage APEC member economies to further promote innovative, inclusive and resilient rural development, and economic growth. That includes empowering farmers, disadvantaged groups, such as women and indigenous populations, smallholders and micro, small, and medium enterprises (MSMEs) in agriculture, to secure livelihoods, reduce poverty and improve food security for farming and fishing communities. Meanwhile we promote sustainable urban development that links rural and urban areas creating food systems that meet the nutritional needs of all consumers, particularly smallholder farmers and the urban poor. The development of competitive agriculture and food value chains will help promote rural development by adding value to farmers’ products and reducing food loss and waste.

We welcome the efforts made by APEC member economies to share best practices and experiences in promoting sustainable rural-urban development. We endorse the Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth.
Facilitation of trade and investment in agriculture and regional food markets

As APEC members are among the world’s largest food producers and traders, we recognize that trade and investment in food, agriculture, aquaculture and fisheries are crucial to food security in the APEC region and beyond. We underscore that it is vital for farmers to have access to domestic, regional and international markets. The profitability of agricultural producers is crucial for a successful agriculture sector and for food security. We, therefore, welcome further joint efforts in promoting trade facilitation, innovative technologies, food market access and integrity and supply chain connectivity so as to reduce costs of food trade and improve market transparency. We will strive to reduce non-tariff trade barriers to promote the efficient flow of agriculture and fisheries products. We note the ABAC study on non-tariff barriers in agriculture and food trade in APEC’s work to address NTMs and will continue to consider how to work on this issue.

An enabling policy and regulatory environment is also needed to foster and facilitate investment in rural transport, connectivity, logistics, agro-industry clusters and other services to improve farming, food processing and the linkage of food markets, consistent with international obligations. The cooperation in this regard can cover, but not be limited to, the following activities:

- Advance the Lima Declaration on the Free Trade Area of the Asia-Pacific (FTAAP) and develop the multi-year work program to further enhance APEC economies ability to participate in high quality, comprehensive free trade agreement negotiations in the future.
- Engage private sector in a meaningful, comprehensive way that can help develop models that are integral to core business strategies and meet the regional food security challenge. These “win-win” partnerships are advancing the impact of sustainable development and will foster private sector-led growth in emerging markets, critical to reducing poverty, fighting hunger and improving nutrition.
- Support member economies’ individual and collective efforts to (i) Develop science-based, transparent policy environments that enable open markets, private sector investment, and gender-equitble access to factors of production, products, and income; (ii) Promote effective institutions and services, such as rural extension and finance, to enable both women and men producers to acquire, protect, and use the assets they need to take advantage of emerging market and trade opportunities; (iii) Strengthen producer and other rural organizations to help them participate effectively in domestic, regional and global food value chains, reduce transaction costs, acquire productivity-enhancing technologies, and make use of information on domestic, regional, and international markets.
- Greater convergence among economies based on sound scientific principles, international standards, guidelines or recommendations, where they exist, would ultimately enhance food safety and provide for incremental improvement in public health while promoting a predictable, fair, transparent and open trading environment, consistent with members’ rights and obligations under the Sanitary and Phytosanitary Measures (SPS) and the Technical Barriers to Trade (TBT) Agreements of the World Trade Organization.

We acknowledge that agricultural biotechnologies can be used as tools to enhance agricultural productivity, raise farm income, protect the environment, strengthen food security and mitigate against the impact of climate change. We will work together toward the promotion of transparent, science-based and functioning regulatory systems that allow the development, application and safe trade of innovative agricultural biotechnologies for the benefit of APEC member economies. We encourage the management of regulatory differences through the development of transparent and science-based solutions to global challenges.
Food loss and Food waste management

We highlight that post-harvest food loss and waste remains a challenge that demands further actions, including infrastructure development as well as implementation of innovative technologies among APEC member economies. The collaboration and co-ordination of regional initiatives on food loss and waste reduction is essential.

We call on economies to continue to advance the implementation of the APEC Action Plan for Reducing Food Loss and Waste and value the progress of the APEC Food Losses Multi-Year Project. We encourage all member economies to strengthen public-private partnership on awareness raising, capacity building, and investment, and consider further collaboration on relevant APEC action plans.

Looking forward

We reiterate our commitment to achieving a sustainable APEC Food System by 2020 through the implementation of the APEC Food Security Roadmap Towards 2020 and past APEC Ministerial Declarations on food security.

We are encouraged by the outcomes of the Dialogue between Ministers and CEOs on the Responsible Use of Resources to Enhance Sustainable Food Production and Agri-business preceding our High Level Policy Dialogue. We emphasize the importance of engaging the private sector and other stakeholders in the development of the APEC Food System.

We welcome the successful convening and fruitful outcomes of the individual and joint meetings of the ATCWG, PPFS, OFWG and HLPDAB, as well as the series of food-security related workshops.

We will report the outcomes of the High level Policy Dialogue on Food security and Sustainable Agriculture in response to Climate change, including this Statement and the APEC Multi-year Action Plan on Food Security and Climate Change and the APEC Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth to the APEC Ministerial Meeting and the APEC Economic Leaders’ Meeting in Da Nang this November

We thank the Government of Viet Nam for the warm hospitality and excellent arrangements for the 2017 APEC Food Security Week and the High Level Policy Dialogue in Càñ Thơ city. We look forward to the next APEC Ministerial Meeting on Food Security to be hosted by Papua New Guinea in 2018.
Annex 1: Food Security and Climate Change Multi-Year Action Plan (MYAP) 2018-2020

1. Purpose

The MYAP is intended to implement the Multi-Year APEC Program on Food Security and Climate Change, fulfilling the APEC Food Security Roadmap Toward 2020 and Bogor Goals 2020. Furthermore, the MYAP will promote a more coordinated regional effort at addressing the closely linked challenges of food security, development, and climate change adaptation and mitigation. The MYAP will be executed by the Policy-Partnership on Food Security (PPFS), in collaboration with other APEC fora such as the Agricultural Technical Cooperation Working Group (ATCWG), the High Level Policy Dialogue on Agricultural Biotechnology (HLDPAB), and the Oceans and Fisheries Working Group (OFWG). PPFS will engage with the related APEC fora to ensure that MYAP activities are closely coordinated with their efforts so that there is coherence in implementation of the MYAP.

2. Background

Increasing frequency and intensity of extreme weather events due to climate change are already negatively affecting agricultural production systems and food security. Climate change will continue to have a profound impact in APEC economies, with developing economies facing the largest reductions in food production potential, according to a study by the Asian Development Bank. These environmental challenges could affect the food supply by asserting downward pressure on production and upward pressure on prices, thereby creating problems for food availability, food accessibility and affordability. With agriculture, livestock, and fisheries sources representing a portion of global greenhouse gas emissions, efforts to address the food security-climate relationship have also focused, where possible, on mitigating greenhouse gas emissions from food systems. The MYAP reflects APEC's Multi-year Strategic Framework on Food Security and Climate Change where the three primary pillars are defined as:

a. Sustainably increase agricultural, fisheries, and aquaculture productivity and incomes ("productivity");
b. Adapt and build resilience to climate change ("adaptation"); and
c. Mitigate or reduce greenhouse gas emissions where possible ("mitigation").

This MYAP was developed using the discussions, goals, and direction laid out in the APEC Food Security Roadmap Towards 2020, the Piura Declaration on APEC Food Security, and the Strategic Framework for the MYAP.

3. Objectives

The key objectives of the MYAP are to:

Enhance the capacities of APEC economies in developing and disseminating approaches to address the food security-climate change relationship in the short, medium, and long term.

Increase the knowledge of adaptation, mitigation, and productivity among APEC economies. Activities such as targeted capacity building activities focused on sharing and disseminating related priorities, good practices, policy approaches, appropriate technologies, lessons learned, and other information will help achieve the goals identified.

Utilize the current APEC structure to provide means of support for APEC economies to better share experiences and promote cooperation in the development of approaches to addressing food security-climate change relationships, as applicable and appropriate and based on identified capacity gaps.
**General Approach**
The MYAP is a set of voluntary, non-binding actions determined by each APEC economy. APEC economies have discretion to develop their own actions based on an economy’s domestic priority and available budget.

**Coordination and Leading Economies:** As the chief coordinating and executing body, PPFS will oversee and manage the MYAP. PPFS will identify a sub-group (“core team”) of MYAP champions to facilitate coordination, implementation and monitoring of the MYAP. This core team will initially include representatives of the PPFS Chair 2017 (Vietnam) and the next three chairs of PPFS (Papua New Guinea, Chile, and Malaysia), other interested economies and private sector participants. Expert organizations are also encouraged to engage in the MYAP implementation. It is envisioned that, under the auspices of and subject to the approval of the PPFS, the core team will triennially review and make recommendations to the PPFS for updating the MYAP, and that the PPFS welcomes all interested economies and private sector participants to join the core team.

**Workstreams:** The MYAP aims to address challenges associated with food security and climate change by pursuing four concurrent, inter-related streams of work, as determined in the Strategic Framework for the MYAP and summarized below:

a. **Policies:** This workstream focuses on cooperation, communication, and information on food-security and climate change policy.

b. **Best Practices:** This workstream focuses on cooperation on best practices in agriculture, livestock, fisheries, and aquaculture production and policymaking.

c. **Technologies and Knowledge:** This workstream focuses on technology development, dissemination, knowledge sharing, and access to advanced technologies.

d. **Capacities:** This workstream focuses on human and institutional capacity building and outreach for the public and private sector, for policy makers, social associations and agriculture, livestock, fisheries, and aquaculture extension and education.

4. **Key Actions in 2018 – 2020**

**Phase 1: 2018 – Stocktaking and Analysis:** The first phase of the MYAP will focus on assessment and stocktaking activities that clarify policies, best practices, technologies, and levels of capacity currently existing in the APEC economies. The stocktaking and analysis phase will be aligned within the four workstreams of the MYAP. It is understood and anticipated that some actions (i.e., cross-cutting actions) will address multiple workstreams of the MYAP.

a. **Policies Workstream**

i. Economy-level analysis of policies relating to sustainable and climate resilient agriculture, fisheries, and aquaculture.

ii. Context and situation analysis of policies and regulations that govern three key sectors (staple food/agriculture, livestock, fisheries, aquaculture) and an evaluation of climate conditions, post-harvest loss and waste, and the value chain.

iii. Share and stocktaking of incentive policies to promote investments in science and technology development, innovations, plant varieties, fisheries, aquaculture and animal breeds adaptive to climate change, which ensure both quality and quantity for food security.

iv. Research and analysis of greenhouse gas emission reduction in the process of food production and distribution.

b. **Best Practices Workstream**
v. Stocktaking exercise of on-going and new practices used in each economy in the agriculture, livestock, fisheries, and aquaculture sectors. Review the application of good practices in adapting to and/or mitigating climate change and post-harvest loss and waste.

vi. Stocktaking exercise of feasibility studies done of these best practices to ascertain the ability of economies to adopt new methods and techniques for increasing productivity, reducing post-harvest loss and waste, and improving adaptation and mitigation.

c. Technology and Knowledge Workstream

vii. Inventory and assess existing platforms that track adaptation and mitigation technologies and practices, as well as their uptake and upscaling potential.

viii. Inventory existing collaborative mechanisms between economies and international organizations, and between public and private sector organizations that focus on technology development and knowledge sharing.

ix. Inventory food production and processing techniques and technologies throughout the value chain that APEC economies utilize to adapt to climate change and mitigate greenhouse gases and reduce post-harvest loss and waste.

x. Cooperate to develop an e-bulletin to highlight and disseminate knowledge about applications of climate-change-adaption and mitigation science and technology in agriculture, livestock, fisheries, and aquaculture production.

d. Capacities Workstream

xi. Conduct a stocktaking exercise that inventories and summarizes training programs and capacity building initiatives in or available to APEC economies for increasing productivity, reducing post-harvest loss and waste, improving adaptation and mitigation, and strengthening climate information services.

xii. Evaluate and analyze APEC-funded projects from the Projects Database to specifically consider the capacity building and outreach initiatives focused on improving extension and training services and tools.

e. Cross Cutting Actions

xiii. Collaborate and build upon relevant stock-taking and analysis work done by other regional entities and other APEC working groups.

xiv. Compare results of stocktaking and analysis exercises across all four workstreams; consolidate information to provide a picture of food security and climate change collaborations in APEC economies.

xv. Evaluate youth and gender statistics and compare results of stock-taking and analysis exercises across all four workstreams with respect to how women, youth and marginalized farming groups are integrated into climate change and food security activities.

Phase 2: 2019 – 2020 – Training and Integration: This phase will focus on potential training opportunities and integrating new practices for APEC economies to improve their abilities to combat food insecurity and climate change. These activities will be aligned within the four workstreams of the MYAP. It is understood and anticipated that some actions (i.e., cross-cutting actions) will address multiple workstreams of the MYAP.

a. Policies Workstream

i. Conduct APEC regional level policy dialogues on food security and climate change, engaging the PPFS and other relevant APEC working groups and private sector participants for more insight on regulations.
ii. Hold trainings and workshops on policy design and formulation, coordination and ways of mainstreaming resilient and sustainable agriculture by addressing productivity, adaptation and mitigation in food security policies.

iii. Develop and disseminate information on design and policy formulation, interdepartmental and sectoral coordination and implementation regarding climate change affecting agriculture, livestock, fisheries, and aquaculture to promote overall policy coordination for food security.

b. Best Practices Workstream

i. Conduct collaborative activities such as demonstrations for sharing projects that use best practices in sustainable and resilient agriculture, livestock, fisheries, and aquaculture adapted and mitigation to the climate; utilize existing platforms whenever possible.

ii. Collect and disseminate case studies to identify best practices and hold dialogues about agriculture, livestock, fisheries, and aquaculture risk management and post-harvest loss and waste in relation to climate change throughout the food value chain and across sectors.

iii. Define, assess, evaluate and categorize case studies by types of best practice such as governance, climate information, and adaptation methods.

iv. Create a searchable and easily accessible database of best practices from APEC economies, available on the Asia-Pacific Information Platform on Food Security (APIP), a web-based platform.

c. Technology and Knowledge Workstream

i. Encourage technological exchanges and knowledge sharing among APEC economies via existing knowledge hubs and digital platforms or web-based information sharing tools, such as APIP, for improving productivity, post-harvest loss and waste, adaptation, and mitigation.

ii. Distribute information on climate and agriculture, fisheries, and aquaculture technologies using open data, satellite (i.e., remote sensing) information, regional organizations, early warning systems, market information systems, and pilot projects.

iii. Encourage private sector led innovations/ working with public sector to develop technologies that promote efficiencies; create opportunities for the private sector to share advances made in agriculture, fisheries, and aquaculture and climate technologies through a partnership approach.

iv. Encourage collaborative research, development and extension program on climate change among APEC member economies.

d. Capacities Workstream

i. Develop and submit APEC/self/joint funding proposals for APEC capacity building, training, and outreach initiatives to be considered by APEC (Budget and Management Committee) or other financial supporters focusing on:

   i. Extension best practices approaches pertaining to agriculture, livestock, fisheries, and aquaculture extension best practice approaches.

   ii. Linkages among food producers, marketers, and consumers.

   iii. Strengthening supply/value chains.

   iv. Agriculture, livestock, fisheries, and aquaculture management approaches for improving productivity, post-harvest loss and waste, adaptation and mitigation.

   v. Land and water use planning approaches.

ii. Encourage and enable APEC economies to utilize and promote farm management approaches and climate information training already available
via existing mechanisms such as: the APEC Climate Center, the APEC Research Center for Typhoon and Society, the Food and Agriculture Organization (FAO), the Association of Southeast Asian Nations (ASEAN), the Centre for Environment, Aquaculture and Fisheries Science (CEFAS), the Consultative Group on International Agricultural Research (CGIAR), the Global Research Alliance on Agricultural Greenhouse Gasses (GRA), and other relevant expert and capacity building networks.

iii. Develop and disseminate tools for estimating and communicating the cost-benefit of approaches, technologies and best practices for improving productivity, post-harvest loss and waste, adaptation and mitigation that can be upscaled within or across APEC economies for agriculture, livestock, fisheries, and aquaculture.

e. Cross-Cutting Actions

i. Promote PPFS coordination among institutions across APEC region and other APEC working groups on trainings, data sharing, and scientific developments for food security and climate change.

ii. Engage the public and private sectors by jointly consulting them on their experiences across the four workstreams and jointly involving them in policy dialogues, capacity building and training activities.

iii. Promote the integration of gender, youth and marginalized farming groups.

5. Monitoring and Evaluation

The PPFS will oversee monitoring and evaluation (M&E) of all MYAP activities. Accordingly, the PPFS will recommend M&E guidelines and common progress indicators for all projects that fall under the MYAP. MYAP activity-level indicators are voluntary and are monitored/reported at the discretion of the implementing APEC economies.

6. Living Document

Initially the PPFS will utilize the core group, while also seeking to engage other economies, to review, deliberate, and update the MYAP for subsequent years of implementation. The review and updating process can be flexible and should be based upon the progress made on the most recent version of the MYAP. As noted above, under the auspices of the PPFS, the MYAP core team will lead the effort to triennially update the MYAP. Accordingly, since the current MYAP extends through 2020, the review process to update the MYAP should begin by 2020 to finalize the next (i.e., 2021-2023) iteration of the MYAP.
ANNEX 2: ACTION PLAN ON RURAL – URBAN DEVELOPMENT TO STRENGTHEN FOOD SECURITY AND QUALITY GROWTH

Purpose
The Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth (AP) is intended to build on the Strategic Framework on Rural-Urban Development to Strengthen Food Security and Quality Growth (SF), fulfilling the APEC Food Security Roadmap Towards 2020 and the 2014 APEC Connectivity Blueprint. The AP will promote a learning agenda for the APEC region on rural-urban development as well as a more coordinated effort at addressing the food security and quality growth challenges brought about by a rapidly urbanizing region. The AP will be executed by the Policy-Partnership on Food Security (PPFS). PPFS will work to ensure alignment of the AP activities with related APEC and other international fora.

Background
We are rapidly moving toward a majority-urban world, with urban areas accounting increasingly for the predominant share of food consumption in the Asia-Pacific region. According to estimates of the World Bank, the APEC urban population is expected to grow from 1.77 billion in 2014 to 2.38 billion in 2050, which represents an increase from 61 percent to 77 percent of the total population. Asia’s urban population will grow from 48 to 64 percent, while Latin America’s will rise from 80 to 90 percent. Urban growth, together with economic inequality, and urban rural linkages, mean that food insecurity and poverty in cities will also become an increasing concern, alongside poverty in rural areas. This will create an additional burden on vulnerable populations, particularly women, children and the aging population, as these groups are hit hardest by poverty, food insecurity and malnutrition. The urbanization process and the transformation of agriculture, aquaculture, food systems and rural spaces present challenges and opportunities for inclusive growth and poverty eradication; economic, environmental and social sustainability; and food security and nutrition.

Diets in the APEC region are also in transition. In developing Asian and Latin-American economies 65-75 percent of urban food expenditure is on high-value, non-grain food products. Furthermore, about 60-75 percent of those expenditures go to food that are processed to varying degrees. Food continues to be produced predominantly in rural areas leaving urban populations to depend on food purchases. Urbanization has thus led to the need for rural transformation particularly as it relates to on-farm and off-farm employment opportunities for youth, innovative technologies across the value
chain, as well as the fast growth in the volume of food moving through rural-urban value chains. Furthermore, natural disasters and extreme weather events, including those related to climate change could impact agriculture, aquaculture and fisheries, infrastructure and supply chains connecting rural and urban areas. As a result, there is a need for a holistic and integrated focus on rural-urban linkages and approaches in order to fully address the challenges and maximize the opportunities presented by rural transformation and sustainable urban development.

**Objectives**

The key objectives of the AP are to:

*Increase* knowledge, information, and experience-sharing regarding good practices and lessons learned.

*Utilize* current APEC structure to provide means for APEC economies to better share experiences and promote economic cooperation to enhance food security and quality growth.

*Enhance* capacities of APEC economies to address rural – urban linkages, in order to improve food security and quality growth.

**General Approach**

The AP calls for member-economies to develop activities based on the strategies outlined in the Strategic Framework and to consider the role of private sector in those activities. The actions are to be voluntary and member-economies have the discretion to undertake all or some of the activities based on their domestic circumstance.

The AP aims to address challenges associated with rural-urban development and food security by pursuing four concurrent areas, as determined in the Strategic Framework:

1) Inclusive economic development  
2) Sustainable natural resource management  
3) Social aspect  
4) Administrative efficiency

As the chief coordinating and executing body, PPFS will oversee and manage the AP. In this capacity PPFS is responsible for providing guidance on the appropriateness of activities to be
developed and proposed under this AP through the regular review and scoring of concept notes; this should include identifying activities that are appropriate within the scope of the PPFS and not duplicative of the efforts of other APEC working groups and other international fora.

**Key Actions**

Economies are encouraged to carry out actions that move from 1) consolidating and disseminating knowledge on rural-urban linkages for food security and quality growth; to 2) sharing best practices and lessons learned; and finally to 3) piloting new policies, partnerships, projects and programs to improve food security and quality growth across the rural-urban continuum.

Activities to accomplish these key actions could include:

- Stocktaking of economy-level analysis of policies/programs
- Developing and operating APEC web-based information systems
- Organizing regional/economy-level workshops
- Conducting regional-level dialogues
- Collaborating with and leveraging partnerships with relevant APEC sub-fora, international/regional entities
- Conducting regional/economy-level studies
- Conducting economy-level feasibility studies
- Organizing capacity-building activities
- Consolidating and developing toolkits
- Piloting models of rural-urban development
- Piloting regional/economy-level public-private partnerships
- Establishing and operating APEC multi-stakeholder platforms

These activities should align with the four concurrent themes from the SF as listed under the General Approach.

**Monitoring and Evaluation**

The PPFS will monitor progress toward meeting the objectives and goals of the Strategic Framework and AP over the course of 2018. As needed, PPFS will provide additional focus to the work stream to encourage collaboration and knowledge sharing on more specified components of rural-urban development in an effort to make substantial progress in key areas.
Living Document

The PPFS will review, deliberate and update the AP for subsequent years of implementation. The review and updating process can be flexible and should be based upon the progress made on the most recent version of the AP. Throughout the year, activities can be added or revised by member economies.
# Appendix: Potential activities during 2018-2020

<table>
<thead>
<tr>
<th>#</th>
<th>Potential activities</th>
<th>Strategic Framework Areas</th>
<th>Potential leading economies</th>
<th>Proposed Timeframe</th>
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<tr>
<td>1</td>
<td>Consolidating and disseminating knowledge to reduce food loss and waste, and promoting food safety and quality across the food value chain, through applying innovative programs and policies in the context of rural-urban development</td>
<td>Inclusive economic development</td>
<td>Chinese Taipei</td>
<td>2018-2020</td>
</tr>
<tr>
<td>2</td>
<td>Consolidating and disseminating knowledge, policies and regulations on urban agriculture</td>
<td>Inclusive economic development</td>
<td></td>
<td>2018-2020</td>
</tr>
<tr>
<td>3</td>
<td>Developing and operating APEC web-based information system, within the Asia-Pacific Information Platform on Food Security (APIP), on food production, distribution and finance;</td>
<td>Inclusive economic development</td>
<td>Japan in cooperation with Economies</td>
<td>2018-2020</td>
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<tr>
<td>4</td>
<td>Organizing workshops to share best practices on rural governance</td>
<td>Administrative efficiency</td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>5</td>
<td>Conducting economy-level study on rural labor transformation</td>
<td>Social aspect</td>
<td>Viet Nam</td>
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<td>6</td>
<td>Piloting value chain models for local specialties in Vietnam</td>
<td>Inclusive economic development</td>
<td>Viet Nam</td>
<td>2018-2020</td>
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<tr>
<td>7</td>
<td>Organizing workshop on PPP in agriculture to share good practice on enabling rural-urban linkages</td>
<td>Inclusive economic development</td>
<td>Thailand</td>
<td>2019-2020</td>
</tr>
<tr>
<td>8</td>
<td>Organizing workshop on sharing knowledge and practices on sustainable agriculture development in the context of Sufficiency Economy Philosophy (SEP)</td>
<td>Sustainable natural resources management</td>
<td>Thailand</td>
<td>2019-2020</td>
</tr>
</tbody>
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2017 APEC SME MINISTERIAL STATEMENT

Enhancing MSMEs’ Competitiveness and Innovation in the Digital Age

Ho Chi Minh City, 15 September 2017

1. We, the APEC SME Ministers and our representatives met in Ho Chi Minh City on 15 September 2017 for the 24th APEC SME Ministerial Meeting under the Chairmanship of Minister Nguyen Chi Dung, Ministry of Planning and Investment, Viet Nam. The meeting was also attended by the Chair of the APEC Business Advisory Council (ABAC), the Executive Director of the APEC Secretariat and the Chair of APEC SME Working Group (SMEWG).

2. We appreciate the active participation of small and medium enterprises (SMEs) from across the APEC region at the meetings held on 10-14 September 2017. We value the views and contributions of SMEs, entrepreneurs, and government leaders, experts, and academia in shaping APEC’s SMEs agenda.

3. APEC has grown to become a dynamic driving force of regional economic growth and integration. As SMEs are a significant source of prosperity and employment, and a major contributor to innovation and the engine of economic growth in the Asia Pacific region, we recognized the importance of addressing their special concerns to realize their full potential as a way to generate dynamism for regional economies.

4. Under this year’s theme “Enhancing MSMEs’ Competitiveness and Innovation in the Digital Age” our discussion focused on three sub-themes: (i) Facilitating SME’s access to market and deeper integration into global value chain; (ii) Enabling business environment for SME through better access to technology, management and capacity building in training, consultancy and business matching; (iii) Strengthening APEC entrepreneurship in the digital age: promoting startup and business ethics.

Green, Sustainable and Innovative MSMEs

5. We endorse the APEC Strategy for Green, Sustainable and Innovative MSMEs under the first sub-theme, to encourage the public-private partnership approach as a means to create an enabling environment where MSMEs can participate in green activities in a cost-effective manner and to enhance green awareness and necessary skills of MSMEs.

6. We underscore that greening MSMEs in the APEC region can help enhance their competitiveness while promoting benefits for local communities. It is essential to provide opportunities for MSMEs to participate in e-commerce and in green procurement practices of large companies and facilitate MSMEs’ access to market and their deeper integration into global value chain.

7. We recognize that there are certain challenges that MSMEs in the region should address in order to adopt green and sustainable business practices including the lack of awareness on the benefits of the green economy, lack of skills in developing green technologies and limited access to financial resources.

8. In this light, setting a strategy for green, sustainable and innovative MSMEs is a valuable step towards creating an environment for MSMEs to thrive and play their full role in driving innovation and sustainable growth, which we believe will support the United Nations’ Sustainable Development Goals (SDGs).
9. We encourage member economies to volunteer as the champions to take the lead in promoting green, sustainable and innovative MSMEs in the suggested pilot sectors as listed in the Strategy at the initial stage by initiating projects or organizing relevant activities.

Enhancing MSMEs’ access to market, modernization and competitiveness

10. We expressed our satisfaction on the continuing prominence given by APEC’s agenda to MSME issues in recent years, which is all the more important in the context of globalization, innovation in the digital age. We called for accelerated implementation of the Iloilo Initiative.

11. We welcome the launch of the APEC MSME Marketplace, as a result of the 1st phase of implementation under the Iloilo Initiative.

12. We discussed the 2017 Work Plan 2nd phase implementation of the APEC MSME Marketplace (2016-2020) and agreed to focus on building the content and functionality of the APEC MSME Marketplace to improve the value proposition for MSMEs.

13. We welcome the progress of the implementation of the Boracay Action Agenda to globalize MSMEs. We encourage member economies to explore opportunities for cooperation among APEC fora and the private sector for the continued development of initiatives that will benefit MSMEs in the region and contribute to their capacity to internationalize, as well as reduce barriers to trade and investment that impact MSMEs.

14. We note the advancements on the development of the Compendium on Methodologies for MSMEs Internationalization, and look forward to its completion in 2018 contributing to the Boracay Action Agenda and Iloilo Initiative.

15. We welcome the projects and initiatives implemented by member economies oriented to promote innovation and digital capabilities, competitiveness and resilience.

16. We welcome the progress of the APEC Supporting Industry Initiative including the outcome of policy seminars, the completion of case studies, and the endorsement of APEC Best Practices for Promoting Supporting Industry in the Asia Pacific Region at SOM3, and encourage further cooperation.

17. We acknowledge that it is necessary to provide continuous and detailed support to MSMEs in each economy in order to expand MSME participation in global value chains. We also acknowledge that it is important for each economy to enhance its cooperation with SME support organizations, local governments, etc., and to develop a platform that successfully provides extensive support to SMEs.

18. We recognize the contribution of APEC SME Technology Conference and Fair (SMETC) to promoting technological exchange and cooperation of APEC SMEs, and welcome the 10th SMETC that will be convened in Shenyang City, China, on June 27-29, 2018. We welcome more APEC economies to participate in APEC Best Practices in SME Innovation, so as to enhance experience sharing and matchmaking cooperation in innovation fields, and to promote SME innovative development within the APEC region.

19. We welcome the establishment of APEC SME Center for IT Promotion. This center will become the link between SMEs and other related agencies from APEC member economies. APEC SME Center for IT Promotion is expected to serve as a platform to share policies, experiences and IT best practices and to provide consultations on IT solutions, which will be good for improving APEC SMEs IT application level.

20. Access to the internet and digital economy is one of the most important issues facing SMEs competitiveness and internationalization. We welcome efforts in the SMEWG to
enhance the understanding of the opportunities and challenges for SMEs in the internet and digital economy and share best practices on how we can overcome the barriers. We acknowledge the efforts of the workshop on enabling MSMEs access to the digital economy to increase the knowledge of APEC economies and to foster closer collaboration.

21. We welcome the projects and initiatives implemented by member economies oriented to promote innovation and digital capabilities, competitiveness, and resilience of SMEs, namely the APEC Public-Private Dialogue on Enhancing Capacities of MSMEs in Exporting Services and the APEC Workshop on Facilitating Market access for women-led MSMEs through E-commerce hosted by Viet Nam.

Promoting start-ups

22. We are aware that in the context of deepening international integration, economies with high levels of innovation will have more opportunities to participate in a bigger arena. Innovative start-ups ignite creativity and create an explosion of new ideas and trade and investment.

23. However, the current environment and institutional capability for fostering start-ups across the APEC region, including the legal framework, public policies, and venture capital funds etc., remain a challenge and require APEC member support.

24. To remove the barriers impeding start-up success and facilitate innovative start-up activities, economies should take concrete actions to support start-ups through establishing conducive regulatory frameworks that promote a business-friendly environment; ensuring access to resources; and building start-up networks and partners.

25. We congratulate Viet Nam on the successful hosting of the APEC 2017 Start-ups Forum. The Forum was an ideal opportunity for member economies to share experiences, ideas and tools to support business start-ups, thereby to form a dynamic and networked start-up community in APEC. Based on the results of the Forum, we have prioritized the recommendations as concrete measures to create a dynamic, innovative and connected start-up community in APEC.

26. We encourage APEC economies to focus on factors driving start-up success, such as funding, market reach, global connectivity, technical talent, experience, resource attraction, corporate involvement, founder ambition and strategies to develop a start-up community in APEC.

27. We recognize the importance of establishing an entrepreneurship network in APEC in order to increase the experience and initiative exchange among economies. We also acknowledge the joint efforts by the economies in implementing concrete and practical programs to advance the Digital Economy Action Plan and Work Agenda (DEAP) developed by the APEC SMEWG in 2015.

28. We acknowledge the importance of APEC SME Online-to-Offline (O2O) Initiative co-organized by Chinese Taipei, the Philippines and Malaysia to enhance SME digital competitiveness and resilience towards quality growth this year. We appreciate the realization of APEC SME O2O Summit held in Chinese Taipei as well as the serial O2O events held in Malaysia, Viet Nam and the forthcoming one in the Philippines this October.

29. We call for more efforts to promote the awareness of digital resilience against cyber attacks for SMEs in order to prepare them for cyber threats in the digital era. The APEC Guidebook on SME Digital Resilience is expected to be published on APEC Publications in the near future and will be utilized as the main training material in tailoring APEC SME
Digital Resilience Training Workshops. We welcome the collaboration by more economies for multi-language translations.

30. Recognizing that providing training for SMEs on the importance of digital resilience and competitiveness is vital for the survival of SMEs, we call for more joint efforts to promote the participation of 5 serial APEC SME Digital Resilience Training Workshops that will be held in Malaysia, the Philippines, Chinese Taipei, Thailand and Viet Nam in 2018.

31. We instruct the APEC SMEWGs, in coordination with the APEC Secretariat, relevant working groups and organizations to explore developing indicators to assess the level of innovation development and the effectiveness of policies that support the start-up community across APEC economies. To avoid duplication, we instruct officials to take into account existing work undertaken by other APEC fora.

32. We encourage the APEC SMEWGs to continue with its efforts to fully implement its Strategic Plan 2017-2020 and to develop projects to strengthen innovation and start-up activities and enable the sharing of best practices in innovation amongst APEC economies. This will not only serve to maximize the positive role of MSMEs but also build a strong and vibrant start-up ecosystem in the APEC region.

33. We endorse the APEC Initiative on Promoting Innovative Start-ups.

**Strengthening MSMEs entrepreneurship and business ethics**

34. We reaffirm our commitment to strengthen ethical business practices to free SMEs from the high costs of corruption and support their ability to access global markets. To that end we reaffirm our commitment to the 2014 Nanjing Declaration and its goals.

35. We congratulated Viet Nam for joining Peru and Canada to reach one of the Nanjing Declaration’s goals - launch of a Consensus Framework for Multi-Stakeholder Ethical Collaboration in the biopharmaceutical and medical device sectors.

36. We urge APEC economies to implement similar frameworks and continue towards full adoption of APEC Principles for codes of ethics as instructed by APEC Ministers and Leaders.

37. We welcome the APEC Guidance for Ethical Third Party Intermediary Relationships in the Medical Device Sector and encouraged its implementation. This Guidance serves as a concrete tool to support thousands of SMEs who play a critical role in the medical device sector, such as distributors, wholesalers and sales agents.

**Looking Forward**

38. We agree to report the outcomes of the 24th SME Ministerial Meeting, including the APEC Strategy for Green, Sustainable and Innovative MSMEs and the APEC Initiative on Promoting Innovative Start-ups to the APEC Ministerial Meeting and the APEC Economic Leaders’ Meeting this November in Da Nang, Viet Nam.

39. We look forward to the 25th APEC SME Ministerial Meeting and Related Activities in 2018 in Papua New Guinea.
APEC Strategy for Green, Sustainable and Innovative MSMEs

1 The APEC Strategy for Green Sustainable, and Innovative MSMEs will serve as guidance for APEC policymakers to create an enabling environment for MSMEs to engage in activities, such as the adoption of green technologies, the use of eco-friendly packaging materials and design, the compliance with international environmental standards and socially responsible investment, which would lead to a sustainable and inclusive Asia-Pacific. The Strategy will also outline future plans for activities on promoting green and sustainable MSMEs by different APEC fora.

2 We encourage APEC member economies to consider the following actions

a) Raising green awareness for enhancing competitiveness among stakeholders

We are aware that smaller enterprises tend to focus mainly on economic benefits, but could benefit from better understanding social and environmental impacts. We recommend member economies to promote green awareness among stakeholders by:

- Providing appropriate information and guidance on the benefits and ways of going green to MSMEs;
- Encouraging larger companies and successful green companies to share best practices on adopting a green business model to MSMEs to increase their opportunities in engaging in international markets where green standards are widely accepted; and,
- Educating the younger generation on the green economy, environmental awareness and sustainable development to enhance their understanding and demand for green products and services.

b) Providing training and skills development for MSMEs

We recognize that most MSMEs lack the capacity for adopting green economy practices. In addition, they lack sufficient skills to adopt green and innovative technologies and sufficient digital literacy. Governments can play an important role in enhancing MSMEs’ capacity to better access innovation and technologies, compete international, and participate in GVCs. Governments can also help to bridge the digital divide by offering necessary training programs and courses, and support green MSMEs’ efforts to effectively communicate the unique attributes of their eco-friendly products and services to potential consumers.

We also recognize that a number of MSMEs are suppliers to large enterprises, possibly through green procurement programs. We thus welcome the engagement of larger companies in offering best practices and mentoring schemes to support the greening of MSMEs. Moreover, we encourage such companies, universities, and relevant government officials to exchange relevant information to improve knowledge and capacity to nurture future green MSMEs.

c) Promoting the compliance with related international standards and the development of an integrated policy framework, at the regional and domestic levels

We support APEC member economies in launching policy instruments for creating an enabling environment for MSMEs to engage in green activities. These instruments can
include the establishment of green standards and certifications, eco-labeling schemes consistent with international standards, as well as the effective implementation of environmental laws. We also encourage APEC member economies to ensure the successful implementation of related international standards among MSMEs. Moreover, we support policies and regulatory frameworks that reduce trade barriers and facilitate the export of green products by MSMEs and to help green MSMEs invest abroad.

Partnerships among multi-stakeholders, including different concerned agencies, the private sector and academia, should also be strengthened to push forward green business policies.

d) Providing incentives and promoting science, technology and innovation (STI) and internet and digital economy to expand MSME market reach

We encourage APEC member economies to create incentives to facilitate MSMEs’ shift towards the green economy. We welcome and encourage universities and research institutes, as the sources of green technologies in the APEC region, to conduct joint research to promote green innovation that is applicable to MSMEs.

We recognize the importance of e-commerce platforms as a pathway to increase the sales of green products and services, as well as to allow green products to be more accessible to the purchasing population. We also welcome APEC members’ support for MSMEs’ innovation with the focus on development and commercialization of highly applicable products and capacity building programs that support MSMEs’ innovation in term of products, procedure, marketing and management, etc.

We urge APEC members to foster incentives for innovation awards, initiatives and creative and green industries; share best practices on appropriate technology adoption among MSMEs to support higher production; coordinate the policies, regulatory practices that can maximize the potential of MSMEs to contribute to innovation and green growth; and strengthen public – private partnership to support MSMEs’ innovation.

We encourage the formation of proper mechanisms for commercially based technology diffusion and facilitation in APEC in order to foster the transition to green technologies for MSMEs.

e) Promoting green supply chain development and establishing the networks for green, sustainable and innovative MSMEs

We encourage green government procurement and green procurement policies by large companies to encourage MSME suppliers to provide environmentally sustainable goods and services. We also encourage partnerships among green, sustainable and innovative MSMEs. We support the establishment of green sustainable and innovative MSMEs’ networks and encourage the use of e-commerce as a means to expand the green supply chain.

We encourage APEC member economies to build global and regional networks of MSMEs innovators and accelerators, (e.g. internship consortium, APEC SME Service Alliance [ASSA], innovation centers, supply chain institutes, women and youth networks) as part of an ecosystem which supports enterprise creation, increases the innovative capabilities of MSMEs and joint collaboration among MSMEs, large enterprises and academia.
3 The above-mentioned prioritized actions for greening MSMEs should be based on the Public-Private Partnership (PPP) approach while promoting benefits for local MSMEs and communities.

4 Five sectors can be considered, at an initial stage, by the Strategy namely
   - Biomass and renewable energy
   - Construction and green building
   - Tourism
   - Food industries
   - Textile

   We encourage member economies to volunteer as the champion economies to take lead in promoting green and sustainable MSMEs in the suggested pilot sectors; for example, by initiating the projects or organizing relevant activities,

5 In developing the Strategy, member economies must come to an understanding on the parameters that can help identify what a green, sustainable and innovative MSME is, taking into account the existing green growth indicators developed by other organizations including the OECD and UNEP.

Implementation

6 As a cross-cutting issue, cross-fora collaboration will be required. In addition to the APEC SMEWG, efforts to promote green and sustainable MSMEs could be considered by other APEC fora including the Committee on Trade and Investment (CTI) on encouraging MSMEs' participation in green value chains; the Economic Committee on structural reform towards a green economy; the Human Resources Development Working Group (HRDWG) on education, skills development and training on green economy values; the Energy Group, Transportation Group, PPSTI, PPFS, Tourism Group among others; as well as the APEC Business Advisory Council (ABAC) on strengthening PPP in greening MSMEs. Engagement and collaboration with relevant organizations and experts, such as OECD, UNIDO and UNEP, will also be advisable.

7 Once the Strategy has been endorsed, the SMEWG will undertake an annual stock-take and review of the APEC projects, activities and initiatives that promote green, sustainable and innovative MSMEs during 2018 - 2022, based on, but not limited to, the stock-take prepared by the APEC Secretariat as presented in the Annex. APEC member economies may consider taking a mid-term review of the Strategy in 2020 to monitor the progress and to ensure effective implementation.
The importance of APEC start-ups to regional quality growth and innovative development

1. APEC has grown to become a dynamic driving force of regional economic growth and integration. Meanwhile, micro, small and medium-sized enterprises (MSMEs) are a significant source of prosperity and employment, and a major contributor to innovation and the engine of economic growth in the Asia-Pacific region. Recognizing the intensification of innovation-based economic cooperation, APEC has taken the lead in improving the competitiveness and innovation of MSMEs in the region since its early development.

2. Given the significance of start-ups and young entrepreneurs to economic growth in the Asia-Pacific region, in 2012, APEC Leaders supported the implementation of the Young Entrepreneurs Network and APEC Start-ups Accelerator Initiative. Leaders also encouraged the mutually beneficial collaboration among firms, big or small, to foster their intellectual capital, optimize their core competencies, and minimize potential disputes that would discourage MSME development.

3. Since then, APEC acknowledged the importance of an enabling environment to accelerate start-ups and boost development of SMEs through addressing trade, investment and regulatory barriers for SMEs and offering improved and efficient services to them. APEC is also committed to further advance SME cooperation for innovative growth through promoting start-ups. The development of start-ups in the APEC region facilitates job creation and has the potential to increase international trade that benefits APEC member economies.

4. The 4th Industrial Revolution with unprecedented speed, breadth and depth of change has brought about new opportunities for growth, economic integration, new business models and new jobs. Innovative start-ups ignite creativity and create an explosion of new ideas and trade and investment. Thus, encouraging the bursting “flame” of start-ups is a joint effort requiring collective action across the entire APEC region.

5. According to 2017 APEC Corporate-Startup Innovation Study, the road to technological innovation is increasingly being paved by those innovative start-ups working in partnership with multinational corporations to scale-up the newly-developed technology across borders. The role of corporate venture capital (CVC) in the startup ecosystem has never been more visible and impactful than it is now. While 95% of start-ups wish to develop long-term corporate partnerships, only 45% have done so. For start-ups, the immediate challenges are scaling up, finding talents, and accessing funding and markets.

6. However, the current environment and institutional capability for fostering start-ups across the APEC region, including the regulatory and legal framework, public support policies, venture capital funds and information technology etc, remain a challenge and require APEC members’ close coordination and cooperation. Creating favorable conditions for start-ups remain an important area for APEC.

Fostering the robust and sustainable growth of APEC innovative start-ups

7. With a view to supporting APEC innovative start-up ecosystem, we will consider to support efforts in the following areas:

   a) Regulatory and Legal framework:

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1 Yushan Ventures 2017 Corporate Startup collaboration Study
- Provide enabling business environment by creating favorable policies and regulations that support the sustainable development of innovative start-ups and create an effective start-up ecosystem in the APEC region to further boost sustainable, inclusive and innovative growth.

- Optimize the digital innovation ecosystem through smart regulations to create an entrepreneurial environment by building incubators to help young entrepreneurs realize their business ideas, and enable them to better evaluate potential success and risk before actual implementation.

- Promote a vibrant ecosystem of angel investors and venture capitalists; facilitate the development of emerging industries such as Fintech.

- Encourage economies to reduce barriers to trade, particularly in the digital economy, and implement Good Regulatory Practices to improve the business environment for start-ups.

b) Favorable access to resources for fostering start-ups

- Facilitate start-ups, especially young entrepreneurs’ access to technological innovation, finance, information and networking.

- Enhance capacity building for start-ups through training, mentorship programs and support from incubators and business accelerators.

- Facilitate access to the digital economy as a means to support internationalization and competitiveness of start-ups.

c) Strengthen ethical business practices for innovative SME start-ups

- Facilitate the implementation of high-standard APEC principles in innovative sectors to strengthen SME cross-border competitiveness, investment and partnership opportunities for start-ups, including capacity-building support in industry code of ethics development.

- Promote the development of policies and multi-stakeholder collaborations consistent with high-standard APEC principles as well as foster a transparent and high integrity business environment for innovative SME start-ups.

d) Development of start-up networks and partnership

- Strengthen the relationship between the public sector and SME sector through competitive contracts for goods and services that support start-ups.

- Encourage public sector investment in big projects with a long-term vision, such as core technologies or environmental solutions, and facilitate private sector investment for start-ups in a more efficient manner.

- Ease access to regional platforms between start-ups and investors to encourage cross-pollination of start-up growth.

- Encourage talent development especially those related to STEM (science, technology, engineering, and mathematics) and/or women.

- Strengthen cooperation across the sub-fora within APEC and between APEC and relevant international and regional organizations to support and connect innovative start-ups in the Asia-Pacific region.
Encourage big and successful businesses to support start-ups; promote public–private partnership to assist start-ups and promote connection between start-ups and large enterprises.

8. We instruct officials to harness synergies across APEC work streams to maximize the expertise of relevant APEC committees and sub-fora in promoting the start-ups’ growth. We encourage the APEC SME Working Group in coordination with the APEC Secretariat and relevant APEC sub-fora to explore developing indicators to assess the level of innovation development in APEC economies and the effectiveness of innovation supporting policies.

9. We also instruct APEC SME Working Group to report to APEC SME Ministers on best practices, policy recommendations, proposed projects and initiatives to foster the sustainable development of innovative start-ups for a dynamic, inclusive and prosperous start-ups community in the Asia-Pacific.
2017 APEC HIGH LEVEL STATEMENT
Promoting Sustainable Tourism for an Inclusive and Interconnected Asia-Pacific

19 June 2017
Ha Long, Viet Nam

1. We, APEC Tourism Ministers and senior representatives, met at the APEC High Level Policy Dialogue on Sustainable Tourism in Ha Long, Viet Nam on 19 June 2017. The Dialogue, held in conjunction with, and support of the United Nations 2017 International Year of Sustainable Tourism for Development, was chaired by H.E. Nguyen Ngoc Thien, Minister of Culture, Sports and Tourism of Viet Nam.

2. Under the APEC 2017 theme "Creating New Dynamism, Fostering a Shared Future", we focused our deliberations on "promoting sustainable tourism for an inclusive and interconnected Asia-Pacific" with a view to further enhancing APEC cooperation on sustainable and inclusive development in the region.

3. We welcome the implementation of the Lima Declaration on Connecting Asia-Pacific Tourism through Travel Facilitation, the APEC Travel Facilitation Initiative and the APEC Connectivity Blue Print for 2015 - 2025. We support a more connected Asia-Pacific region that facilitates efficient and secure travel in order to reach the target of 800 million international tourist arrivals in APEC economies by 2025 advocated at the 8th APEC Tourism Ministers’ Meeting in 2014. We note with satisfaction that in 2016, APEC destinations received 415 million international tourists – an increase of 24 million tourists or 6.1% from 2015, according to the United Nations World Tourism Organization.

4. We appreciate the dedication of the Tourism Working Group (TWG) to effectively implement the APEC TWG Strategic Plan 2015 - 2019 (ATSP), especially in the four priority areas: (i) Promote better understanding and recognition of tourism as an engine for economic growth and prosperity in the APEC region; (ii) Ensure sustainable and inclusive growth in the travel and tourism sector by encouraging socially and culturally responsible tourism; (iii) Promote labor, skills development and certification through increased cooperation in order to develop the tourism workforce in the region; and (iv) Promote competitiveness and regional economic integration through policy alignment and structural reform.

5. We reiterate the significant role of tourism, and particularly high value tourists, in stimulating economic growth and fostering connectivity. In 2016 travel and tourism directly contributed USD 1.3 trillion to the APEC region’s GDP, supported 67 million jobs directly and contributed 6.1% of the region’s exports\(^1\). Moreover, every 10% increase in tourist arrivals in APEC economies is associated with a 1.2% increase in exports and a 0.8% increase in imports in the destination economy\(^2\). Travel and tourism stimulates entrepreneurship and the growth of MSMEs, supporting economic diversification and creating jobs across sectors. Tourism generally has a positive effect on poverty reduction and inclusive growth by creating jobs and entrepreneurial opportunities across a wide spectrum of skills and producing a positive impact on the development of remote areas.

\(^1\) World Travel & Tourism Council
\(^2\) APEC Policy Support Unit
6. The Asia-Pacific is at a crucial juncture of transformation amidst a fast changing global landscape. The digital age and the 4th Industrial Revolution are having an unprecedented impact on the way people live, work, travel and recreate. As APEC is starting to shape its post-2020 vision, we underscore the significance of sustainable tourism as an important driver for regional economic integration and sustainable, innovative and inclusive growth. Sustainable tourism helps strengthen connectivity, including to sub-regions and remote areas; promote economic, financial and social inclusion; address environmental degradation and pollution; conserve and manage natural resources and biodiversity; improve waste management; and promote investment and cultural exchange.

7. In this connection, we strongly support the principles and proposed actions that follow:

i. Acknowledge that sustainable tourism development is a continuous process that requires constant impact monitoring, introduction of preventive or corrective measures when necessary, and full consideration of its current and future economic, social and environmental implications, while addressing the needs of visitors, the industry, the environment and host communities.

ii. Foster regional and domestic tourism policies that support the Sustainable Development Goals (SDGs), particularly Goals 8, 12 and 14 on inclusive and sustainable economic growth, sustainable consumption and production, and sustainable use of oceans, seas and marine environment noting that sustainable tourism can contribute to all SDGs due to its cross-cutting nature.

iii. Encourage viable, long-term economic contributions of travel and tourism in providing socio-economic benefits to all stakeholders, including stable employment, income-earning opportunities and social services to host communities, and contribute to poverty alleviation.

iv. Respect socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.

v. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural features and resources, and biodiversity.

vi. Encourage a consumer-led demand for sustainable tourism practices and products, promote public-private partnership as a key instrument to develop sustainable tourism infrastructure and services, and foster local communities and private sector participation in the tourism value chains.

vii. Create competitive and enabling environments for all tourism-related enterprises, and particularly MSMEs, who are more likely to hire locally and generate jobs that are less skill-intensive, thus helping to promote inclusiveness in the tourism sector. MSMEs can also help promote innovation in tourism when provided with access to adequate finance, skills and global markets.

viii. Conduct further studies to enable APEC economies to adapt to, and capitalize on, the changes made by the new advanced technologies for smart, sustainable and inclusive tourism development, especially in tourism human resource development and tourism management.

ix. Encourage the TWG to: (1) focus on economic, financial and social sustainability and inclusion in its future work, as travel and tourism is uniquely able to provide opportunities across APEC economies; (2) leverage connectivity to increase inclusive
growth by allowing tourism to reach more geographic areas within economies; (3) consider the establishment of a network of sustainable, inclusive and integrated tourism destinations among APEC member economies; (4) work with other APEC fora and relevant international and regional organizations to share best practices and foster synergies in promoting sustainable tourism growth; and (5) highlight best practices of APEC economies in measurement and monitoring methodologies that are undertaken to enhance sustainable tourism.

x. Encourage the TWG to explore and develop further policy directions to promote sustainable tourism to enhance the awareness of the benefits of sustainable tourism among businesses, host communities and tourists.

xi. Recognize sustainable tourism as a relevant and important area of cooperation in APEC’s current and future agenda, and encourage the TWG to work closely with other APEC fora during the development of an APEC post-2020 vision.

8. We seek APEC Leaders’ consideration to include in their 2017 Declaration a statement on the importance of sustainable tourism as a driver for regional economic integration, sustainable and inclusive economic growth, and an important means for promoting further business development and job creation, economic, financial and social inclusion, enhancing connectivity with a view to building a peaceful, stable, dynamic, resilient, inclusive and seamless Asia-Pacific community for the people and businesses.

9. We stress the importance of pursuing closer collaboration with relevant international and regional organizations related to sustainable tourism development, particularly the United Nations World Tourism Organization, Association of Southeast Asian Nations, and the International Air Transport Association.

10. We appreciate the efforts and contribution of the APEC Secretariat, the TWG Lead Shepherd and Deputy Lead Shepherd in ensuring the success of the Dialogue. We sincerely thank Viet Nam for the warm hospitality and arrangements for the Dialogue. We look forward to the 10th APEC Tourism Ministerial Meeting hosted by Papua New Guinea in 2018.
APEC 2017 HIGH-LEVEL POLICY DIALOGUE ON HUMAN RESOURCES DEVELOPMENT IN THE DIGITAL AGE

STATEMENT OF THE CHAIR

1. The APEC Ministers and high-level representatives responsible for human resources development met in Ha Noi, Viet Nam on May 15, 2017 for the APEC 2017 High-level Policy Dialogue on Human Resources Development in the Digital Age under the Chairmanship of H.E. Dao Ngoc Dung, Minister of Labor, Invalids and Social Affairs of Viet Nam. The meeting was also attended by the Executive Director of the APEC Secretariat, representatives of businesses and workers and of relevant global agencies.

2. Ministers and high-level representatives welcomed and appreciated the keynote address by Deputy Prime Minister of Viet Nam H.E. Vu Duc Dam at the Dialogue. They supported his emphasis on the urgent need to promote human resources development in the context of the digital age and the Fourth industrial revolution to create new dynamism and promote sustainable, inclusive and innovative growth. They lauded the active participation of the International Labor Organization (ILO), the World Bank (WB), other international organizations, academia, businesses and workers’ representatives in this Dialogue and their contributions to its deliverables.

3. Ministers and high-level representatives discussed the implications of digitalisation on the future of work and the challenges and opportunities that will present for APEC economies, policy makers, business community and workers in the region. In addressing these challenges, they will focus particular attention on skills, education and training to ensure that labor market participants are well placed to take advantage of new opportunities. They are also especially mindful of the importance of not leaving people behind and that social protection policies need to be implemented to support those affected by structural changes.

4. Ministers and high-level representatives adopted a Framework on Human Resources Development in the Digital Age. The Framework puts forward an appropriate set of policy directions and measures in order to support economies to prepare labor market participants for the challenges and opportunities in the world of work today and beyond. It complements existing APEC initiatives and contributes to global efforts in this regard, including the ILO “Future of Work Centenary Initiative” and efforts aimed at achieving the United Nations’ Sustainable Development Goals, particularly Goal 4 to ensure inclusive and equitable quality education for all and promote lifelong learning and Goal 8 to create new dynamism for growth, achieve sustainable, innovative and inclusive growth, employment and decent work for all. It also fosters shared prosperity for the Asia-Pacific region.

5. Ministers and high-level representatives agreed to report the Framework on Human Resources Development in the Digital Age to the APEC Ministerial Meeting for their endorsement and consideration of submission to the APEC Economic Leaders' Meeting in November in Da Nang, Viet Nam.

6. Ministers and high-level representatives thanked Viet Nam for the warm hospitality and excellent arrangements, which helped to ensure the success of the Dialogue. They look forward to the next Human Resources Development Ministerial Meeting hosted by Papua New Guinea in 2018.
STATEMENT OF THE CHAIR
(Ha Noi, Viet Nam, 21 May 2017)

We, the APEC Ministers Responsible for Trade (MRT), met on 20-21 May, in Ha Noi, Viet Nam, under the Chairmanship of H.E. Mr. Tran Tuan Anh, Minister of Industry and Trade, the Socialist Republic of Viet Nam.

We welcome the participation in the meeting of the Director-General of the World Trade Organization (WTO), the 2017 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.

Taking into account the diverse inputs presented and discussed at the meeting, the Chair presents the following ununified but prevailing views of APEC economies.

The global economy is gaining momentum as cyclical recovery holds out the promise of increased jobs, higher incomes and greater prosperity. At the same time, downside risks such as tighter global financial conditions and weak productivity continue to be a severe drag on sustainable and inclusive growth. Moreover, in some of our communities there are increasing numbers of people questioning the benefits of globalization and free trade, spurring protectionist trends that could have strong impacts on the process of global economic recovery and economic integration. Therefore, strengthened and coordinated efforts at multi-layer levels are urgently needed to create a more resilient global and regional economy with sustainable, inclusive and innovative growth.

Against that backdrop, we reaffirm our commitment to promote trade and investment liberalization and facilitation and strengthen economic and technical cooperation to achieve our common goals of development, growth and prosperity. We are committed to make concrete actions to foster the APEC’s leading role in promoting global economic growth and regional economic integration for the benefits of our people and our business towards a vision of an Asia - Pacific region that is more sustainable, dynamic, inter-connected and prosperous. We welcome economies’ initiatives to achieve comprehensive regional connectivity through promoting policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds to promote the common development of the Asia-Pacific region.

To advance our work this year, we adopted the theme “Creating New Dynamism, Fostering a Shared Future”, focusing on the following APEC 2017 priorities: (i) Promoting sustainable, innovative and inclusive growth; (ii) Deepening regional economic integration; (iii) Strengthening micro, small and medium-sized enterprises’ competitiveness and innovation in the digital age; and (iv) Enhancing food security and sustainable agriculture in response to climate change.

Supporting the Multilateral Trade System

We reaffirm our commitment to achieving free and open trade, and underscore the importance of ensuring the effective functioning of a rules-based, transparent, non-discriminatory multilateral trading system as embodied in the WTO. We reaffirm the importance of the WTO’s trade monitoring work, which is essential to the functioning of the multilateral trading system, by achieving greater transparency in, and understanding of the trade policies and practices of Members.

We reaffirm our commitment to keep our markets open and to fight against all forms of protectionism by reaffirming our pledge against protectionism through a standstill commitment that we agreed to extend until the end of 2020 and to roll back protectionist and trade-distorting
measures. At the same time, we need to ensure a level playing field in order to enjoy the benefits of trade.

We welcome the entry into force of the Trade Facilitation Agreement on 22 February 2017, as well as the entry into force of the Protocol Amending the TRIPS Agreement on 23 January 2017. These are concrete demonstrations of the WTO’s ability to deliver practical and development-oriented outcomes. We stress the need to foster a more inclusive and responsive trading system.

Building on the outcomes achieved at the previous Ministerial Conferences of the WTO, we commit to make the utmost efforts to achieve a successful 11th Ministerial Conference in Buenos Aires from 11 to 14 December 2017.

APEC towards 2020 and beyond

In order to achieve the Bogor Goals and deepen regional economic integration, we reiterate our commitment to eliminate barriers to international trade and investment in this region. As the target year 2020 is fast approaching, we direct our officials to accelerate work in those areas where progress has been uneven and encourage further urgent and concrete actions to realize the Bogor Goals.

Under the instruction of APEC Leaders in 2016, we agree that it is time to advance the process of developing APEC’s Post-2020 Vision through a series of dialogues. We welcome the outcomes and recommendations, including the next steps, by the Multi-Stakeholder Dialogue on APEC Towards 2020 and Beyond. It is imperative that APEC’s post-2020 vision prioritize activities and achieve outcomes central to APEC’s ongoing objective of realizing free and open trade.

Free Trade Area of the Asia Pacific (FTAAP)

We recognize that APEC plays a critical role in shaping, nurturing and strengthening regional economic integration through the principles of openness, inclusiveness and cooperation. We reaffirm our commitment to advance the process towards the eventual realization of the FTAAP as a major instrument to achieve regional economic integration, as instructed by Leaders in the 2016 Lima Declaration on FTAAP. In this regard, we welcome the progress towards development of a multi-year work program to advance technical work and initiatives related to, among other things, tariffs, non-tariff measures (NTMs), Next Generation Trade and Investment Issues (NGeTI), services, investment, and rules of origin and we look forward to the finalization of the work program before the end of 2017.

This work will expand APEC economies’ knowledge and understanding and further enhance the readiness of all APEC economies to participate in high-quality, comprehensive free trade agreement negotiations in the future. We recognize the role of capacity building and information sharing activities as a central element of this work.