



**Asia-Pacific  
Economic Cooperation**

**Advancing** Free Trade  
for Asia-Pacific **Prosperity**

# **APEC Strategy for Strengthening Quality Growth (ASSQG)**

**Final Assessment Appendix:  
APEC Economy and Fora Reports**

**APEC Policy Support Unit**

**November 2020**

Prepared by:

Asia-Pacific Economic Cooperation Policy Support Unit  
Asia-Pacific Economic Cooperation Secretariat  
35 Heng Mui Keng Terrace, Singapore 119616  
Tel: (65) 6891-9600 Fax: (65) 6891-9690  
Email: [psugroup@apec.org](mailto:psugroup@apec.org) Website: [www.apec.org](http://www.apec.org)

Produced for:  
Asia-Pacific Economic Cooperation  
Senior Officials' Meeting

APEC#220-SE-01.18



This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 Singapore License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/sg/>.

---

The terms such as “national,” “nation,” “country,” and “state” used in the text are for purposes of this report and do not imply the political status of any APEC Member Economy.

---

## TABLE OF CONTENTS

<b>1. ECONOMIES</b> .....	<b>1</b>
<b>AUSTRALIA</b> .....	<b>1</b>
Key Accountability Area 1: Institution Building.....	1
Key Accountability Area 2: Social Cohesion.....	2
Key Accountability Area 3: Environmental Impact.....	3
<b>CHILE</b> .....	<b>5</b>
Key Accountability Area 1: Institution Building.....	5
Key Accountability Area 2: Social Cohesion.....	8
Key Accountability Area 3: Environmental Impact.....	12
<b>CHINA</b> .....	<b>15</b>
Key Accountability Area 1: Institution Building.....	15
Key Accountability Area 2: Social Cohesion.....	17
Key Accountability Area 3: Environmental Impact.....	19
<b>HONG KONG, CHINA</b> .....	<b>21</b>
Key Accountability Area 1: Institution Building.....	21
Key Accountability Area 2: Social Cohesion.....	23
Key Accountability Area 3: Environmental Impact.....	24
<b>JAPAN</b> .....	<b>27</b>
Key Accountability Area 1: Institution Building.....	27
Key Accountability Area 2: Social Cohesion.....	28
Key Accountability Area 3: Environmental Impact.....	31
<b>KOREA</b> .....	<b>33</b>
Key Accountability Area 1: Institution Building.....	33
Key Accountability Area 2: Social Cohesion.....	34
Key Accountability Area 3: Environmental Impact.....	36
<b>MALAYSIA</b> .....	<b>38</b>
Key Accountability Area 1: Institution Building.....	38
Key Accountability Area 2: Social Cohesion.....	39
Key Accountability Area 3: Environmental Impact.....	41
<b>NEW ZEALAND</b> .....	<b>42</b>
Key Accountability Area 1: Institution Building.....	42
Key Accountability Area 2: Social Cohesion.....	44
Key Accountability Area 3: Environmental Impact.....	48
<b>PERU</b> .....	<b>50</b>
Key Accountability Area 1: Institution Building.....	50
Key Accountability Area 2: Social Cohesion.....	52

Key Accountability Area 3: Environmental Impact .....	53
<b>THE PHILIPPINES.....</b>	<b>54</b>
Key Accountability Area 1: Institution Building .....	54
Key Accountability Area 2: Social Cohesion .....	57
Key Accountability Area 3: Environmental Impact .....	59
<b>RUSSIA.....</b>	<b>62</b>
Key Accountability Area 1: Institution Building .....	62
Key Accountability Area 2: Social Cohesion .....	65
Key Accountability Area 3: Environmental Impact .....	68
<b>SINGAPORE.....</b>	<b>69</b>
Key Accountability Area 1: Institution Building .....	69
Key Accountability Area 2: Social Cohesion .....	71
Key Accountability Area 3: Environmental Impact .....	72
<b>THAILAND.....</b>	<b>74</b>
Key Accountability Area 1: Institution Building .....	74
Key Accountability Area 2: Social Cohesion .....	75
Key Accountability Area 3: Environmental Impact .....	76
<b>VIET NAM.....</b>	<b>77</b>
Key Accountability Area 1: Institution Building .....	77
Key Accountability Area 2: Social Cohesion .....	79
Key Accountability Area 3: Environmental Impact .....	81
<b>2. COMMITTEES.....</b>	<b>83</b>
<b>COMMITTEE ON TRADE AND INVESTMENT .....</b>	<b>83</b>
Key Accountability Area 1: Institution Building .....	83
Key Accountability Area 2: Social Cohesion .....	86
Key Accountability Area 3: Environmental Impact .....	88
<b>ECONOMIC COMMITTEE.....</b>	<b>91</b>
Key Accountability Area 1: Institution Building .....	91
Key Accountability Area 2: Social Cohesion .....	93
Key Accountability Area 3: Environmental Impact .....	95
<b>SOM STEERING COMMITTEE ON ECOTECH.....</b>	<b>95</b>
Key Accountability Area 1: Institution Building .....	95
Key Accountability Area 2: Social Cohesion .....	95
Key Accountability Area 3: Environmental Impact .....	96
<b>3. SCE SUB-FORA.....</b>	<b>98</b>
<b>ANTI-CORRUPTION AND TRANSPARENCY WORKING GROUP .....</b>	<b>98</b>
Key Accountability Area 1: Institution Building .....	98
Key Accountability Area 2: Social Cohesion .....	99
Key Accountability Area 3: Environmental Impact .....	100

<b>ENERGY WORKING GROUP .....</b>	<b>101</b>
Key Accountability Area 1: Institution Building .....	101
Key Accountability Area 2: Social Cohesion .....	102
Key Accountability Area 3: Environmental Impact .....	103
<b>HUMAN RESOURCES DEVELOPMENT WORKING GROUP .....</b>	<b>104</b>
Key Accountability Area 1: Institution Building .....	104
Key Accountability Area 2: Social Cohesion .....	110
Key Accountability Area 3: Environmental Impact .....	117
<b>POLICY PARTNERSHIP ON SCIENCE, TECHNOLOGY AND INNOVATION</b>	<b>119</b>
Key Accountability Area 1: Institution Building .....	119
Key Accountability Area 2: Social Cohesion .....	119
Key Accountability Area 3: Environmental Impact .....	120
<b>POLICY PARTNERSHIP ON WOMEN AND THE ECONOMY .....</b>	<b>121</b>
Key Accountability Area 2: Social Cohesion .....	122
<b>SMALL AND MEDIUM ENTERPRISES WORKING GROUP .....</b>	<b>123</b>
Key Accountability Area 1: Institution Building .....	123
Key Accountability Area 2: Social Cohesion .....	124
Key Accountability Area 3: Environmental Impact .....	125
<b>TELECOMMUNICATIONS AND INFORMATION WORKING GROUP .....</b>	<b>126</b>
Key Accountability Area 1: Institution Building .....	126
Key Accountability Area 2: Social Cohesion .....	127
<b>TOURISM WORKING GROUP .....</b>	<b>128</b>
Key Accountability Area 1: Institution Building .....	128
Key Accountability Area 2: Social Cohesion .....	129
Key Accountability Area 3: Environmental Impact .....	130
<b>TRANSPORTATION WORKING GROUP.....</b>	<b>130</b>
Key Accountability Area 1: Institution Building .....	130
Key Accountability Area 2: Social Cohesion .....	132
<b>4. SURVEY QUESTIONNAIRES.....</b>	<b>135</b>
<b>ECONOMIES.....</b>	<b>135</b>
<b>COMMITTEES.....</b>	<b>137</b>
<b>SCE SUB-FORA .....</b>	<b>139</b>

# 1. ECONOMIES

## AUSTRALIA

### Key Accountability Area 1: Institution Building

#### Achievements in Institution Building

Australia has implemented a number of policy actions to support our rules-based economy. We would like to highlight the work of the Australian Taxation Office (ATO) in this regard.

1. **Supporting the international tax transparency agenda.** We are endeavouring to create an equitable economic environment both domestically and internationally, for example by adopting OECD Base Erosion Profit Shifting Action Items on Transfer Pricing, Mutual Assistance Procedures and Country by Country reporting for multinationals.
2. **Strengthening corporate governance around taxation.** We have implemented additional legislation for corporate governance, including the Multilateral Anti-Avoidance Legislation, Diverted Profit Tax and implementation of GST on low value imported goods and digital products & services. The latter two require merchants who sell low value goods or digital products & services directly to Australian consumers or electronic distribution platform operators who facilitate these sales to charge, collect and remit GST. The rationale is that the scale and span of control that electronic platforms exercise in the digital economy enable them to take a primary role in collecting GST.
3. **Improving the efficiency of the tax and superannuation systems.** In 2019, we introduced Single Touch Payroll (STP), which reduced the compliance burden for businesses and individuals by improving the annual reporting of taxable income directly to the ATO.

#### Remaining Challenges to Institution Building

One of the most important challenges will be taxation on the digital economy. The Australian Government firmly believes that digital firms, like all economic actors, must pay their fair share of tax, and will continue to focus its efforts on engaging in a multilateral process to promote this outcome.

The proposals currently being examined by the OECD are grouped under two pillars:

- Pillar 1 – Nexus and profit allocation (Unified approach); and
- Pillar 2 – Global anti-base erosion proposal

In particular, as Australia has decided to impose mandatory reporting for the sharing/gig economy (over a transitional period), we are keen to help shape multilateral discussions concerning a consistent approach to taxing the sharing economy and support information sharing.

## **Action Plans on Institution Building**

In the short term, the OECD Inclusive Framework has agreed to evaluate proposals for taxation on the digital economy with the aim of reaching an international consensus on the creation of new rules for the international tax framework by 2020.

The consensus on this will require long-term multilateral cooperation to implement.

## **Role of Regional Cooperation in Institution Building**

We believe that APEC can promote international tax consistency in order to promote better experiences in the areas of administration and compliance for cross border trade.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

We would like to highlight two policy actions:

#### **1. Improving the social connectedness of older Australians**

- The Australian Government is funding a two-year pilot program (the '*Mental Health Nursing support for Australians over 75 years*' measure) that aims to improve the social connectedness of older Australians who are assessed as having, or being at high risk of, mental health and health conditions associated with social isolation and/or loneliness.
- The *2018-19 More Choices for a Longer Life Budget* package provides \$20 million over four years from 2018-19 for this measure. This provides our target audience with support through primary care models for improved social connectedness.
- The two year pilot is being undertaken in partnership with Nepean Blue Mountains Primary Health Network (PHN) and Perth South PHN to evaluate different implementation models. The regions of Hawkesbury in NSW and Mandurah in WA are participating in the pilot.

#### **2. Empowering our farming communities through drought**

- From 2018-19, the Government is investing \$29.4 million for mental health initiatives to help farmers and communities to deal with the anxiety, stress and uncertainty of drought conditions.
- This includes \$24.4 million over two years for the Empowering our Communities initiative to enable nine Primary Health Networks to plan and commission community-led initiatives to address the immediate support needs of rural and regional communities and foster longer term recovery and resilience.
- Community activities that have been funded (such as providing free access to rural agricultural shows, movie nights, and local community pools) have assisted in bringing communities together and reduced social isolation by providing access to events that may not otherwise have occurred due to financial strain.

## Remaining Challenges to Social Cohesion

The Australian Government's Department of Industry, Science, Energy and Resources (DISER) would like to highlight the following challenge:

1. **Women in STEM.** Women continue to be under-represented in STEM education and careers in Australia. This is particularly pertinent for women from minority groups. There are significant opportunities for women, science and business to improve women's representation in STEM education and careers.

## Role of Regional Cooperation in Social Cohesion

1. **Women in STEM.** APEC plays a valuable role in enabling economies to learn from each other. This is particularly important for social change, which can be a very slow process. APEC offers opportunities to see how social change can happen more expeditiously while maximising support for these changes.

## Key Accountability Area 3: Environmental Impact

### Achievements in Environmental Impact

Three policy actions that we think have been most effective in mitigating environmental impact are:

1. **The Emissions Reduction Fund.** The Emissions Reduction Fund has been driving low-cost emissions reduction since its inception in 2014. The Fund covers all sectors of the economy including agriculture, manufacturing, energy, mining, oil and gas, transport, vegetation management, waste and wastewater. The Fund has contracted over 190 million tonnes of abatement through more than 790 projects, at an average price of \$12.00 per tonne.
2. **The Australian Renewable Energy Agency.** Australia is a world leader in clean energy investment. Through the Australian Renewable Energy Agency, the Australian Government has contributed \$1.45 billion to 485 renewable energy projects with a total value of more than \$5.526 billion. Through the Clean Energy Finance Corporation, the Australian Government has committed \$7.5 billion to more than 150 projects and 11,700 co-financed projects with a total value of almost \$25 billion.
3. **The Australian Government's National Climate Resilience and Adaptation Strategy.** This Strategy, released in 2015, identifies priority sectors for action and principles to guide effective adaptation. Key actions include establishment of:
  - a. The *Bushfire Recovery Agency*, with an initial \$2 billion allocation, which is already helping bushfire-affected communities rebuild in a way that strengthens resilience.
  - b. The \$3.9 billion *Emergency Response Fund*, which will support disaster-affected communities to recover and be more prepared for and resilient to future natural disasters.
  - c. The \$5 billion *Future Drought Fund*, which will support initiatives that improve the resilience of Australian farms and communities to prepare for the impact of



droughts and encourage them to adopt self-reliant approaches to manage the exposure of drought.

- d. *The Reef 2050 Plan*, a 35-year blue print for the management and protection of the Great Barrier Reef, backed by over \$500 million of Australian Government investment.

## Remaining Challenges to Environmental Impact

Our main challenge is to continue reducing emissions and meeting our international commitments while maintaining a strong economy.

At a more detailed level, our decentralised implementation of actions on climate (through state and territory governments) poses a challenge to coordinating a comprehensive and consistent approach to reducing emissions at a federal level. There is a need for sub-economy authority assessments and actions to undergo consistent monitoring and evaluation, and for the climate information generated by the Australian Government to be sufficiently granular to support local sectoral-based adaptation efforts.

## Action Plans on Environmental Impact

Our short- and medium-term plans include:

1. **The Climate Solutions Package.** The Government has announced a Climate Solutions Package that maps out how Australia will achieve its 2030 Paris target.
2. **The Long Term Emissions Reduction Strategy.** The Australian Government has committed to finalise a Long Term Emissions Reduction Strategy ahead of the UNFCCC summit in Glasgow at the end of 2020. The strategy will explore how Australia can benefit from new opportunities that arise from continued advances in technology as we, along with all other economies, transition our economies in the decades ahead.
3. **Investments in climate science and research.** Australia continues to invest significantly in this area to ensure that adaptation efforts are informed by a comprehensive understanding of the future climate. These investments include a strong focus on ensuring that climate information is localised, tailored and accessible for key sectoral users. Key investments include:
  - a. Establishment of the independent National Climate Science Advisory Committee to inform the direction of Australia's climate science capability and research priorities.
  - b. Collaboration with state and territory governments, as well as industry and the community sector, on a National Action Plan on disaster risk reduction.
  - c. Development of the Current and Future Value of Earth and Marine Observing to the Asia-Pacific Region report. This provides information about the value of earth and marine observing to each industry and individual APEC economy, which had an estimated value of US\$372 billion across the Asia-Pacific region in 2019.

## **Role of Regional Cooperation in Environmental Impact**

The inter-connected nature of global climate processes means that collaborative international effort through fora such as APEC is essential for understanding current and future climate patterns. Australia plays a leadership role in many global climate science initiatives, especially as a steward of Southern Hemisphere climate science and observation, because we believe that the mechanisms that facilitate global collaboration in climate science are crucial to building a global understanding of climate change.

## **CHILE**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **National Office of Productivity and Entrepreneurship (OPEN), launched in 2018.** Regulatory complexity has been recognized as one of the main barriers to increment productivity and competitiveness in Chile. Under a broader plan to simplify the domestic regulatory framework, OPEN was created for reducing bureaucratic frictions and to encourage investments in Chile. Among its activities are the implementation of legal and regulatory changes to break down the barriers that affect productivity and competitiveness and increase opportunities for regulatory improvement; implement regulatory harmonization initiatives between Chile and the rest of the world and promote regulatory simplification. One of the first steps was to publish a Toolkit of Good Regulatory Practices (“*Guía Chilena para una Buena Regulación*”) and to build an online platform that allows all ministries and agencies answer their Regulatory Impact Assessment Reports, which are now mandatory for both laws and decrees with a general application. Additionally, the stock of all the current regulations issued by all the organs of the State administration will be reviewed by annual plans, to see the possibility of repealing regulations that are not in force and analyse those that must be modified. In the Ministry of Economy, an initial pilot was already carried out, by which it was determined which are the regulations that are not in force and those that need to be digitized. One example of a small regulatory change made by OPEN that can have a high economic impact is a new decree that lets enterprises of 10 or fewer employees use mixed bathrooms instead of having to provide a lavatory for each gender separately. OPEN contributes to a rules-based and market-based economy; and supports trade and investment liberalization and facilitation.
2. **Sustainable Project Management Office (GPS), created in 2018.** The Office is a coordinating instance between investors and public entities in order to guide investment projects in their process to obtain permits and authorizations, while also maintaining full compliance with the environmental and sectoral standards and requirements. The objective is to make the processing of investment projects more efficient by ensuring that the deadlines established by the regulation are met, by making the processes of licenses and permits transparent and by promoting greater legal certainty. The Office also makes recommendations for the design and implementation of policies to increase the economy’s efficiency in terms of the permitting process of investment projects, with special emphasis on the upgrading and digital transformation process of public agencies. The GPS currently supports 218 investment projects which will create over

76 thousand jobs and are worth over 67 billion dollars. The International Monetary Fund highlighted the creation of the GPS for its function of identifying and solving bottlenecks for investments in Chile (IMF Country Report No. 18/311, Nov. 2018, p. 18). Moreover, in 2019 the GPS has launched the “Unified Permissions Platform” (SUPER) – a digital platform which acts as a single window to digitally and centrally process and track in an agile, easy and transparent way all the sectoral permits that an investment/business project requires for its approval. SUPER has already included over 20 permits. Over 26 institutions have already committed to including their permits in the platform. The goal is that, by 2021, all 182 critical permits for investment projects, which are currently spread over 29 public services, can be processed via this platform. Furthermore, it is noteworthy that the GPS was created in order to address one of the barriers that the Pacific Alliance’s Investment Facilitation Initiative (IFIAP), created in 2017, detected for Chile. The GPS contributes to a rules-based economy and supports trade and investment liberalization and facilitation.

3. **Integrated System of Foreign Trade (SICEX).** Chile implemented a “Single Electronic Window” that aims to standardize, simplify and digitize export and import procedures, by interoperating through a single data entry point with public service systems that are involved in the foreign trade chain, such as the Agricultural and Livestock Service, National Fisheries Service, Customs, Chilean Copper Commission, Public Health Institute, and Ministry of Health, among others. In this manner, administrative efficiency and transparency of the management of the foreign trade operation are achieved, through a single assistance platform which includes monitoring, alerts and traceability of the operations. Today, SICEX has more than 50% of Chile’s exports, which is equivalent to more than 80% in USD FOB value. Whereas in 2017, 36.499 exports transactions were realized through SICEX, in 2019 (January-August) these transactions amounted to 179.626. Moreover, Chile’s Single Window includes the application for phytosanitary and sanitary certificates, including a paperless modality in the transmission of phytosanitary and origin certificates with the Pacific Alliance members. In APEC, Chile is currently leading a pilot program of Single Window Interoperability in order to expand SICEX to other economies. SICEX supports trade and investment liberalization and facilitation.

### **Remaining Challenges to Institution Building**

1. One of the most critical challenges that our economy faces to foster new entrants in highly dynamic activities of limited economic concentration is to democratize access to financing opportunities, for example, by promoting the venture capital industry. In comparison to many other economies in the world and in our region, this industry in Chile is still very limited to early stages and the sources of financing tend to run out in the following phases, causing many start-ups to fail or end up established overseas. For us, promoting this industry is vital for boosting productivity and competitiveness of the economy, attracting foreign investment and increasing job creation.
2. Another challenge is to reduce highly concentrated markets and the excessive power of a few economic actors, especially those related to economic crimes, hard core cartels and the use of insider trading. We have had many cases of these types of economic and financial crimes, which have generated numerous abuses towards consumers.

In this context and in order to reduce highly concentrated markets one possibility is to promote the entry of foreign industries in order to increase market competitiveness. Despite being an open economy, Chile needs to work on reducing entry barriers for foreign competitors, for example in the pharmaceutical industry.

3. Since Chile is an open economy, initiatives related to trade and investment facilitation are strongly related to the variations in the international commercial scenario. In this sense, our trade and investment liberalisation and facilitation efforts may be affected by international barriers or restrictions to trade.
4. Another challenge is to continue improving regulatory simplification and coordination between public entities.

### **Action Plans on Institution Building**

1. Regarding the first challenge related to venture capital, a more efficient use of public resources for financing technology-based companies is required, making some regulatory changes that correct markets failures. In this context, we think that we must start with a public-private collaboration through an economy that is co-investor of the projects in order to assume a relevant role in promoting this industry and encourage the participation of private and institutional investors.
2. Regarding the challenge related to economic crimes and excessive market power, the Chilean President elaborated an Antitrust/Anti-abuses Agenda with numerous measures that increase punishments and strengthen the antitrust institutions. In terms of antitrust, the Agenda includes higher penalties for cases of collusion in basic goods or services, the implementation of new tools to detect those crimes and the creation of the figure of an anonymous whistle-blower. Additionally, the draft bill of insider trading also increases the penalty and creates the anonymous whistle-blower.

For more competitiveness in the pharmaceutical industry, plans are in line to reduce the monopoly power that laboratories have, promote transparency and good practices by doctors, increase the number of distribution channels for prescription-free medications, move towards greater openness to the international market and implement some modifications to the intellectual property law.

3. Regarding challenge No. 3, Chile is actively working on the bilateral, regional and multilateral level to reduce international barriers or restrictions to trade. For example, on the Pacific Alliance's Investment Facilitation Initiative (IFIAP) project, Chile is working together with the other Pacific Alliance members on the second phase of this project, in order to identify barriers to investment that require work at a regional level, major coordination with the private sector and improve visibility of the benefits already achieved by phase I among investors. Additionally, Chile is actively participating as chair in the WTO's Initiative on Investment Facilitation for Development. In general terms, greater diversification of exportable supply and destination markets will be the focus of Chile's foreign trade policy in 2020.

On the domestic level, the Undersecretariat of International Economic Affairs (Ministry of Foreign Affairs) is currently undergoing extensive deliberations on how to improve

the interaction with the civil society and how to better communicate the benefits of trade and investment facilitation to the general public. Several internal institutional conversations were realized. Furthermore, in the Undersecretariat of International Economic Affairs a new department for the Implementation and Dissemination of Trade Agreements was created that will focus its work on encouraging more Chilean SMEs to participate in foreign public purchases, in the export of services and the incorporation of women into the export sector. Moreover, it is worth mentioning that in July 2019 the former “General Directorate for International Economic Relations” was upgraded into the “Undersecretariat of International Economic Affairs” with the purpose of institutional strengthening.

4. On challenge No. 4, the Chilean President issued an Instructive in April 2019 which established additional legislative simplification measures. Moreover, a bill is currently under discussion whose objective is to identify the laws of an antiquity not less than 20 years that must be expressly repealed for being in disuse, obsolete or tacitly repealed by later laws. And, in 2019, the Digital Transformation Law (No. 21.180) was enacted whose purpose is to start the process of digitization and modernization of the procedures followed before the organs of the State administration.

### **Role of Regional Cooperation in Institution Building**

1. Chile believes regional cooperation is crucial in order to achieve trade and investment liberalization and facilitation, considering the importance of achieving high level standards not only internally, but also in coordination with other likeminded economies. In this regard, international fora such as APEC and the Pacific Alliance provide a platform to address these issues and achieve constant ongoing work in these matters. One successful example and concrete, tangible outcome we would like to highlight is SICEX (as pursued in Chile, the Pacific Alliance and in APEC). Moreover, such fora provide useful platforms for capacity building and exchange of best practices.
2. Chile is recognized as an open economy, where the exchange of goods and services with the rest of the world lies within our core development strategy. To enable integration and better interaction with trade partners, it is necessary to review the internal regulations, seeking regulatory harmonization opportunities that ease the possibility of exporting and importing for entrepreneurs and increase the availability of products for all Chileans. In this sense, APEC has a key role to play at connecting the different economies of the region. For example, regarding the venture capital industry, the Chilean market is not large enough to promote private investment without the participation of foreign investment. In this context, regional cooperation is crucial to promote Chile in the global market and to attract capital inflows.

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

1. **Superior Labor Council, 2016.** The Council constitutes a permanent instance for a Tripartite Social Dialogue, where the actors of the labor relationship (workers/employers/government) converge in order to collaborate in the formulation of public policies to strengthen and promote a social dialogue and a culture of fair, modern

and collaborative work relationships. Among its functions are, for example, preparing recommendations for public policies on labor issues; proposing initiatives aimed at incentivizing job creation, and the labor participation of women, youth, and vulnerable workers; and carrying out studies or investigations. Another of its responsibilities of particular relevance is to render, in April of each year, an annual report of its activities, proposals and the results, to the President of the Republic and the National Congress. The Council constitutes a mechanism to fight exclusion and marginalization; to promote trust and to offer opportunities for upward mobility.

## 2. Legislative strengthening related to Social Cohesion – Highlights:

- **Law N° 21.015 which encourages labor inclusion of people with disabilities, 2018**, by guaranteeing that in private companies or State agencies with 100 or more workers at least 1% of the total workforce are persons with disabilities or beneficiaries of an invalidity pension. By April 2019, 92% of companies have complied with the regulations, which resulted in the hiring of 12.000 persons with disabilities.
- **Law N° 21.133 which modifies the rules for the incorporation of independent workers to social protection regimes, 2019**, assuring independent workers the same social security protection as dependent workers have. More than (approx.) 486 thousand independent workers began to have access to coverage for work accidents and can take medical leave in case of illness.
- **Law that Sanctions Sexual Harassment in Public (No. 21.153)**, which establishes the crimes of sexual harassment in public, surprise abuse and the capture of images on public roads of the intimate parts of the body.

## 3. Programs related to Social Cohesion – Highlights:

- **National Agreement for Children “Children First”, 2018**. Since its adoption, numerous initiatives have been implemented, e.g., a law that declares imprescriptible sexual crimes committed against children and adolescents; a program for helping children and adolescents in street situations; and a School Early Warning System which allows the early identification of students at risk of dropping out of the school system; among many others. The program contributes to fighting exclusion and marginalization and to offering opportunities for upward mobility.
- **Housing First** – a program for helping people who fulfill certain criteria to get off the street. To date, great achievements have been identified, such as the incorporation of the first 30 participants in 12 dwellings, a retention rate in the dwelling of 75%, significant improvements in daily life skills and the strengthening of family and social networks. Currently, 51 new homes are being installed and it is expected that by 2020 about 150 homes will be installed for a total of 356 homeless people. The program contributes to fighting exclusion and marginalization, to creating a sense of belonging and to offering opportunities for upward mobility.
- **“Becas Chile”**. This is a public scholarship system that allows professionals to study a master or PHD abroad (with a full coverage) and specialize in topics that are relevant for Chile. The number of assigned scholarships has constantly increased over the past five years.
- **“Políticas Culturales Regionales” program** which aims to position culture as a fundamental right for all people residing in Chile. It must be guaranteed by

the State in all its dimensions, including community access to artistic and cultural life, recognizing the place that native peoples occupy, and safeguarding the cultural heritage. It ensures that the particularities of each place and the diversity of needs and ways for cultural development are respected. Moreover, the program considers people as the central focus and ascribes them an active role in the cultural development of the region. The program contributes to creating a sense of belonging.

- **“Compromiso País”** ([www.compromisopais.cl](http://www.compromisopais.cl)). In 2018, the Ministry of Social Development developed an instrument called the Vulnerability Map that has served to identify, prioritize and manage 16 Vulnerable Groups. Based on this, representatives of the public sector, academia, civil society, the private sector and citizen representatives of the affected groups are working together to address the identified problems.

#### 4. Programs related to women:

- **“Agenda Pro Pyme Mujer”**, whose objective is to support women-led SMEs with training, financing and strengthening of their commercial networks, with a package of measures intended to benefit more than 1,000 female entrepreneurs in Chile.
- **“4 to 7 Program”**: provides women responsible for children from 6-13 years old, access to care services (the title ‘4 to 7’ refers to the after-school hours), in support of their participation in the labor market.
- **Women Heads of Household**: seeks to promote the economic autonomy of women heads of household, through the delivery of tools that allow them to generate, manage income and own resources from paid work, access to public offers for reconciling paid, domestic and care work.
- **Public registry for women in directories** ([www.minmujeryeg.gob.cl](http://www.minmujeryeg.gob.cl)) whose objective is to increase the participation of women in positions of high responsibility and to make women available to exercise these positions visible.

### Remaining Challenges to Social Cohesion

1. **Decentralization**: A very big percentage of the economic activity is concentrated in the central territory. This does not only increase segregation and inequality of opportunities, but also makes invisible the cultural diversity of our people. Hence, it is important to better distribute resources throughout the whole territory, to address the needs of Chile’s regions and to promote more development in regional and rural areas.
2. The main challenges are to include the groups which are excluded from economic development, to grant greater security to the middle class and to transform the State in order to regain the trust of its citizens:
  - **Include the excluded groups**: Continue and strengthen the work to include the most vulnerable groups, since a cohesive society requires that all people in society benefit from economic development. Therefore, we will strengthen the work with vulnerable groups and will increase opportunities and benefits to people with disabilities, older adults, children, adolescents and people on the street.
  - **Greater security for the middle class**: In Chile, the middle class represents an increasing percentage of the population, going from 43.2% in 2006 to 65.4% in

2018. While this represents a breakthrough, the middle class is weak and has a high probability of returning to poverty. That is why we will continue to strengthen the Protected Middle-Class program (CMP), making progress in giving families more and more security.

- An economy closer to and at the service of the people: Today, there is a crisis of confidence in the very deep and essential institutions for social cohesion. This, accompanied by a feeling of abuse of people by the State, makes it necessary to work on a new way of doing things. That is why we are working to bring the State closer to people, which is more modern and that efficiently solves the people's problems.

### **Action Plans on Social Cohesion**

1. The Government's plan includes "decentralization and regionalization" as one of its working areas, including a series of objectives and measures. It also includes the promotion of agriculture for the development of the regions in Chile, the equality of opportunities and the quality of life in the rural areas.
2. The Minister of Social Development and Family created the "Council for Social Cohesion". This commission gathers 13 experts whose main function is to advise the minister in the elaboration of a plan that strengthens the contribution of social policy to social cohesion in Chile. The Council will carry out a diagnosis of social cohesion in Chile and will deliver a report of recommendations in the first half of this year. From that, a short- and medium-term plan will be designed to strengthen social cohesion from the point of view of social policy.
3. Protected Middle Class (CMP). In May 2019, the bill that creates the Protected Middle-Class System, which establishes the middle class as a priority group and on which the State will have a clear role for its attention, was signed and entered the National Congress. In addition, a comprehensive citizen service system was developed through a digital platform, where people can easily identify the benefits to which they can access. The following are considered within the components of the CMP: i) Insurance and Subsidy for elderly who face severe dependency; ii) New Solidarity Financing System for Higher Education; iii) Strengthening of the Labor Intermediation System, creation of the labor retraining program; and the creation of the digital talent program; iv) New Health Insurance for the Middle Class; v) Strengthening of the Program for Assistance to Victims of Violence; vi) Improvements to the Housing Subsidy for Middle Sectors. The CMP contributes to fighting exclusion and marginalization and to offering opportunities for upward mobility.
4. New Social Agenda, 2019 (<https://www.gob.cl/agendasocial/>). In response to the social unrests in Chile in 2019, the government has developed a Social Agenda by defining a broad package of concrete measures on pensions, health and medicines, minimum income, lower electricity rates, taxes for the higher-income sectors, reduction of the parliamentary diet and a reconstruction plan, among others. Some of these measures include, for example:
  - A law which establishes a guaranteed minimum income has been approved, benefitting ca. 700 thousand workers.



- A bill for the increase of the basic solidarity pension between 25% and 50% has been approved.
- A plan was launched which seeks to give greater flexibility to the financial sector for the delivery of new credits, rescheduling of debt payments and streamlining for insurance collection in reference to SMEs.

### **Role of Regional Cooperation in Social Cohesion**

Regional cooperation constitutes an instrument that allows the exchange of best practices and capacity building, particularly if an economy lacks experiences in a field of policy. From the foregoing it follows that by definition, international cooperation promotes social cohesion and the development of peoples, contributing to the growth of a culture of encounter and promoting mutual enrichment. There is no economy that is so robust that it does not require cooperation from others, nor is it so weak that it cannot contribute any experience to others. For example, the Chilean Ministry of Social Development has maintained a lively exchange with ministries of other economies: during 2010-2020, at least 106 missions were received from other economies with the aim of learning about the Chilean experience in the area of social development and overcoming poverty; and, on the other hand, the Chilean Ministry carried out 961 missions associated with International Affairs and Cooperation, whose main objective was linked to institutional strengthening and capacity building. The Housing First program has been directly inspired by programs in the US, Canada and Spain.

Second, APEC is currently in the process of elaborating its Post-2020 Vision, in the context of which many economies call for a bigger focus on inclusive growth, *inter alia*. We think, APEC can make an example and inspire economies to do more in the field of inclusive growth, through concrete projects and the exchange of goods practices.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

1. **Since 2018, Chile has become the first South American economy to legally ban the widespread commercial use of plastic bags.** Due to the new law (N° 21.100), large companies such as supermarkets and retail have a total ban on delivering plastic bags since February 3, 2019. In the case of micro, small and medium-sized companies, there is a period of two years (counted from August 3, 2018), in which they can hand out a maximum of two bags per purchase. After that period, the total prohibition will govern. Until July 2019, the law already has avoided the production of 2 billion plastic bags. The law contributes to adapting to the effects of climate change and to reducing greenhouse gas emissions.
2. **Greenhouse Gas Mitigation Plan for the Energy Sector approved in 2017.** This plan is a joint effort of the Ministries of Environment and Energy. Its objective is to promote work in areas of environmental impact and climate change. It is the first mitigation plan in Chile, framed in the commitments made by Chile at the international level to face the effects of climate change and in coherence with the goals set by Chile's National Energy Policy by 2050. The plan proposes concrete measures and deadlines for several energy sub-sectors and an economic assessment of both the associated costs and the

contribution to reducing emissions. Therefore, it contributes to adapting to the effects of climate change and to reducing greenhouse gas emissions.

With the National Energy Policy 2050 and the Energy Mitigation Plan, the government has also taken steps to shape the future energy mix. The government is seeking to broaden its energy planning by giving more attention to the heat and transport sectors as it does to electricity and by pursuing an integrated multisector approach.

In this context, relevant are also: the “Law of Non-Conventional Renewable Energies (NCRE) (Law 20,257/ 2008 amended by the Law 20,698/2013)” which establishes the mandatory nature for certain power generation companies to certify the participation of NCREs in Chile’s power generation matrix; and the “Action Plan for Energy Efficiency (PAEE2020)” from 2013, which poses efficiency actions in the work areas of Industry and Mining, Transportation, Building, Appliances and Firewood between others. It has as an objective to reduce by 12% the final energy demand projected to 2020 compared to 2010.

3. And third we would like to highlight the **Decarbonisation table of the energy matrix**. In order to initiate the decarbonization process of the electrical matrix in Chile, which is a commitment established in the 2018-2022 Energy Route promoted by the Ministry of Energy, the Ministry of Energy created the “Table for Retirement and / or Conversion of Power Plants to Coal” which was fundamental since it allowed the elaboration of a “Retirement or Reconversion Schedule of Coal-fired Power Plants”. Companies signed in 2018 into a voluntary agreement to undertake a process of decarbonization of the matrix. The schedule establishes the cessation of the first 1,047 MW of the eight oldest plants by 2024. The Ministry of Energy cooperates through a multidisciplinary coordination and the collection of background information, in order to strengthen the discussion at the labor, supply security of supply, economic and environmental areas. The objective is that by 2040, 100% of the power generation in Chile comes from clean sources, especially from natural gas and solar power plants. Moreover, to meet the Carbon Neutrality Policy launched by the government in 2019 and recognizing that Chile has an important capacity of renewable energies, Chile is seeking ways to produce green hydrogen. The Energy Ministry is currently leading the development of a National Strategy, the drafting of an Action Plan, the realization in the second semester of 2020 an international meeting on green hydrogen in Chile and the promotion of key industrial projects. This initiative contributes to adapting to the effects of climate change and to reducing greenhouse gas emissions.

### **Remaining Challenges to Environmental Impact**

1. **Extended Producer Responsibility Law (REP)**, 2016, which obliges companies to take charge of the waste they generate and, for example, will allow the reduction and recycling of packaging found in everyday products and sold in supermarkets and shops in general. For containers and packaging, the REP goals will allow Chile to go from the current 12.5% of recycling of household containers and packaging to 60% by 2030, equivalent to the levels reached by developed economies.
2. **Circular Economy** is also an important challenge. Notwithstanding the Extended Producer Responsibility Law that was enacted in 2016, Circular Economy is broader.

In that sense Chile launched a Circular Economy Roadmap a year ago, which seeks to replicate similar initiatives carried out by economies such as Finland, France and other European economies. “Circular Chile” aspires to present itself as a great opportunity from a competitive point of view, and which in turn helps to meet environmental and social goals. The idea is to have a long-term strategy, towards 2040, that contains different measures. This is led by the Ministry of Environment. Due to the fact that circular economy crosses all sectors, this tool has been thought from a collaborative and inclusive point of view. In other words, all the actors are considered. In the public sector are services, ministries. In the private sector are productive companies, service companies, recycling companies. There are also universities, NGOs.

3. **The creation of the Biodiversity and Protected Areas Service (SBAP)**, looks for a public service, dependent on the Ministry of the Environment, which will be in charge of the conservation of biodiversity and whose main instrument will be the administration of a system of protected areas.
4. **Develop a Climate Change Law** that establishes principles, a governance system, management instruments and adequate financing mechanisms that allow to move towards a low greenhouse gas emissions development, reduce vulnerability, increase resilience and ensure compliance with international commitments.

### **Action Plans on Environmental Impact**

1. **Extended Producer Responsibility Law (REP)**. The new legislation needs a number of decrees that will establish specific recycling goals for each material. Those decrees are being developed by the environmental authorities.
2. **Circular Economy**: The Ministry of Environment tendered a study that in its results identified 282 actors related to circular economy in Chile. Of these, 59% belongs to the private sector, followed by the support sector with 15%, that is, advisory or consulting companies. They are currently working on a diagnosis of the current state of the circular economy that will be the pillars for a roadmap that will allow the economy to advance in this matter. A High-Level Advisory Committee has also been established to ensure that the Road Map meets international standards.
3. **The creation of the Biodiversity and Protected Areas Service (SBAP)**. There is a bill in the Congress that proposes the creation of this service. The law is in its second and last step in the Congress. A milestone in this bill was the completion, during 2016, of an indigenous consultation process at the economy level, which lasted 11 months and allowed important agreements that were included in the current bill.
4. **Develop a Climate Change Law**: In January 2020, the Government of Chile presented a bill related to climate change to the Congress. This bill is currently being discussed.

### **Role of Regional Cooperation in Environmental Impact**

First, regional cooperation is a key element for sharing knowledge and good practices. For example, the Chilean Ministry of Energy has participated in many instances with the Latin American Network on GHG Inventory (RedINGEI).

On the other, financial resources from international organizations have been the foundation for most of the capacity building occurring in Chile and also for mitigation actions including reforestation and prevention of degradation of forests. In particular we would like to highlight the Results-based payments project from the Green Fund which awarded Chile with 63,3 million of USD for reforestation with native species.

## **CHINA**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

By pursuing the vision of innovative, coordinated, green, and open development that is for everyone, China has made further headway in supply-side structural reform, increased its efforts to improve the socialist market economy, made new ground in pursuing opening up on all fronts, improved the quality of employment, and taken a significant step forward to establish a social governance model based on collaboration, participation, and common interests.

To promote the implementation of the Trade Facilitation Agreement of WTO, in 2016, China established the National Trade Facilitation Committee, which consists of sixteen line ministries. Through persistent efforts, as of January 2020, China has achieved full implementation of the Agreement. Since the enforcement of the Agreement, China has made positive achievements. In 2019, the time needed to clear customs for importers and exporters was reduced by 42.3% and 42.4% to 41.4 hours and 4 hours respectively. According to Doing Business 2020, China's ranking in the Trading Across Borders Indicator rose from 65 to 56, and the cost to export and import has decreased significantly.

In 2019, China introduced the Foreign Investment Law, which outlined a new foreign investment legal system. To ensure the smooth implementation of this Law, China introduced a series of supporting rules, abolished or amended more than 400 regulations which were inconsistent with the Law. The measures mentioned above create a more open, transparent and predictable business environment. In 2019, facing downward pressure of global cross-border investment, China's actual inflow of foreign investment, at more than 138.1 billion US dollars, hit new records, putting China in second place in the world and at the top of developing economies.

In January 2019, China enacted the E-commerce Law, which aims to promote e-commerce by regulating market entities and maintaining market order. At present, the market entities are doing business according to the Law, helping Chinese e-commerce enter the track of steady, normative and healthy development. According to China's National Bureau of Statistics, in 2019, online sales reached 10.6 trillion RMB nationwide and increased by 16.5% year on year, while cross-border online sales increased by 38.3%.

Acting on the vision of people-centered development, in 2019 China issued an opinion to step up reform to improve the social mobility of the labor force and talent, stressing efforts to generate high-quality mobility opportunities and encourage innovation and entrepreneurship, in support of sustained economic growth.

## **Remaining Challenges to Institution Building**

With rapid social and economic development, new technologies and new business forms are emerging continuously, while some of the legal provisions are becoming outdated, leading people to question the applicability of laws.

The advancement in internet technology and e-commerce has greatly changed the way people do business, posing a challenge to the traditional fragmented regulatory framework and the jurisdiction of international law.

Since China is still in the primary stage of socialism and will remain so for a long time to come, the social mobility of labor force and talent still faces some institutional barriers and high-quality mobility needs to be further promoted.

## **Action Plans on Institution Building**

China is currently pursuing a wide range of economic reforms, which include improving the property rights system and ensuring the market-based allocation of factors of production, further reforming state-owned enterprises by developing mixed-ownership economic entities, introducing a negative list for market access to support private businesses, developing new methods to improve macro-regulation and mechanisms for coordinating fiscal, monetary, industrial, regional, and other economic policies, etc.

China is devoted to creating a sound business environment. Continue to improve rules, regulations and standards that support the E-commerce Law, Foreign Investment Law etc., and duly introduce or amend other laws, putting to use new technologies like big data and promoting international cooperation.

Provide extensive public employment services to open more channels for college graduates, youth as well as migrant rural workers to find jobs and start their own businesses. Remove institutional barriers that block the social mobility of labor and talent to ensure that everyone has the chance to pursue careers through hard work.

## **Role of Regional Cooperation in Institution Building**

In a world of globalization, the interests of each economy are more and more closely integrated, highlighting the importance of regional cooperation and international organizations. As the most premier economic cooperation mechanism in the Asia-pacific region, APEC should continuously play a leading role in promoting integrated, innovative, inclusive and inter-connected growth of the region and even the world.

First, APEC should be committed to supporting the multilateral trading system with the WTO at its core, building open world economy, adhering to open regionalism and rejecting all forms of protectionism.

Second, APEC should uphold its mission and principles, promoting free and open trade and investment and deeper regional economic integration, and continue unremitting efforts towards the eventual realization of Free Trade Area of the Asia-Pacific (FTAAP).

Third, APEC should foster people-centered, open, inclusive, sustainable and innovative economic environment, promote deeper integration of supply chain, industrial chain and value chain, and strengthen comprehensive connectivity, so as to enable and empower people and businesses to better participate in regional and global economy.

Last, to unleash the immense opportunities created by technologies in a digitally advanced and connected region, APEC should take efforts to foster an open, just, non-discriminatory environment for healthy development of internet and digital economy, promoting integrated development of the digital and the real economy, and digitalization of traditional industries, and deepen cooperation for more inclusive economic participation through digital economy and technology in smart cities, big data, sharing economy, e-commerce, next-generation wireless access technology (5G), etc. APEC should commit to strengthen digital infrastructure and enhance accessibility and connectivity of digital economy, promote new technology dissemination and application, apply digital technology to enhance social inclusion including poverty alleviation and raising living standards, bridge digital gap and strengthen capacity building.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

Chinese government puts the well-being of people as the fundamental goal of development, and pursues people-centered development to make sure all people enjoy the benefits of economic and social development. China has made steady progress in ensuring people's equal access to childcare, education, employment, medical services, elderly care, housing, and social assistance, etc.

Chinese government has attached great importance to poverty alleviation and implemented targeted poverty alleviation strategies, and integrated poverty alleviation development with inclusive development, through arduous efforts by the government and people, in rural and remote areas, infrastructure and public services, development capacity, industries with distinctive features and advantages, ecological environment, and the quality of life of the poor people improved significantly. Since 2012, China has managed to lift 13 million people out of poverty per year for six consecutive years.

In 2017, China issued the Work Plan to Promote Equitable Access to Basic Public Services in the 13th Five-Year Plan Period, clearly setting the course, key areas, and key projects for developing the basic public services system in the 13th five-year period, and published, for the first time, the List of National Basic Public Services, which clearly stipulated the contents, guiding principles, and responsible agency for a total of 81 basic public services subsumed into 8 areas.

To help those most in need, China is working to build a tightly woven safety net along with the necessary institutions, with the aim of developing a sustainable multi-tiered social security system that covers the entire population both in urban and rural areas, with clearly defined rights and responsibilities, and support that hits the right level.

## **Remaining Challenges to Social Cohesion**

China still faces challenges in solving the problem of unbalanced and inadequate development, closing gaps in development between rural and urban areas, between regions, and in income distribution, and overcoming longstanding obstacles to structural change and mobility of demography.

The digital economy and platform economy give rise to new forms of employment. How to ensure that these workers are protected by social insurance is a growing challenge.

The rapid development of the block chain, AI, and other cutting-edge technologies poses new challenges to social security administration.

## **Action Plans on Social Cohesion**

To meet the above-mentioned challenges and provide people with equitable access to basic public services, China adopted the idea of “Equalization through Standardization”, and issued the “Guidelines on Establishment and Perfection of Basic Public Services System”, which calls for the establishment and perfection of a basic public services system along with a “National Basic Public Services Standard”, while also requiring industry authorities and local governments to establish basic public services standards of their own.

China will work to put in place a universal coverage social security system, and ensure the benefits level of the social security to increase with the economic development, working towards a social security service that is more convenient and accessible by taking advantage of new technologies to push the digital social security administration to a higher level.

To fulfill the promise of ensuring all people enter the moderately prosperous society together by 2020, China will continue to advance poverty reduction through joint efforts of governments, society, and the stakeholders, paying particular attention to helping people increase their own ability to lift themselves out of poverty, and strengthen collaboration on poverty alleviation between the eastern and western regions, and provide focused assistance to areas of extreme poverty. By doing so, China is working to ensure that by the year 2020, all rural residents living below the current poverty line have been lifted out of poverty, and poverty is eliminated in all poor counties and regions.

Foreseeable obstacles may include: a) lack of integration between urban and rural basic public services regimes, unbalanced distribution of resources between urban and rural areas, hardware and software incompatibility, service quality gaps; b) certain services have blind spots and cannot reach the floating population; c) imperfections in the basic public services standards system and the supervision and assessment mechanism, which slow down the realization of equalization of basic public services; d) lack of innovative institutional building and social participation.

## **Role of Regional Cooperation in Social Cohesion**

APEC should strengthen cooperation on inclusive growth, and take further efforts in the areas of employment, education, health, anti-corruption, food and energy security and other issues that affect the well-being of our people, contributing to comprehensively implement the Agenda 2030 for Sustainable Development. We should care for vulnerable groups such as the elderly, youth, disabled, women, people living in poverty and in rural and remote areas, and facilitate their participation into more inclusive global value chains and international markets.

Poverty alleviation is an integral part of inclusive development. To realize the goal of sustainable and inclusive growth and shared prosperity in Asia Pacific region, poverty alleviation should be promoted as one of the top priorities of APEC. Meanwhile, the rapid development and evolution of digital technology and digital economy over the past decade has brought new tools and opportunities to alleviate poverty in a more effective way. APEC should carry forward cooperation on poverty alleviation in digital era as a priority, and demonstrate leadership in developing an inclusive digital society, enhance the partnership among governments, private sectors, civil society, academia and other stakeholders to promote synergy and collaboration on inclusive digital economy development, so that our cooperation will benefit all people including women, youth, the poor, people with disabilities, and population in rural and remote areas, and other disadvantaged groups. China would like to work closely with other APEC member economies to thus make positive contributions to the realization of the 2030 Sustainable Development Agenda, and make contributions to the inclusive and sustainable growth agenda of APEC and the building of an Asia-Pacific community with a shared future.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

In line with the overarching goal of pursuing innovative, coordinated, green, open and shared development, and building a human community with a shared future, China attaches great importance to addressing climate change, and sees low-carbon development as an important way to realize sustainable and high-quality development, and faithfully fulfill obligations under the UNFCCC and the Paris Agreement. By phasing out outdated production capacity, promoting replacement of clean energy for coal in heating, and shutting down small, poorly-managed, and heavily-polluting enterprises, China has actively implemented the goals and tasks set out in the Work Plan for Controlling Greenhouse Gas Emission during the 13th Five-Year Plan Period, vigorously promoting the adjustment of China's industry and energy structures, improved energy conservation, and better energy efficiency. Further improving the working mechanism of the leading group of climate change, energy saving and emissions reduction, including the reduction rate of carbon dioxide emissions per unit of GDP as an obligatory criterion in economic and social development planning and assessment, continuing the construction of carbon emission trading market, encouraging various departments and localities to carry out "National Low Carbon Day" activities, to promote low-carbon transformation. According to initial estimates, the carbon intensity in 2018 decreased by about 4% year-on-year, exceeding the annual target by 0.1 percentage point, and marking a cumulative decrease of 45.8% compared with 2005. This figure means China has reduced carbon dioxide emissions of 5.26 billion tons, and non-fossil energy accounts for 14.3% of total



energy consumption. In 2011-2015, carbon dioxide emissions per unit GDP decreased by 19.3%; in 2016-2019, a further decrease by 18.2% has been achieved.

In recent years, to guide the work on climate adaptation, China has issued the National Strategy for Climate Adaptation, the Action Plan on Developing Climate Resilient Cities, the Work Plan on the Pilot Projects of Climate Resilient City Construction, and the Notice of Pilot Projects of Climate Resilient City Construction, and has initiated 28 pilot projects of climate-adaptive cities. Through these work, we have accumulated useful experience in raising awareness of climate adaptation and strengthening coordination of our efforts. In 2019, the establishment of the Global Center on Adaptation China in Beijing further strengthened international cooperation on climate adaptation.

China has identified CCUS as an important strategic technology reserve to develop low-carbon technology and address climate change. In October 2016, China issued the Work Plan for Controlling Greenhouse Gas Emission during the 13th Five-Year Plan Period, which requires the coal and petrol industry to conduct large-scale CCUS demonstrative projects, to push forward CCUS pilot and demonstrative projects in industrial areas. In August 2019, by establishing the CCUS expert committee under the Chinese Society for Environment Sciences, China effectively integrated its research power, and is conducting research on CCUS policy and technical standards, promoting research and experience sharing on related technologies, and encouraging large-scale application of pilot and demonstration projects.

### **Remaining Challenges to Environmental Impact**

As the biggest developing economy, China is confronting multiple challenges including economic development, poverty eradication, and environment protection. Overall, compared to developed economies, developing economies are facing much bigger challenges. As it stands, developed economies still fall far short of their commitment to provide and strengthen financial and technical support to developing economies. The support from developed economies should be commensurate with developing economies' actions. While climate change is a global issue that requires the collaboration of the international community, current practices of unilateralism have undermined our efforts at international cooperation.

To adapt to climate change requires strengthening of coordination and collaboration of all departments, providing financial and technical support, and raising public awareness. At present, China still faces a certain amount of overlapping duties, lack of data and information, insufficient financial and technical support, and lack of social participation.

### **Action Plans on Environmental Impact**

On mitigation of climate change. Actively and steadily support and encourage designated local governments and key industries to carry out carbon emissions peaking action plans, while taking into consideration their own levels of economic and social development, by setting out clear peak targets, roadmaps and implementation plans. China will continue to include the reduction rate of carbon dioxide emissions per unit of GDP as a binding indicator in the 14th five-year plan. Accelerate the construction of carbon emission trading market. Strengthen the management of greenhouse gas emissions data, establish and perfect a mechanism to calculate and manage greenhouse gas that is coordinated, multi-sectoral, and accountable. Carry out non carbon dioxide greenhouse gas emission management. Strengthen the full integration of climate change response, pollution control and ecological protection. Accelerate the

dissemination and application of low-carbon technologies and the development of low-carbon industries. Actively promote natural based solutions.

On climate change adaptation. Update relevant policy documents such as the strategy for climate change adaptation and clarify the responsibilities and priorities of all departments. Next step, strengthen international cooperation and enhance publicity, expand the sources of funding, technology and capacity-building, raise public awareness, to enhance climate adaptability of different regions and fields in China.

On CCUS. Continue to support the research on relevant technologies, policies and commercialization of CCUS, fully utilize the capacity of the professional committee of CCUS, actively promote international exchanges and cooperation and knowledge sharing, continue to implement pilot and demonstrative projects, and further promote the research, development, demonstration and promotion of CCUS in China.

China continues its effort to overcome challenges in terms of finance, technology, and capacity building, and will set a binding target for reducing carbon dioxide emissions per unit GDP in the 14th Five-Year Plan.

### **Role of Regional Cooperation in Environmental Impact**

Climate change is a common challenge confronting all human beings and calls for the cooperation of the entire international community. APEC should attach great importance to environmental protection and climate change, and strengthen cooperation on climate-related cooperation. We should focus our efforts on addressing climate change, strengthening food security, promoting transformation towards clean energy, and increasing energy accessibility, and promoting green technology application. APEC should advance economic and technical cooperation, and strengthen capacity-building and technical assistance to developing member economies.

## **HONG KONG, CHINA**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

##### **1. Further developing HKC as a premier fundraising platform**

Hong Kong, China (HKC) strives to develop the city as a broader and deeper fundraising platform. A number of policy initiatives have been implemented in the past five years. Notably, HKC established several mutual capital market access programmes with the Mainland of China, which includes Shenzhen-Hong Kong Stock Connect (launched in December 2016) and Bond Connect (launched in July 2017). The Stock Connect programme allows Mainland investors to trade eligible stocks listed in HKC, and allow Hong Kong, China and overseas investors to trade eligible stocks listed in Shenzhen through HKC. The Bond Connect provides for mutual access between the Hong Kong, China and Mainland bond markets through a cross-boundary platform that facilitates the efficient trading by overseas institutional investors in the Mainland bond market.

In addition, the Stock Exchange of Hong Kong has expanded the existing listing regime since April 2018 to facilitate the listing of companies from emerging and innovative sectors, subject to appropriate safeguards. The new listing regime allows the listing of the following companies on the stock exchange: (i) pre-revenue / pre-profit biotech companies; (ii) high growth and innovative companies that have weighted voting rights structure; and (iii) qualifying issuers seeking a secondary listing on the stock exchange through a new concessionary route. The new listing regime represents the largest breakthrough in the past decade (after 1993 when Mainland enterprises were allowed to be listed in Hong Kong, China) and is the first regime in the world that sets out clear criteria and regulatory requirements for companies with weighted voting rights structure. It further enhances the attractiveness of HKC's listing platform to issuers from different jurisdictions, and deepens the liquidity of HKC's financial market.

## 2. **Enhancing shareholder-oriented corporate governance through rewrite of the Companies Ordinance**

The rewrite of the Companies Ordinance (Cap. 622) is one of the effective actions taken in enhancing shareholder-oriented corporate governance system in HKC and has introduced various new initiatives, including measures to enhance shareholder-oriented corporate governance as follows:

- a. Clarification of the standard of directors' duty of care, skill and diligence by incorporating a mixed objective and subjective test with a view to strengthening the accountability of directors;
- b. Introduction of a comprehensive set of rules for proposing and passing a written resolution to enhance the shareholder engagement in the decision-making process;
- c. Reduction of the threshold requirement for shareholders to demand a poll at a general meeting from 10% to 5% of the total voting rights;
- d. Introduction of a requirement for public and other large companies to include an analytical and forward-looking business review in the directors' reports, which business review will provide useful information for shareholders and help assess how the directors have performed their duties;
- e. Introduction of more effective rules to deal with directors' conflicts of interest, including expanding the requirement for seeking shareholders' approval to cover directors' employment contracts which exceed three years;
- f. Introduction of a disinterested shareholders' approval requirement for public companies and their subsidiaries in relation to connected transactions; and
- g. Introduction of a requirement that any ratification of the unauthorized conduct of directors by a company must be by disinterested shareholders' approval to prevent conflicts of interest and possible abuse of power by interested majority shareholders (who may be or are connected to directors).

## **Remaining Challenges to Institution Building**

### 1. **Further developing HKC as a premier fundraising platform**

The financial markets in major jurisdictions, including HKC, are working under an increasingly competitive environment in attracting new listings and widening the product suites. While HKC has ranked first for seven out of the past 11 years in terms of fund raised through initial public offerings, challenges remain in developing a larger

and more comprehensive ecosystem of products and enhancing the efficiency of market access as well as the depth and liquidity of our market.

### **Action Plans on Institution Building**

#### **1. Further developing HKC as a premier fundraising platform**

The HKSAR Government (the Government), the financial regulators and the Stock Exchange of Hong Kong adopt a proactive strategy to enhance the competitiveness through a multi-pronged approach, with a focus on strengthening our role in connecting the Mainland of China and international market, and strengthening our capacity through adopting new technology. In particular, we strive to bringing a wider range of investment products to HKC and building effective investment channels across asset classes such that HKC could become a one-stop shop and first port-of-call for both Mainland and international investors. We also strive to leverage new technology to modernise and enhance the market infrastructure such that investors could access the market in a more efficient and cost-effective manner.

#### **2. Enhancing shareholder-oriented corporate governance through rewrite of the Companies Ordinance**

The new Companies Ordinance has been operating smoothly. That said, to further promote understanding and to facilitate compliance of the Ordinance and the various new measures introduced, the Companies Registry (CR) has, both before and after the implementation of the new legislation, taken a series of actions including publication of letters and pamphlets to all Hong Kong, China companies and issuance of circulars and guidelines to highlight and explain the major changes. The CR has also conducted a series of briefing sessions and seminars on the new legislation for the public, professional bodies and practitioners.

### **Role of Regional Cooperation in Institution Building**

Regional cooperation and international organisations such as APEC can provide a common platform for members to share their knowledge, strategies and experiences on successful measures and policies relating to the development of financial services industry.

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

HKC is committed to promoting young people's upward mobility and addressing their concerns about education, career pursuit and home ownership. In particular, the Government has been striving to broaden young people's horizons through various outbound exchange and internship opportunities, and has been promoting youth entrepreneurship.

Over the past five years, the Government has provided funding and collaborated with non-governmental organisations (NGOs), corporates, international organisations and schools and institutions to provide in-depth exchange and internship opportunities in the Mainland of China and overseas to broaden young people's horizons and gain work experience. At present, more

than 70,000 young people participated in youth exchange or internship programmes funded or organised by the Government.

As for youth entrepreneurship, the Government set up a HK\$300 million (USD 38.5 million) Youth Development Fund (YDF) in 2016 to provide matching grant to youth start-ups to meet their initial capital needs. About 100 start-ups, comprising about 190 youth entrepreneurs, have benefited from the YDF. In 2019, another HK\$300 million (USD 38.5 million) was injected to the YDF to enhance the entrepreneurial and incubation services, as well as matching grant support provided to youth start-ups. We expect that close to 200 start-ups as well as 4,000 other youth entrepreneurs will be benefitted.

### **Remaining Challenges to Social Cohesion**

How to better gear the array of targeted measures towards addressing the concerns of young people in education, career pursuit and home ownership, and how to boost upward mobility and provide opportunities to unleash the full potential of young people are among the major challenges that the Government is currently striving to overcome.

### **Action Plans on Social Cohesion**

The Government will continue to collaborate with international organisations, NGOs, education institutions and corporates to provide valuable exchange and internship opportunities to young people with a view to enhancing their upward mobility and broadening their horizons. We will also step up our effort to promote youth start-ups and seek regional cooperation to foster a sustainable ecosystem for youth innovation and entrepreneurship.

### **Role of Regional Cooperation in Social Cohesion**

Regional cooperation is essential to provide valuable youth exchange opportunities to broaden young people's horizons. For instance, the Government has been implementing the International Youth Exchange Programme, under which bi-directional exchange programmes are organised with our overseas partners, including some from APEC member economies, namely Australia, Japan, Korea and Singapore. We also provide sponsorship to NGOs to organise unilateral and bilateral international youth exchange programmes through the Funding Scheme for International Youth Exchange. We will continue to strengthen our collaboration with the international community, including APEC member economies, to promote the upward mobility of young people.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

HKC accords top priority to formulating comprehensive and coordinated climate actions to meet the commitments made under the Paris Agreement. Since 2016, a Steering Committee on Climate Change (SCCC) has been established to co-ordinate actions of policy bureaux and departments in combating climate change holistically. Under the directive of the SCCC, an inter-departmental "Climate Change Working Group on Infrastructure" (CCWGI) co-ordinates efforts among works departments in combating adverse effects of climate change on government infrastructures and has been conducting studies on the effects of increase in rainfall

intensity, increase in extremely wet years, sea level rise, storm surge, and extreme temperatures such that the findings from these studies will help enhance the adaptability and resilience of HKC's existing and new infrastructural assets under the effects of climate change.

Released in 2017, the Hong Kong's Climate Action Plan 2030+ sets out in detail key measures and target to reduce carbon intensity by between 65% and 70% by 2030, which is equivalent to an absolute reduction of 26% to 36%, or reducing our per capita greenhouse gas (GHG) emissions from 5.5 tonnes in 2017 to 3.3 to 3.8 tonnes. To meet this ambitious target, below are three significant actions led by the Government with the engagement of the public and commercial sectors to jointly mitigate the impacts of climate change:

1. As electricity generation accounts for about two-thirds of GHG emissions in HKC, improving the fuel mix for electricity generation is a key mitigation measure for HKC in combating climate change. The reduction in GHG emissions are brought by, inter alia, (a) phasing out coal-fired generation and (b) promoting the development of renewable energy (RE). On (a), the Government announced in 2015 that power companies would increase the proportion of gas generation such that, by 2020, it would constitute 50% of the fuel mix (with 25% coal and 25% zero-carbon energy, including imported nuclear and local RE). This will allow HKC to meet its carbon intensity reduction target of 50-60% as compared with the 2005 level by 2020. On (b), since 2017, the Government has earmarked HK\$2 billion (about USD 260 million) for installing small-scale RE facilities at government venues. To encourage private investment in distributed RE, the Government and power companies have introduced Feed-in Tariff (FiT) Schemes in 2018, whereby investors can receive payments of HK\$3 to HK\$5 (USD 0.4 to USD 0.6) for each unit of electricity they generate for the grid. Coupled with other supporting measures (such as relaxing rooftop installation restrictions and helping schools and welfare organisations install their own systems), the responses of the public and commercial sectors to the FiT Schemes have been very encouraging, producing solar panels enough to pave over 60 football pitches in less than a year.
2. In 2015, the Government launched the Energy Saving Plan for Hong Kong's Built Environment 2015~2025+, which sets a new and aggressive target of reducing HKC's energy intensity by 40% by 2025 and contains many measures targeting buildings, including (a) promoting green buildings with a 5% electricity saving target for government buildings and requiring new government buildings to attain at least BEAM Plus Gold rating; (b) raising the statutory requirements for energy efficiency in buildings, where the latest version (2018) represents an 18% enhancement compared with the one in 2012; and (c) tightening the Overall Thermal Transfer Value and Residential Thermal Transfer Value standards to reduce energy consumption for air-conditioning; and using district cooling systems in new development areas. The energy intensity of HKC has also reduced by more than 30% by 2018. Regarding (a), we have achieved ahead of schedule, the target of 5% saving in the electricity consumption of Government buildings from 2015-16 to 2019-20 under comparable operating conditions in 2013-14, and should be able to surpass 5%. The estimated electricity saving from the 5% electricity saving target is about 70 million kWh per year.
3. The Government has been actively promoting wider use of electric vehicles (EVs) by offering first registration tax concessions for EVs, allowing 100% profits tax deduction in the first year of procurement for acquiring EVs, providing subsidy for trials of

electric commercial vehicles under the Pilot Green Transport Fund, subsidising the trial of single-deck electric public buses, incentivising developers to install EV charging-enabling infrastructure in new buildings, enhancing the public EV charging network, etc. The number of EVs has increased from about 1,600 to 14,000 during the past five years (2015-2019).

### **Remaining Challenges to Environmental Impact**

In reducing GHG emissions from the electricity generation sector, the main challenge is to ensure safe, highly reliable and affordable energy supply while achieving environmental sustainability as HKC is an extremely dense and vertical city. In addition, HKC has neither indigenous fuel sources nor the physical conditions that are conducive to RE development. Based on currently mature and commercially available technologies, it is estimated that HKC only has about 3%-4% of realisable RE potential arising from solar, wind and waste-to-energy that can be exploited between now and 2030.

### **Action Plans on Environmental Impact**

The Government would need to secure adequate supplies of natural gas and put in place the infrastructure to handle the considerably larger quantities of natural gas in order to ensure reliable electricity supply in HKC. Power companies are jointly building an offshore Liquefied Natural Gas (LNG) terminal for commissioning in 2021 to bring LNG to HKC for regasification by a floating unit, i.e., a floating storage and regasification unit. Such project will provide a long-term alternative gas supply source to meet local fuel supply needs and enhance the diversity and security of our natural gas supply.

Even though HKC does not have favourable conditions for large-scale commercialised RE generation due to topographical constraints, the Government will continue to apply RE on a wider and larger scale based on mature and commercially available technologies with the public sector taking the lead, and to create the conditions that are conducive to encouraging the private sector to participate.

In addressing the challenge in EVs' charging support, the Government plans to launch a HK\$2 billion (USD 0.26 billion) pilot scheme to subsidise existing private residential building carparks to install EV charging-enabling infrastructure. The scheme can provide about 60,000 existing private residential parking spaces to equip with charging-enabling infrastructure in about three years.

### **Role of Regional Cooperation in Environmental Impact**

Regional cooperation and international organisations such as APEC can (i) assess the challenges and opportunities faced by policy makers with a view to setting a clear vision for achieving progress towards an energy efficient and low GHG emissions region; (ii) collate and develop robust energy data to with a view to formulating energy policy and energy investment in the region; (iii) promote on energy innovation and low carbon technology through investment in research and development as well as international collaboration; and (iv) provide a platform for member economies to share their knowledge, strategies and experiences on successful measures and policies on combating climate change.

## JAPAN

### Key Accountability Area 1: Institution Building

#### Achievements in Institution Building

##### 1. FinTech

In 2019, Japan Financial Services Agency (JFSA) promoted 11 initiatives as financial digitalization strategy, supporting innovation through FinTech Support Desk and FinTech Proof-of-Concept Hub and building a global network by holding ‘Fintech Summit’ and ‘Blockchain Round-Table’.

##### 2. Improvement of domestic system following the ratification of TPP11

The Japanese government revised relevant domestic laws and regulations following the conclusion of TPP11 and have taken measures based on the “Comprehensive TPP-Related Policy Framework” (formulated on 25 November 2015, revised on 5 December 2019). The Framework includes consolidating the support system to encourage overseas development of Japanese companies through export promotion, as well as taking measures to increase productivity, stimulate foreign direct investment, and revitalise local economies, in order to enhance the competitiveness of domestic industries through TPP11 and other agreements. At the same time, the government has implemented relevant policies to strengthen various domains, such as agriculture, food safety, intellectual property, and government procurement.

As a result, the total value of exports and the overseas subsidiary sales of leading medium sized and small and medium-sized enterprises, which were 12.8 trillion yen in FY2010, improved to 23.4 trillion yen in FY2017. Furthermore the export value of agricultural, forestry and fishery products and food products which was 807.1 billion yen in 2017 has improved to 906.8 billion yen in 2018. Regarding the promotion of Foreign Direct Investment, the number of projects increased from 527 in FY2017 (54 large-scale investment projects) to 768 in FY2018 (72 large-scale investment projects).

#### Remaining Challenges to Institution Building

##### 1. FinTech

Evolving financial environment including digitalisation will make a great change to financial area. JFSA has to construct the financial system responding to these changes.

##### 2. Improvement of domestic system following the ratification of TPP11

Following the entry into force of TPP11, the government has taken various measures, including the development of related laws and regulations and the promotion of understanding of TPP11 and other agreements through seminars and such – yet these measures need further strengthening.

#### Action Plans on Institution Building

##### 1. FinTech

JFSA will continuously work on promoting Finance Digitalisation Strategy such as “Innovation support” and “Global issues”.



## 2. **Improvement of domestic system following the ratification of TPP11**

The government revised the “Comprehensive TPP-Related Policy Framework” in December 2019 in order to maximise the effects of TPP11, Japan-EU EPA, and other agreements, as well as promote free and open trade and investment. Based on this Framework, the government will promote initiatives aimed at strengthening and developing the competitiveness of domestic industries through TPP11 and other agreements, in addition to capturing growth markets overseas through promoting exports and supporting the overseas expansion of Japanese companies. In this regard, with a view of making the agreements such as TPP11 more widespread and multi-layered, the government will make sure to provide detailed information to actors that have not necessarily fully utilised the benefits of these agreements up to now, notably small and medium-sized enterprises, and broaden the scope of beneficiaries.

## **Role of Regional Cooperation in Institution Building**

### 1. **FinTech**

It is important to share the knowledge and efforts of each economy through international discussions on the financial system responding to the digitalization.

### 2. **Improvement of domestic system following the ratification of TPP11**

Promoting the positive impact high-quality and comprehensive FTAs/EPAs such as TPP11 has on economic activities will enable APEC to deliver a strong message towards not only policymakers, but also businesses in each economy, on the business impact of utilising EPAs/FTAs. In addition, we believe that this will lead to enhancing the effectiveness of new policies which were introduced with the entry into force of TPP11 and other agreements.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

#### 1. **Women’s Economic Empowerment**

In 2015, the Japanese government approved “The Fourth Basic Plan for Gender Equality” with a view to promoting a gender equal society. Under this Basic Plan, the government has implemented an integrated set of policy measures, examples of which are as follows:

- “The Act on Promotion of Women’s Participation and advancement in the Workplace (2015)” obliging employers to develop action plans that outline numerical targets to improve such areas of the hiring, advancing and capacity building of women;
- “The Child Care and Family Care Leave Law – amendment (2016)” supporting employees balance work with family responsibilities;
- “Plan for Raising Children in a Peaceful Environment (2017)” ensuring childcare facilities; and
- “Act on the Arrangement of Related Acts to Promote Work Style Reform (2019)” promoting to reduce long working hours and build flexible work environment.

As a result, the number of women in workforce increased by 2.28 million between 2015 and 2019 amid population declines, the employment rate of women in child-rearing increased from 67.7% in 2012 to 76.5% in 2018, and the number of women at board-level positions in listed companies doubled between 2015 and 2019.

## 2. **Promotion of Employment of the Elderly**

In 2017, the Japanese government approved the “Action Plan for the Realization of Work Style Reform”. One of the new initiatives launched under the Action Plan was to promote employment of the elderly who wish to work. The government has expanded its support for corporations that extend the employee’s retirement age to 65 and/or continue employing workers past the age of 65 (i.e., many companies set the retirement age at 60 and adopt a mechanism for continued employment until 65). The Action Plan also covers initiatives including measures to enhance career mobility of the elderly with considerable expertise and experience, and to prepare an environment for a future raising of post-retirement employment age. Other efforts include securing employment opportunities in various forms of employment arrangements and assisting re-employment of the elderly. With these efforts, the employment rates of the elderly aged between 60-64, 65-69, 70-74 and beyond 75 in 2018 have increased by 5.2%, 3.8%, 5.2% and 1.1% respectively since the policy was implemented in 2016.

## 3. **Promotion of Rural Areas**

In 2015, the Japanese government approved the “Basic Plan for Food, Agriculture and Rural Areas”, setting forward agricultural policy reforms by focusing both on industrial policies that advance the growing industries including those of agriculture and food, and on regional policies that develop multifunctional characteristics of agriculture. This Basic Plan, one of whose themes is “Promotion of Rural Areas”, promotes Countryside Stay and business diversification of agriculture, forestry and fisheries with the aim of realizing an income increase and revitalization of rural areas facing population declines. The government’s support initiatives, through the Countryside Stay’s promotion measures implemented in 2017, include assisting rural areas in developing meal plans and experience-based programs, establishing accommodation and other facilities made from renovated traditional Japanese houses, and advertising the areas both domestically and internationally. The Ministry of Agriculture also promotes initiatives for business diversification of agriculture, forestry and fisheries by providing various assistance, including financial ones. As such, the number of tourists visiting and staying in rural areas has grown – contributing to the revitalization of such areas.

## **Remaining Challenges to Social Cohesion**

### 1. **Women’s Economic Empowerment**

The share of women in leadership positions has remained low at 14.9% (2018) despite its gradual increase. More policy implementation is needed to accelerate women’s advancement in the workplace.

### 2. **Promotion of Employment of the Elderly**

The portion of elderly people wishing to work beyond the age of 65 still greatly exceeds the employment rate of the elderly aged over 65. Further efforts are needed to promote employment of the elderly who wish to work so that motivated elderly people can make full use of their abilities.

### 3. **Promotion of Rural Areas**

As rural areas are said to be twenty years ahead of cities in aging and shrinking population, further efforts are needed to revitalize the areas.

## **Action Plans on Social Cohesion**

### 1. **Women’s Economic Empowerment**

“The Fourth Basic Plan for Gender Equality” sets out the highly ambitious government objective of increasing the share of women in leadership positions to at least 30% by 2020 in all fields of society. With a view to achieving this goal, the government has taken policy measures, according to “the Act on Promotion of Women’s Participation and Advancement in the Workplace”, to support such sectors as politics, justice, administration and the economy. The government is currently developing “the Fifth Basic Plan for Gender Equality”, aiming to make viable efforts to tackle foreseen obstacles including the lack of awareness of recruiters (many of who are male), and limited talent pool of female employees.

### 2. **Promotion of Employment of the Elderly**

The government aims to bring the employment rate of the elderly aged between 65 and 69 to 51.6% by year 2025. The government plans to revise the law to secure employment opportunities until the age 70, developing a set of employment options backed by laws, and introducing a mechanism where companies are obliged to discuss with management and labour what options to adopt, and to consult with employees what options to apply taking into account ones’ preferences. Apart from steps to improve legislation, other initiatives will be launched to: create a merit and performance-based evaluation and compensation system with due considerations to motivation and consent of the elderly; assist in creating a safe and secure work environment for the elderly by taking such measures as preventing workplace hazards and ensuring health with age-dependent changes in physical performance into account; and enhance support for career building and recurrent education for elderly people.

### 3. **Promotion of Rural Areas**

With 515 designated areas for Countryside Stay selected as of October 2019, the government will accelerate its supportive measures to assist these areas in improving service quality of accommodation, food and attractions, and facilitating implementation models of sustainable businesses, as well as to expand supports to other interested rural areas.

## **Role of Regional Cooperation in Social Cohesion**

APEC provides a great opportunity for APEC members to share good practices and learn from each other, build capacity and share information – all of which could help address the challenges, and contribute to the development of effective domestic policies towards improving Social Cohesion.

## Key Accountability Area 3: Environmental Impact

### Achievements in Environmental Impact

#### 1. Climate change

The Japanese government submitted the Intended Nationally Determined Contribution (INDC) in July 2015 and formulated the Plan for Global Warming Countermeasures in May 2016, which set the goal and promoted efforts to reduce 26% of its greenhouse gas (GHG) emissions by fiscal year (FY) 2030 (compared to FY 2013) and 80% by 2050 by reducing domestic emissions and securing absorption. This reduction target is achievable by measures that are supported by fully considered technical constraints and cost issues and accumulation of technology, that are consistent with the energy mix. As a result, Japan has reduced its GHG emissions for five consecutive years from FY2014, and achieved a reduction of approximately 12% over the last five years.

#### 2. Marine plastic litter

In June 2019, Japan took the initiative to make the “Osaka Blue Ocean Vision” aiming to reduce additional pollution by marine plastic litter to zero by 2050 against the backdrop that in the recent years, marine plastic litter issue has been discussed intensively at APEC and other international fora such as G7, G20 and UNEP. The G20 leaders reached an agreement to share and call on the international community to also share the vision as a common global vision. In addition, members endorsed the “G20 Implementation Framework for Actions on Marine Plastic Litter” which will promote a comprehensive life-cycle approach to urgently and effectively prevent and reduce plastic litter discharge to the oceans, in particular from land-based sources, through measures, inter alia, environmentally sound waste management, environmentally sound clean-up of marine plastic litter, deployment of innovative solutions, and international cooperation to enhance capacities, as well as prevention and reduction of plastic waste generation and littering, promotion of sustainable consumption and production, including but not limited to promoting resource efficiency, circular economy, sustainable materials management, waste to value approach, and measures to address sea-based sources. Japan hosted the first follow-up meeting in October, and established a portal site where measures of members including non-G20 members can be seen (<https://g20mpl.org/>). Moreover, this vision has been shared among 86 economies (as of September, 2020).

Japan has developed its legal system and improved its technology to establish a sound material-cycle society based on the concept of 3R (Reduce, Reuse, Recycle). Utilizing this experience, Japan has been promoting several measures. For example, Japan started supporting to build a domestic resource circulation system by promptly installing plastic products recycling facilities with the project titled: “Project for promoting installation of advanced equipment such as CO2 saving type recycling” (FY2019 budget: 3.33 billion yen, FY2018 revised budget: 6 billion yen). In addition, Japan has also started supporting recycling technology development of plastic products, as well as promote efficient use of resources that have not been collected or recycled, under the “Project on building a recycling system for plastics to support decarbonized society” (FY2019 budget: 3.5 billion yen).

## Remaining Challenges to Environmental Impact

### 1. Climate change

In terms of the climate change, Japan recognized it is a long term challenge to achieve a “virtuous cycle of the environment and growth” through discontinuous innovation that is not an extension of the past, and aims to realize a “decarbonized society” as early as possible in the second half of this century.

### 2. Marine plastic litter

There is no agreed international statistics so far while scientific knowledge is necessary to promote measures against marine plastic litter. Especially, despite the necessity of monitoring microplastics for its potential impact to the ecosystem, international monitoring methodology is yet to be harmonized. Although identification of their sources and amount is vital for effective and efficient reduction of marine plastic litters, the so-called inventory has not been established internationally.

In addition, it is said that the majority of marine plastic litters outflow is caused by inappropriate waste management in developing economies. Thus, it is important to promote international cooperation to improve proper waste management in such economies.

## Action Plans on Environmental Impact

### 1. Action plans for climate change

In the medium term, the government formulated the Plan for Global Warming Countermeasures, which set the goal and promoted efforts to reduce 26% of its GHG emissions by FY 2030 (compared FY 2013) and 80% by 2050, as mentioned above. In the long term, the government also formulated the Long-term Strategy under the Paris Agreement in June 2019, which set the long term vision as “Proclaiming a ‘decarbonized society’ as the ultimate goal and aiming to accomplish it ambitiously as early as possible in the second half of this century, while boldly taking measures towards the reduction of GHGs emissions by 80% by 2050.”

### 2. Countermeasures for marine plastic litters

In May 2019, the government has formulated the “National Action Plan for Marine Plastic Litter”. This action plan focuses on how to prevent outflow of plastic litter to the ocean and lists effective countermeasures to realize a world without additional pollution by plastic in the following 8 fields: 1) Promotion of proper waste management system, 2) Prevention of littering, illegal dumping and unintentional leakage of waste into the oceans, 3) Collection of scattered waste on land, 4) Recovery of plastic litter in the oceans; 5) Innovation in development of alternative materials and conversion to those, 6) Collaboration with stakeholders, 7) International cooperation for promoting measures in developing economies, 8) Survey on actual situations and accumulation of scientific knowledge.

## **Role of Regional Cooperation in Environmental Impact**

### **1. Climate change**

Japan fully contributes to reduce global greenhouse gas emissions by promoting international cooperation of excellent environmental technologies and products, which are Japan's strengths, and advancing co-innovation that also benefits partner economies. Japan also thinks that that the business-driven international cooperation in this area should be promoted as well.

### **2. Marine plastic litters**

As explained above, in June 2019, G20 Implementation Framework for Actions on Marine Plastic Litter was established at the G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth. This framework promotes each members to implement actions that address marine plastic litters issue and as well as to share and update the information of their actions. Also, in 2019, APEC endorsed Roadmap on Marine Debris that focuses on policy development and coordination, capacity building, research and innovation, and financing and private sector engagement. Making the most of these frameworks and initiatives, it is important that regional and international cooperation should effectively share information on marine plastic litter monitoring and waste management.

## **KOREA**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

To create a more competitive market environment for business transactions and strengthen consumer rights, Korea strengthened its monitoring of possible market dominance in innovative industries and monopolies. As a result, over the past five years, the Fair Trade Commission ordered 12 companies to correct their abuses of market dominance and fined them a total of 1,313 billion won. It also rectified 359 monopolistic activities, imposing penalties of 1,819 billion won.

In the financial sector, Korea implemented several policies to promote innovation. In particular, in April 2019, the Financial Services Commission introduced the ‘Regulatory Sandbox’ to grant special regulatory exceptions to novel services that have potential to be innovative and beneficial to customers. As of March 2020, 77 services have been labelled as Innovative Financial Service.

In addition, Korea encourages active participation of stockholders and executives in stockholders’ meetings and continuous improvement of the quality of public disclosures so that stockholders can properly exercise their rights. Specifically, to ease the burden of reporting transactions or shareholding of stockholders, the Financial Services Commission changed the Blockholder Disclosure Policy (5% Rule) which requires stockholders possessing over 5% of stocks to file a report to the Commission. It also abolished ‘shadow voting (proxy voting in terms of stockholders’ meetings)’, which could be abused to meet the quorum of executives and major stockholders in stockholders’ meetings. In addition, to promote timely and transparent information sharing, the Commission announced a list of companies that had been

found to delay the notification of information which may cause negative impacts on their stock prices and ordered them to repost corrected information.

### **Remaining Challenges to Institution Building**

There is a tendency for private actors in the financial sector to resist adopting new innovative policies designed to increase the efficiency of the current financial market. For instance, financial companies are reluctant to move away from their dependency on household loans, collaterals, and guaranties. Also, there is room for improvement in enhancing the capability of financial firms for evaluating the credit worthiness of companies.

Moreover, rapid market changes, including the emergence of new technologies such as Fintech require the introduction of flexible regulations in a timely manner so as to accommodate the inflow of IT companies into the financial market. In this context, amid rapidly evolving new technologies related to the Fourth Industrial Revolution, standard development should keep up with technological advancement.

### **Action Plans on Institution Building**

Regarding institution building in the financial sector, the Financial Services Commission will lower the entry barrier to stimulate competition among private actors and accelerate regulatory reform in the short term. For example, the Commission will continue to accelerate the implementation of the ‘Regulatory Sandbox’ which provides temporary permits to the companies to release their excellent products in the market when the regulation related to the product is equivocal. For its mid-term plan, the Commission will encourage private sectors to focus more on increasing technical expertise and future growth potential rather than risk management.

With regard to standard development, Korea will continue to improve its Fast-track system of qualification tests for new technology and to promote public awareness of the system. In this way, Korea aims to encourage suppliers to release their products conforming to new standards in a timely manner.

### **Role of Regional Cooperation in Institution Building**

Regional cooperation can facilitate exchange of innovative information and cases of each economy. Furthermore, it can stimulate regional transaction to enhance the financial competitiveness of member economies in the global market.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

To facilitate the entry of, and to increase economic opportunities for women, Korea established seventeen Enterprise Supporting Centres for women. The Centres provide business incubation programmes and facilities, business consultations and information on market and economic policies. In 2018, 181 companies run by women moved into these centres, and the sales increased by 19.7% in the first year.

Aiming to promote the startups ecosystem, the Ministry of SMEs and Startups encouraged 43 universities nationwide with excellent start-up infrastructure and capabilities to help innovative start-ups and provide step-by-step support. Besides, to nurture prospective entrepreneurs under 39 years old or first-time business owners with less than three years of business operation into promising young CEOs, the youth start-up academy system supports them in various areas, including start-up office spaces, start-up education and coaching, technical support, and sales channels. Moreover, TIPS (Tech Incubator Program for Startup Korea), a private investment-driven technology start-up program, was introduced in order to select promising start-up teams and connect them to private investors, and implement a system to support start-up business funds, overseas marketing, funding for accelerator's consulting, mentoring and R&D. As a result, the number of new corporations and venture companies both reached record highs. The number of new corporations increased from 74,000 in 2012 to 109,000 in 2019 along with that of venture companies increasing from 28,000 in 2012 to 37,000 in 2019.

To promote regulatory harmonization of medical products, Korea has provided training programs (Annual ICH training, AHC's in-person & online training) on international guidelines to enhance the understanding of global standards and gaps in implementation status among relevant stakeholders (Regulators, Industry, Academia, etc.).

### **Remaining Challenges to Social Cohesion**

For SMEs and startups, access to up-to-date information on market trends and conditions, and lack of opportunities to advance into the global markets by integrating into the GVCs are challenges that have been identified. Additionally, difficulties in enhancing their overall competitiveness have also been identified as additional challenges that SMEs and startups face.

Difficulties low-income citizens face in accessing financial services, mainly in the form of loans has been identified as another challenge to social cohesion. Difficulties in access to loans owe to various reasons, such as low or bad credit, and lack of collateral, among others.

For medical products, promoting the understanding of medical companies of the importance of regulatory harmonization and of how it aligns with their long-term interest is one of the challenges. Even though it is necessary to promote regulatory harmonization on medical products so as to increase public access to the medical products at a reasonable price, the pharmaceutical companies are reluctant to conform to the global regulation due to cost concerns.

### **Action Plans on Social Cohesion**

As for the MSMEs and startups, Korea plans to encourage new companies to grow into unicorn companies and to venture into the global market. Korea is planning to support the premium brand (BRAND K), a certified collection of premium SMEs products to increase SMEs' access to global markets. In addition, Korea will continue to promote cooperation among the companies and to support the coexistence of the large firms and SMEs in the market by improving its regulatory system for fair transaction.

With regard to the medical sector, Korea will continue to provide training programmes for capacity building and to enhance public awareness to accelerate the introduction of global standards. Also, Korea will continuously support the operation of APEC Harmonization Centre



(AHC) for its regulatory harmonization activities and broadening work areas including research and APEC LSIF projects.

### **Role of Regional Cooperation in Social Cohesion**

Regarding the improvement of social cohesion for MSMEs and startups, APEC economies could promote Startup Partnership to expand the network among regional start-ups and to promote a regional startup ecosystem to share best practices of member economies. Through the regional network, Korea hopes to share its experience of ‘SIMS (SMEs Integrated Management System)’ through which the policies or programmes operated by the Ministry and the local governments for supporting the SMEs and startups are managed in a holistic and integrated manner.

To promote social cohesion in the medical sector with regard to the regulatory harmonization, regional cooperation and international organizations such as APEC could continue its effort to hold a forum to share member economy’s current regulatory system and challenges. It could also encourage economies to host workshops to bring together experts around the globe to receive insightful recommendations, strategic approaches and practical tools for promoting regulatory harmonization and stimulating innovations in health systems.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

Korea announced its Green House Mitigation Target by 2030 and introduced its Emission Trading System (ETS) in 2015. With regard to the ETS, Korea introduced Benchmark-based Emission Allocation System to allocate carbon credits to the companies based on the energy efficiency of their facilities. Owing to its effort to promote the ETS, total amount of emission traded in the market increased from 5.73 million ton in 2015 to 29.32 million ton in 2017. In addition, Korea reinforced its Air Quality Standard to the level of leading economies and strengthened the legal and institutional framework to support reducing emission including *the Special Act on the Reduction and Management of Fine Dust* of 2018. Based on the special law, Korea developed proactive measures, including a policy to provide subsidies for purchasing electronic vehicles, to mitigate fine dust emission and to improve its air quality. As a result, the average concentration of fine dust from December 2018 to January 2019 decreased by 13% compared to the same period of previous year

In addition, Korea has implemented various measures to enhance energy efficiency, such as providing long-term loan with low interest rates to promote investment in energy-efficient facilities. In addition, the government increased its investments to enhance the energy supply and demand management system and improve the energy efficiency certification policies including energy-efficient home appliance certification. To reduce energy consumption, Korea also encouraged factories to its ‘Energy Management System (EMS)’ through which the managers could monitor their energy use and develop measures to use the energy more efficiently. As a result, the number of factories installing the EMS increased from 39 in 2018 to 80 in 2019.

## **Remaining Challenges to Environmental Impact**

Despite Korea's endeavour, there are several challenges to mitigating environmental impact. Above all, Korea needs to take a more holistic approach on its energy and climate policy by strengthening linkage between the short and mid-term policies of each Ministry to transform Korea into a low-carbon society.

In addition, noting that the public awareness of environmental issues has increased, Korea will benefit from utilizing it as a driving force of implementation of policies designed to promote Green Economy by encouraging voluntary participation to actions related to the mitigation of environmental impact.

## **Action Plans on Environmental Impact**

To cope with the challenges, Korea launched *the Low Carbon Growth Strategy 2050* in 2020. In addition, Korea plans to continue policies to reduce fine dust concentration including extending the scope of area subject to several regulations related to the air quality control from 1 to 4 regions. Korea also aims to promote Green Industry related to clean air, innovative water supply system combined with the ICT (smart water), renewable energy and ecological services, supporting job creation in this area.

Korea also aims to improve its forestry management system to offset the greenhouse gas emission. To this end, Korea established several action plans including *the 2030 Forest Carbon Management Strategy*, *the Second Forest Sink Enhancement Plan* and *the Third Five-Year Plan for Green Growth*. For example, Korea will continue to support afforestation in schools or rooftops of buildings to increase amount of carbon absorption in urban areas.

In addition, Korea launched several action plans to reduce the environmental impact derived from the energy sector. For example, Korea launched *the 3<sup>rd</sup> National Energy Master Plan* and *the National Plan for Energy Efficiency Innovation* in 2019. In particular, Korea is planning to increase subsidies for installing Factory Energy Management Systems (FEMS) in SMEs and to provide follow-up services and consultation for two years after the installation.

## **Role of Regional Cooperation in Environmental Impact**

One of the important roles of APEC regarding the mitigation of environmental impact is to continue to stimulate conversation among member economies regarding the trade of eco-friendly products and facilitation of service trade, thereby supporting development of Green Industry in the APEC region.

With regard to air pollution, given that air pollution is a cross-boundary issue, APEC can continue to stimulate information sharing among member economies through policy dialogues or partnerships or collaborate with other international organisations to expand its network and to facilitate information sharing. APEC could also play a proactive role in facilitating support for a regional action plan to address air pollution in the region.

In addition, given that the low-carbon and clean energy issue would be an emerging issue for developing economies in the near future, APEC can consistently push ahead with the low-carbon and clean energy agenda to raise awareness of member economies in a proactive manner

as well as to encourage them to continue their efforts for GHG emissions reduction and the transition towards a low-carbon and clean energy system.

## **MALAYSIA**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

**1. Eleventh Malaysia Plan (11MP) 2016–2020**

It is Malaysia's five-year development plan towards realising the goal of Vision 2020. The strategies in relations to trade and investment include strengthening investments in the manufacturing and services sectors that have high GNI impact and have strong linkages with domestic industries. Malaysia has been adopting a more focused and targeted approach in attracting quality investments i.e., in high technology; skills, capital, knowledge, design and R&D intensive; export oriented and high value-added industries as well as in new growth areas.

**2. The National Automotive Policy (NAP) 2014 (2014-2020)**

It was introduced with the aim to transform and enhance the overall automotive industry's contribution to Malaysia's economy. Central to this policy is the vision of Malaysia to become an energy efficient vehicle (EEV) hub. It encompasses strategies and measures to strengthen the entire value chain of the automotive industry that leads to environment conservation, high-income job creation, transfer of technology and create new economic opportunities for local companies. Over years of implementation, NAP 2014 has been a success, especially in terms of opening up the market to new entrants, enhanced EEV penetration in local market as well as improved component exports.

**3. Strategic Trade Act 2010**

It is the legislation that controls the export, transshipment, transit and brokering of strategic items and technology, including arms and related material, as well as activities that will or may facilitate the design, development, production and delivery of weapons of mass destruction. This Act implements Malaysia's international obligations to combat the proliferation of weapons of mass destruction and proliferation financing. There are other 26 laws related to this Act.

#### **Remaining Challenges to Institution Building**

1. Adaptation to the evolution of digitalisation by smaller businesses and general public.
2. The Strategic Trade Act 2020 and its regulations need to be updated constantly to keep pace with the advancement of technology and digitalisation. For example, there is a remaining challenge regarding the Intangible Technology Transfer (ITT) where ownership and governance of data are questionable.
3. Global unprecedented challenges such as the current COVID-19 outbreak, which is causing domino effect on domestic and economic policies.

## **Action Plans on Institution Building**

1. Discussion on the next Malaysia Plan is underway, taking into account latest Government policies and aspirations such as the Shared Prosperity Vision 2030.
2. The National Automotive Policy 2020 (NAP 2020) was launched recently, aiming to make Malaysia a regional leader in manufacturing, engineering and technology as well as to ensure a sustainable development of the local automotive industry. This will facilitate the required revolution and optimal integration of the local automotive industry into regional and global industry networks. The Vision also aims for the local automotive industry to continue to be aligned with the latest global technological trends through the application of IR4.0 technologies towards moving into connected mobility phase of development in Malaysia.
3. Preventing proliferation of weapons of mass destruction (WMD) requires a coordinated effort of all agencies involved. To facilitate coordination among the various licensing bodies, Ministries, supervisory authorities and law enforcement agencies, the Strategic Trade Secretariat (STS), the administrator of the STA 2010 has established a Strategic Trade Action Committee (STAC). The STAC serves as an inter-agency platform to discuss any matters pertaining to the effective implementation of the STA and its subsidiary legislation. In addition to STAC, the National Coordination Committee to Counter Money Laundering (NCC) has also established the Financial Sector Sub-Committee (FSSC).

## **Role of Regional Cooperation in Institution Building**

1. Continuous capacity building in relevant sectors/areas to contribute to economic growth through global best practices.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

1. **Women in Leadership Position**
  - The Government and Bursa Malaysia have mandated all public listed companies (PLCs) to be represented by at least 30% women on their corporate boards. It is a policy launched by the Government in 2011 and targeted for achievement by 2016 (for top 100 PLCs only), which later was extended to year 2020.
  - As at 2018, 15.7% or 1010 from the total 6245 board of directorships in all 943 public listed companies (PLCs). Zooming in to the 100 top most PLCs, there has been a significant increase from 19.27% in 2017, to 24.4% in 2018. Women's position as leaders in the public sector however, has achieved more than 30% but efforts must be persevered to increase the number further. In this regard, Malaysia is fully committed towards advancing gender diversity that promotes and increases corporate governance as well as company's financial performance.

## 2. Global Online Workforce (GLOW)

- Spearheaded by the Malaysia Digital Economy Corporation (MDEC) in 2016, it was a programme to promote online freelancing as an alternative source of income or a new form of employment to Malaysian citizens. The programme ran for 7 months, with the participation of more than 600 participants divided into several intake batches. The result of each batch was very promising with a total net income of RM2.9 million accumulated by all participants within less than 6 months.
- Following the success of the pilot programme, and recognising the global trend of gig economy, MDEC was given the mandate to scale-up the Global Online Workforce Programme or GLOW programme from 2017 onwards which includes young professionals, housewives and Persons with Disabilities. The programme has pursued collaborations with relevant stakeholders to develop safety net benefits for the local freelancers who have chosen online freelancing as their career or primary source of income.

## 3. Gender-responsive Social Protection

- The Government introduced an initiative called the Employees Provident Fund (EPF) Voluntary Contribution Scheme with Special Government Incentive for Housewives known as *Insentif Suri* (i-Suri) with the objective to provide social protection for women, especially housewives. It was established to ensure that they have protection and savings for retirement or in the event of a sudden change in the household.

## Remaining Challenges to Social Cohesion

1. **Coordination:** A robust coordination structure or system is needed particularly to coordinate the implementation of the initiatives from up-bottom approach or between the federal Government and state or local authorities.
2. **Inclusive Participation:** In order to produce collective set of actions, to enable the established system and structure as well as to implement the policy direction, inclusive and comprehensive participation by the stakeholders consists of the Government, non-governmental organizations, industries and social groups are crucial.
3. **Monitoring Mechanism:** Effective monitoring mechanism to measure the implementation and to provide space for improvement in advancing the specific initiative is equally important.

## Action Plans on Social Cohesion

1. To participate actively in the capacity building initiative with the objective to enhance knowledge and expertise by way of sharing of information and learning from the experts. For example, in the area of marine debris, Malaysia is one of the drafters in the drafting team of the APEC Roadmap on Marine Debris and planning to contribute more in APEC 2020 by giving a special focus or priority on sustainability.
2. As for social protection, the government is structuring the implementation of the i-Suri scheme based on three main objectives namely:

- Short-term: to promote voluntary savings;
- Medium-term: to implement mandatory EPF contribution from the husband to the housewife; and
- Long-term: to provide comprehensive social security protection to all Malaysians.

### **Role of Regional Cooperation in Social Cohesion**

1. APEC serves as a point of reference for new initiatives and sharing of best practices particularly on the area new to developing economies including Malaysia.
2. APEC provides a comprehensive and reliable source of statistic and data in various areas and subject.
3. Incubation of new idea and policy recommendations where the APEC Projects provide a good platform for economies to leverage on the specific subject in discussion.
4. Promote cooperation and collaboration between economies while helps to develop and upgrade the capacity of each economies to improve Social Cohesion.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

1. **Malaysia's Green Technology Master Plan (2017-2030)**  
The Master Plan creates a framework which facilitates the mainstreaming of green technology into the planned developments of Malaysia, focusing on six sectors, namely energy, manufacturing, transport, building, waste and water.
2. **Single-Use Plastics**  
Malaysia has established the Roadmap towards Zero Single-Use Plastics 2018-2030 to address the issue on marine debris and plastic waste and to reduce its impact to the life of the coastal ecosystem and human health. Throughout Malaysia, implementation of the zero single-use plastics is evident whereby retail stores have been charging consumers for each single-use plastic they would need for their purchase. At ASEAN level, Malaysia continues her active role as a member to the coordinating body of the Seas of East Asia (COBSEA) and ASEAN Working Group on Coastal and Marine Environment.

#### **Remaining Challenges to Environmental Impact**

1. **Educating the Public** especially in the rural areas is a constant effort needs to be undertaken, including through school curricular as well as Corporate Social Responsibility (CSR) activities by big corporations.
2. **Commitment of Businesses:** Getting full commitment from the private sector including the SMEs may take some time due to lack of awareness as well as lack of capital resources and investment. It would be ideal if businesses could undertake

proactive steps within those important sectors in reducing GHG emission by adopting best practices in their business activities. This can be done by measuring and benchmarking carbon footprint on the operational front including in supply chain, procurement, energy, logistics and waste management. By companies setting their emissions reduction targets and monitoring progress of implementations, business community will be seen as a partner and active contributors in helping to build resilience for adaptation to climate change.

### **Action Plans on Environmental Impact**

1. **Reducing Greenhouse Gas (GHG) Emission:** As a signatory to the Conference of Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), Malaysia has pledged to reduce its GHG emission intensity of GDP by up to 45% by 2030, relative to 2005 levels. This consists of 35% on an unconditional basis and a further 10% is conditional upon receipt of climate finance, technology transfer and capacity building from developed economies. As of date, Malaysia has reduced its carbon emission intensity of its GDP to 33%.

### **Role of Regional Cooperation in Environmental Impact**

APEC could fill in the research gaps in the areas of:

1. Mitigation efforts, such as increase in the renewables usage for electricity generation, promotion of energy efficiency measures, improvement in waste management and protection of forest carbon stocks. Constraints still remain in the areas of acquiring adequate financing, as well as establishing consistent regulatory framework and cohesive institutional arrangements for mitigation actions.
2. Adaptation efforts, including addressing environmental issues in flood, dry spell, sea level rise and integrated hazards. There are still lack of awareness and understanding among stakeholders on the full chain of implications of climate change. Capacity-building and awareness programmes are in-need to conduct impact assessment in all key sectors.

## **NEW ZEALAND**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **Trade for All**  
Running since early 2018, the Trade for All agenda aims to ensure New Zealand's trade policy delivers for all New Zealanders and contributes to addressing global and regional issues of concern, such as environmental issues and labour standards. It informs NZ's policy approach to international trade and the rules and disciplines around this, including through our involvement in the World Trade Organisation, our negotiation and implementation of free trade agreements, and the interaction between trade and

domestic economic policy. It works alongside other government policies, to support sustainable and inclusive economic development. Central to the process has been a wide ranging public consultation process including dedicated consultation with Māori, as the Crown's treaty partner, and a set of recommendations from an independent Trade for All Advisory Board.

## 2. **FTA/RTA negotiations**

New Zealand has pursued an active FTA/RTA negotiating agenda, to support trade and investment liberalization and facilitation. During 2015-2019, two comprehensive FTAs which entered into force were CPTPP and the NZ-Korea FTA. Part of this process has involved a robust public consultation process, including with business and Maori.

## 3. **Regulatory management**

Since 2016, the New Zealand government has pursued a comprehensive review and modernisation of the government regulation process. Many government agencies with regulatory responsibilities are now required to publish regulatory management strategies setting out the fitness-for-purpose of regulation, plans for regulatory change, and emerging trends and issues.

## **Remaining Challenges to Institution Building**

New Zealand's institutions are in strong health, and well regarded internationally. For example, New Zealand has consistently ranked top of the world in ease of doing business, and in the Transparency International Corruption Perceptions Index. Nevertheless, there remain challenges to institution building in New Zealand.

1. The first challenge is the unfolding response to COVID-19, and its potential economic impact on New Zealand.
2. The second challenge is improving New Zealand's digital transformation.
3. The third challenge is responding to recent tensions in international trade.

## **Action Plans on Institution Building**

The New Zealand government's initial economic response to **COVID-19** has been to launch a \$12.1 billion response package - New Zealand's most significant economic plan in peacetime. The package focuses on income support and stimulus measures. Longer term measures are being developed as the situation develops.

To assist in New Zealand's **digital transformation**, the government implemented the Ultra-Fast Broadband (UFB) Initiative. It will bring faster, better internet to at least 80 per cent of New Zealanders by 2022. In addition, the medium term plans include integrating services across government so that people get what they need easily and efficiently; and implementing the recent Digital Inclusion Blueprint, which is the Government's vision to make sure every New Zealander can access digital technology. Further to this, the Future of Work Tripartite Forum is a partnership between the Government, Business New Zealand and the New Zealand Council of Trade Unions – as representatives of union and business groups – that aims to support New Zealand businesses and workers to meet the challenges and take the opportunities



presented in a rapidly changing world of work. The Forum provides a place for these three partners to discuss issues and work together to identify and implement solutions.

In terms of recent tensions in **international trade**, New Zealand's short and medium term plans are: defend the system of international trade rules; embed New Zealand in the emerging regional economic architecture; support regional and global public goods such as APEC; advance the concept of 'open plurilateralism'; further promote the Trade for All agenda, and intensify our economic diplomacy.

### **Role of Regional Cooperation in Institution Building**

Regional cooperation and international organisations are fundamental to the success of institution building. Regional and international institutions act as public goods which help safeguard social, economic and political progress. New Zealand's engagement in APEC, as well as in the OECD and WTO are examples of this. The rules-based international system supports collaborative solutions to shared problems and provides a stable and predictable operating context for economies like New Zealand.

**COVID-19:** A global and regional response to COVID-19 is undeniably important. Institutions like the WHO are fundamental to the eventual elimination of the disease. International economic organisations such as the World Bank, and the IMO, will also play a key role in the economic and social recovery. APEC can also have a role in building confidence, sharing information, and pursuing initiatives that will assist economies with the social and economic recovery from the pandemic.

**International trade:** This is premised upon a well-functioning international and regional system. It is important that there is cooperation both bilaterally, regionally and globally to support trade and investment liberalisation and facilitation. APEC's work is a key example of this.

**Digital transformation:** Through regional cooperation and international organisations, we can develop common frameworks and shared solutions to common challenges to enable maximum productivity gains from digital transformation.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

#### **1. The Social Investment and Social Wellbeing Approaches**

In 2017 New Zealand introduced a Social Investment approach focused on better collection and analysis of a wider range of targeted data to assess needs and the impacts of social investments and policies to support the delivery of social services for communities. The approach focused on four key principles: applying social investment across government; making sure the right infrastructure was in place; getting whole of system advice to decision makers; and being willing to be bold and brave and take risks to fail. It came with the creation of a Social Investment Agency and an NZ \$100m social investment fund to target mental health solutions and to fund innovative cross-agency initiatives.

In February 2020, under a new Government, the agency took on a new name and new approach, becoming the Social Wellbeing Agency, and shifting from an investment-focus to one which is people- and wellbeing-centred. The new approach represents a people-focused model of looking at people and their needs – with data being just one of a range of factors taken into account. The approach also considers the wider impact of policies on people and their wellbeing, in line with the Wellbeing approach (see below).

While the new approach is in its nascent stages and it is too early to fully see or measure its impact economy-wide, there are already some tangible examples of outcomes being measured. A recent example relates to the findings of a collaborative project with The Southern Initiative called *Having a Baby in South Auckland*. It was found that the wellbeing approach made a marked difference to the outcomes of the project. For example the finding that fathers often stop earning money from paid work right around the time that a baby is born. The research showed that fathers with lower qualifications display a pattern of being outside of paid employment before and after the birth of their child. In some cases they left jobs and or took jobseeker benefits. For some this was driven by a desire for fathers to be at home with the mother and baby. It was noted that this insight highlighted the different types of stressors people experience in different circumstances, and that the right kind of information is key to delivering good outcomes for people.

The intent is that the Social Wellbeing Agency will serve as the ‘glue’ for social sector coordination and will enable a strategic cross-sector approach for the delivery of social services.

## 2. **The Living Standards Framework and the Wellbeing Budget**

New Zealand has a healthy, well-educated population with increasing material standards of living. But there are disparities in living standards across socio-economic and ethnic groups. These inequalities – both social and economic – are particularly persistent for Māori and Pasifika communities, and for the disabled, sole parents and young people (aged 15 to 24). Inequality persists across a broad range of wellbeing indicators, including trust in public institutions, mental health, suicides, victims of homicide, housing quality and overcrowding, unemployment, qualifications and life satisfaction.

These issues highlight the importance of ensuring that the broad range of factors that matter to New Zealanders, together with distributional and intergenerational impacts, are central to any definition of progress and drive policy decision making. As a result we have seen two key initiatives to address these challenges:

Since 2011, the Treasury has developed and evolved a Living Standards Framework (LSF) as a tool to support policymakers to more consistently reflect broader factors – as well as distributional and sustainability impacts – in their advice. The most recent version of the LSF draws on the OECD’s wellbeing framework, the Better Life Index (BLI). Like the BLI, the LSF assesses policies against 12 domains of current wellbeing, as well as four ‘capital’ stocks (natural, human, social, and physical and financial) that underpin our wellbeing and our ability to sustain future wellbeing. The BLI/LSF also highlight that we need to think about distribution of wellbeing across people, places and

time or generations. The LSF adapts elements of the BLI for a New Zealand context. There is ongoing work to develop a specific Te Ao Māori dimension – with the approach and indicators reflective of New Zealand’s indigenous population and culture.

The Treasury has released an LSF Dashboard<sup>1</sup> as a measurement tool to support the framework. It provides a range of outcome indicators across the wellbeing domains, and capital stocks. Where data is available, the Dashboard provides international comparisons, distributional analysis and time trends, and enables policymakers to explore interrelationships across the wellbeing domains for different population groups.

### 3. The Wellbeing Approach

The LSF and Dashboard support the current Government’s broader objective of embedding a Wellbeing Approach in its budgeting, and in policy development across the public sector, as part of a broader set of public sector reforms. This is a system-wide change in how the public sector works to move beyond output-based measures, take a whole of government approach, and look at intergenerational outcomes. It includes:

- The Budget process: Budget 2019 was the first time a Wellbeing Approach was used in the New Zealand Budget process – from design through to publication. Analysis of wellbeing indicators, and other wellbeing evidence, informed the development of five Wellbeing Budget priorities – the areas where Government identified new spending could make the most impact on living standards<sup>2</sup>. In presenting funding requests, agencies were asked to outline and, where possible, quantify how their initiative impacted on the relevant wellbeing domains, as well as how they align with the Budget priorities.
- Embedding a focus on wellbeing in the Public Finance Act 1989. The Public Finance Act (which governs New Zealand’s public financial management regime) is being amended to require future governments to set out how their wellbeing objectives, together with their fiscal objectives, to guide their Budgets and fiscal policy. Additionally, governments will be required to report on New Zealand’s wellbeing data at least every four years.
- The Child Poverty Reduction Act 2018 puts into law a requirement to have measures and targets for child poverty. The Act requires Statistics NZ to independently report on child poverty levels and for the first time in Budget 2019, the Government reported on the impact of budget initiatives on child poverty. The Act also creates a greater commitment by Government to address child wellbeing by requiring the development of a Child and Youth Wellbeing Strategy.
- Strategic planning and performance reporting: The Government has instructed agencies to apply an effective wellbeing approach to their external planning and reporting to help achieve the following three impacts:
  - Parliament and the public are better-informed through performance information with a wellbeing dimension;
  - government decision-making is informed by meaningful agency wellbeing performance information; and

<sup>1</sup> <https://lsfdashboard.treasury.govt.nz/>

<sup>2</sup> The five Budget priorities were: taking mental health seriously; improving child well-being; supporting Māori and Pasifika aspirations; building a productive economy; transforming the economy.

- agencies orientating behaviours, actions and delivery to improve wellbeing through their strategy, planning and reporting processes.

It is too early to expect significant impacts as a result of this approach in the first year of implementation. Many of the issues that the Wellbeing Approach aims to address are long-term, complex, previously intractable issues, for some of which (such as the impacts of technological disruption) the impacts are yet to be fully understood. Many of the measurement indicators used are slow-moving – that is, we don't expect to see measurable short-term impacts.

However, some early impacts observed in the Budget 2019 process include:

- The Budget decision-making process was more collaborative across government, with senior officials groups from different agencies identifying the focus for each Budget priority and Ministerial groups actively shaping development of Budget packages. At each stage, summary information on expected wellbeing impacts was included in advice, which led to additional rigour in shaping Budget advice.
- Including this summary information helped direct new spending towards the areas highlighted by the wellbeing analysis. In the 2019 Budget this resulted in \$1.9 billion directed towards improving mental health services and outcomes, and significant investments to address family and sexual violence, support low income individuals and families, and tackle homelessness.
- More detailed information can be found at:  
<https://www.budget.govt.nz/budget/2019/wellbeing/index.htm>.

### **Remaining Challenges to Social Cohesion**

Considering the current economic situation, the existing challenges identified in the rationale for developing the LSF and Wellbeing Approach remain true – that is:

- addressing income inequality
- reducing inequities across the range of social indicators for Maori and Pasifika including trust in public institutions, mental health, suicides, victims of homicide, housing quality and overcrowding, unemployment, qualifications and life satisfaction.

### **Action Plans on Social Cohesion**

The Wellbeing Approach is intended to evolve over time, to be fit for purpose and to plan for and respond to the needs of New Zealanders. In December 2019 the government outline its priorities for the 2020 Wellbeing Budget as:

- Just Transition – Supporting New Zealanders in the transition to a climate-resilient, sustainable, and low-emissions economy
- Future of Work – Enabling all New Zealanders to benefit from new technologies and lift productivity through innovation
- Māori and Pacific – Lifting Māori and Pacific incomes, skills, and opportunities
- Child Wellbeing – Reducing child poverty and improving child wellbeing
- Physical and Mental Wellbeing – Supporting improved health outcomes for all New Zealanders.

These areas will focus will lead to specific initiatives and policy actions to deliver outcomes under these priorities, once formally announced in the 2020 Budget Statement, planned for delivery in May.

### **Role of Regional Cooperation in Social Cohesion**

APEC's ongoing work on inclusion policies is very useful for enabling economies to share information, ideas and policy approaches. Many of these initiatives contribute to building solutions and addressing challenges to social cohesiveness in communities. Therefore we strongly support the ongoing focus on inclusion, and integrating this approach into the core focus areas of APEC, such as structural reform.

We also welcome further sharing and opportunities to showcase economies' approaches and the impacts of policies through workshops and panels, in particular through addressing some of the intersectional issues such as indigenous, ethnicity, disabilities, aging populations. As it is these communities who are usually the most disenfranchised and the most affected by policies which are not inclusive, leading to social isolation and exclusion of these populations.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

##### **1. Paris Agreement Target**

New Zealand ratified the Paris Agreement in 2016. New Zealand's target under the Paris Agreement is to reduce greenhouse gas emissions by 30 per cent below gross emissions for the period 2021-2030. This target is equivalent to 11 per cent below 1990 levels for that same period.

##### **2. Zero Carbon Act**

In 2019, the Climate Change Response (Zero Carbon) Amendment Act set into law a new domestic 2050 target:

- net zero emissions of all greenhouse gases other than biogenic methane by 2050
- 24 to 47 per cent below 2017 biogenic methane emissions by 2050, including 10 per cent below 2017 biogenic methane emissions by 2030.

##### **3. Climate Change Commission**

An independent Climate Change Commission was established in mid-December 2019 to provide advice to Government on climate change mitigation and adaptation, and to monitor progress towards the new 2050 target and emissions budgets.

#### **Remaining Challenges to Environmental Impact**

##### **1. Reducing greenhouse gas emissions**

The New Zealand Emissions Trading Scheme (NZ ETS) is our key policy tool for reducing emissions and meeting our emission reduction targets. New Zealand is progressing with work on strengthening and improving the operation of the NZ ETS.

The New Zealand Government has decided to put a price on agricultural emissions from 2025. The Government continues to invest in research and development to identify options to reduce agricultural emissions.

## 2. **Transitioning to a low-emissions economy**

The Government has sought advice on the transition to a low emissions economy, including through support to sectors such as the energy, transport, built environment and waste sectors to make the transition.

## 3. **Adapting to the effects of climate change**

New Zealand needs to be better prepared to adapt to the effects of climate change. In 2016 the Government asked a group of technical experts across the public and private sectors to provide advice on how New Zealand could adapt to the effects of climate change. See *Adapting to Climate Change in New Zealand: Recommendations from the Climate Change Adaptation Technical Working Group*.

The first economy-wide climate change risk assessment will provide an overview of how New Zealand may be affected by climate change. The Government will use it to prioritise action to reduce risks or take advantage of opportunities through an adaptation plan. Work on the first risk assessment began in September 2019. It is expected to be complete by mid-2020. The Climate Change Commission will be required to conduct a risk assessment every six years under the Climate Change Response (Zero Carbon) Amendment Act.

## **Action Plans on Environmental Impact**

Cabinet has agreed a framework for the whole of Government, which will drive our climate change policy towards low greenhouse gas emissions and climate resilience in New Zealand.

The framework has a focus on:

- leadership at home and internationally
- a productive, sustainable and climate-resilient economy
- a just and inclusive society.

It supports New Zealand's commitments under the Paris Agreement, including our target of reducing emissions by 30 per cent below 2005 gross emissions (or 11 per cent below 1990 emissions) for the period 2021-2030.

It also recognises that we need to adapt to climate change impacts to address the changes we are already seeing and will continue to encounter (even with a global reduction in future emissions). See *Cabinet paper: Framework for climate change policy and key upcoming decisions*.

## **Role of Regional Cooperation in Environmental Impact**

1. Fossil fuel subsidy reform: Regional and international organisations could encourage members to rationalize and phase out inefficient fossil-fuel subsidies that encourage wasteful consumption, including through mechanisms such as political commitments, the APEC Peer Review process, and capacity-building.

2. **Sharing of knowledge and best practice:** The Global Research Alliance on Agricultural Greenhouse Gases (GRA) brings economies together to find ways to grow more food without growing greenhouse gas emissions. Regional and international organisations could look to support the work of the GRA.
3. **Carbon markets:** The NZ ETS is currently closed to international carbon markets. The International Carbon Markets Project was established in 2016 to explore options for New Zealand to supplement domestic climate change action and forestry with high-integrity international emission reduction units in the 2020s. Regional and international organisations could share experiences to support the development of international carbon markets.
4. **Climate finance:** New Zealand recognises the importance of mobilising climate finance flows to achieve the transformational economic change anticipated by the Paris Agreement. Regional and international organisations could encourage the mobilisation of climate finance.

## **PERU**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **Mechanisms that support trade and investment liberalization and facilitation**
2. **Rules-based economy**
3. **Market-based economy**

Over the past 5 years, numerous mechanisms that support trade and investment liberalization have been promoted in Peru. For instance, the Government signed several Free Trade Agreements (FTAs) with almost all APEC member economies and negotiated many double taxation treaties and bilateral investment treaties.

In addition, Peru has fostered its social and economic development in accordance with the rules-based economy and market-based economy. Although it seems these aspects have been gradually accomplished, maintaining macroeconomic stability and a prudent budgetary policy that rationalizes public spending, Peru continues to face challenges in social areas, the education system, productive diversity and science and technology to close the gaps with other APEC member economies.

#### **Remaining Challenges to Institution Building**

1. **Deep financial markets**
2. **Shareholder-oriented corporate governance system**
3. **Efficient labour market**

Regarding the most important challenges that our economy has to face in terms of institution building, the Peruvian government signed this year an Emergency Decree to improve credit conditions to finance small and medium enterprises (SMEs), since there is a need to deepen financial market and stimulate much more competitiveness of the financial sector to

significantly reduce interest rates. Nowadays, Fintech sector offers new possibilities with services adapted to producers, traders and consumers who have not yet accessed the formal financial market.

In recent years, when the Government established its National Integrity and Anti-Corruption Policy and priority anti-corruption agenda, unfortunately few domestic and foreign corporations related to the infrastructure sector have been investigated due to bribery scandals. Subsequently, others corporations and enterprises, while firmly distancing themselves from these scandals, have been looking for alternative models to move from the narrow perspective of shareholder-oriented corporate governance to the widely stakeholder-oriented model. In the latter model, while businesses continue to focus on obtaining benefits for their shareholders, they should spend more time listening carefully to other key participants such as employees, customers, creditors, traders and the wider stakeholder group, in order to gain corporate value, obtain a better relationship with the community and establish a modern and flexible corporate governance system.

In theory, it is said that a rules-based economy would promote an efficient labour market. However, the majority of the labour market in Peru is not formal, because most of jobs are in informal economy which is not regulated by the Government. This situation applied to self-employment in small unregistered enterprises that paid employees working in unprotected jobs.

### **Action Plans on Institution Building**

Regarding the deepen financial market, the Peruvian government has started to promote better regulation in favour of financial access for SMEs in accordance with the market-based economy and these efforts should continue forward.

In general, important business associations in Peru adopted new strategies to rebuild society's confidence after some bribery scandals were revealed that partially affected the business environment. For instance, many business associations strongly disagreed with the bad practices and invited SMEs unions to join bigger business organizations as a goodwill gesture to strengthen value chain and confidence between big corporation and SMEs.

Relating to labour market, some efforts have been made to formalize the workforce with updated legal framework; however, if productivity and competitiveness are to be promoted in the economy, human resources capacity will need to be strengthened to prepare for significant labour market development.

### **Role of Regional Cooperation in Institution Building**

It would be interesting to focus on two subjects for regional cooperation in institution-building:

1. Deep financial market to provide broaden financial access to SMEs
2. Foster efficient market labour with a well-trained and productive workforce.



## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

1. **Fight exclusion and marginalization**
2. **Create a sense of belonging**
3. **Promote trust**

Although poverty rate has decreased significantly during the period 2013-2018 from 23.9% to 20.5%, economic inequalities persist. Last survey indicated that poverty had gone up in at least 10% of all districts in Peru, where the poorest people who dwell in rural areas work in agriculture without being able to meet their basic needs.

Taking these facts into account, the Peruvian government focuses its attention on helping the most vulnerable population with assistance programs in healthcare, nutrition and education. Meanwhile, Peru has recently decided to stimulate a large portfolio of infrastructure projects to help boost economic growth.

Before the spread of coronavirus pandemic, the Peruvian government was not only fighting against poverty, exclusion and marginalization as the core of its public agenda, but was also it was strongly supporting public institution that was fighting against corruption, calling for people unity and seeking a sense of belonging to overcome these challenges.

### **Remaining Challenges to Social Cohesion**

1. **Offer opportunities for upward mobility**

One of the major difficulties in overcoming the challenges that face the Peruvian economy is to offer more opportunities for upward mobility. As mentioned above, our main concern is to develop human resources capacities to unleash the full economic potential. If Peru achieves this goal, more and better educated people will be able to access qualified job and thus well-paid worker will build up a powerful middle class. Upward mobility in our society could help foster a stronger economy with a productive diversity and a decisive development in science and technology.

### **Action Plans on Social Cohesion**

Some labour and gender policies have been implemented to overcome identified obstacles that hinder upward mobility; however, Peru is aware that more technical skills and educational programmes should be set out to extend inclusion and benefits beyond students, women, youths, people with disabilities and working class. New global challenges, such as digital economy or technologies associated to the Fourth Industrial Revolution, will require the workforce to be prepared with new skills and abilities.

### **Role of Regional Cooperation in Social Cohesion**

As just mentioned, upward mobility is an important issue to be addressed. Therefore, APEC might play a significant role in addressing this issue to improve social cohesion, especially if APEC economies could share good practices and experiences in training workforces. This proposal should be adequate to respond accurately at work to properly manage emerging technologies in the digital age.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

#### **1. Reduce greenhouse gas emissions**

On one hand, Peru is an economy that poses a huge potential to activate the circular economy system as a way to leading global efforts to reduce environmental impact. On the other hand, for the last 5 years, some cities such as San Borja and La Molina in Lima have been implementing the APEC Low-Carbon Model Town (LCMT) Initiative to achieve local environmental goals.

This initiative has been successful due to three political factors: first, it was supported by the Ministry of Energy and Mining and the Ministry of Foreign Affairs; second, it has been implemented by two local municipalities in Lima; and third, this initiative was aligned with Peru's commitment to accomplish the Sustainable Development Goals (SDGs) which were adopted by the United Nations in 2015.

### **Remaining Challenges to Environmental Impact**

- 1. Increase carbon sequestration**
- 2. Adapt to the effects of climate change**

Even though Peru has a large rainforest territory in the Amazon and conserves many protected areas that naturally contribute to capture carbon dioxide surplus from the atmosphere, it is true that the Peruvian government has to deal illegal logging and depredation. As for adapting to effects of climate change, Peru is concerned about the impact on our economy, especially when the greenhouse gases cause severe droughts and floods that are frequently reported in our territory. For that reason, Peru participates, collaborates and supports international cooperation to face global challenges in relation to mitigation, in order to design strategies to diminish environmental impacts.

### **Action Plans on Environmental Impact**

To combat the threats of illegal logging, the Peruvian government continues to improve governance and law enforcement capacity, deepens interdiction policy and rural development strategies. The impacts of illegal logging are varied, ranging from uncontrolled deforestation to the deprivation of sustainable livelihood opportunities for local communities.

With reference to climate change, food security is one of our major concerns. Therefore, in the long term, it should be a policy priority to enhance the quality of food supply chain management from rural areas to cities, enabling farmers to increase fair incomes, as they have been playing a vital role supplying food and conserving our biodiversity resources, genetic material and traditional knowledge.

### **Role of Regional Cooperation in Environmental Impact**

As explained above, APEC can play an essential role in proposing cooperation on environmental impact. APEC can lead discussion of an array of topics relating to city planning, urban development, environment management, energy efficiency development and renewable energy utilization.

## THE PHILIPPINES

### Key Accountability Area 1: Institution Building

#### Achievements in Institution Building

1. **The crafting of the Philippine TVET PH 4.0 Framework and the publication of the National Technical Education and Skills Development Plan (NTESDP) 2018-2022.** The Philippine TVET PH 4.0 Framework provides specific initiatives for producing 4IR-ready workers equipped with foundational skills needed to adapt to fast-changing needs of the workplace. One of the many initiatives under this Framework is to review TVET curriculums and training regulations to make sure programs offered are at par with internationally recognized standards and are incorporated with in-demand STEM and 21st century skills.
2. **Republic Act (RA) No. 10863, also known as the Customs Modernization and Tariff Act (CMTA), was signed into law on 30 May 2016 and took effect on 16 June 2016.** The CMTA stipulates that the policy of the State is to protect and enhance government revenue, institute fair and transparent customs and tariff management that will efficiently facilitate international trade, prevent and curtail any form of customs fraud and illegal acts, and modernize customs and tariff administration.
3. **Signing of the instrument of ratification on the Protocol on the Legal Framework (PLF) for the implementation of the ASEAN Single Window (ASW) by President Rodrigo Duterte on 28 May 2017<sup>3</sup>.** This facilitated the creation of the Philippine National Single Window also known as the *TradeNet.gov.ph*, which serves as the primary platform for Trade Facilitation in the economy.
  - Ratification by the Philippines of the WTO Trade Facilitation Agreement (TFA).
  - TradeNet.gov.ph is designed to promote the adoption of simplified requirements and procedures that will reduce red tape and expedite trade facilitation which form part of the mandate under Republic Act No. 11032 otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (EODB Law)”. Further to this, TradeNet.gov.ph will connect government agencies to make the trade facilitation processes become interoperable.
  - As a result of the successful participation of the Philippines in the ASW Live Operation last December 2019, the formal Entry Divisions in pilot Bureau of Customs (BOC) ports (i.e., POM, MICP and NAIA) may now recognize and give preferential tariff rates upon the presentation of the Electronic Certificate of Origin (eCOs) issued by other ASEAN Member States (AMS) using TradeNet.gov.ph.
  - To date, TradeNet.gov.ph is able to do live exchanges with five AMS namely: Indonesia, Malaysia, Thailand, Viet Nam and Cambodia, and can now successfully send eCOs to all AMS with complete acknowledgement from the receiving economy. In parallel with the continuous system enhancements

---

<sup>3</sup> Under this Agreement, each Member State is tasked to create its own National Single Window (NSW) which will allow electronic sending and receiving of information by virtue of the ASEAN Trade in Goods Agreement (ATIGA) Form D and other cross-border documents. These documents will subsequently be exchanged through the ASW Gateway connecting all the NSW of all ASEAN Member States (AMS).

required by the ASEAN Steering Committee (ASC), TradeNet.gov.ph is expected to exchange the following documents with other AMS through the ASW:

- Sanitary and PhytoSanitary Certificate
- Animal Health Certificate
- Food Safety Certificate
- ASEAN Customs Declaration Document

### **Remaining Challenges to Institution Building**

1. **Identifying skills and competencies that will be needed in the future world of work, meeting the huge demand for skilled workers and addressing the skills and competency needs of the basic sector.**
2. **The Constitutional limitation on granting foreign franchise and operation of public utilities, which restricts the number of players in an industry and thus hinders market competition.**
  - The citizenship requirement and other restrictive economic provisions must be relaxed to make markets perform better, with better goods and services offered in the market and a wider range of goods and services made available to consumers at a competitive price.
3. **Need to strengthen policy dissemination process and implement strong compliance to policies, by building the capacity of financial institutions such as banks to create supply for green/sustainable financing pursuant to the design and implementation of a ‘roadmap’ for green development.**
  - While the government creates and implements various programs and strategies to achieve its sustainable developments goals, some local government units (LGUs) continue to allow the use of single-use plastics and styrofoam packaging. Meanwhile, other LGUs are aggressive in pursuing industrialization and urbanization that also pose negative impact on the environment.

### **Action Plans on Institution Building**

1. **Strengthen research and innovation in TVET**
  - Review TVET curriculums to deeply embed research and innovation-related skills and competencies in training programs
  - Strengthen the implementation of the National TVET Research Agenda (NTRA) to encourage more TVET-related research proponents to participate
  - Establishment of innovation centers in strategic locations in the Philippines, equipped with state-of-the-art learning systems

#### **Enhance the capacity and capability of TVET providers**

- By strengthening the National TVET Trainers Academy (NTTA)
- By continuously upgrading the competencies of TVET trainers

#### **Strengthen quality assurance mechanisms in TVET**

- Capacity and capability building of assessors and assessment centers

- Reviewing the Philippine TVET Trainers Qualification Framework (PTTQF) and the Unified TVET Program Registration and Accreditation System (UTPRAS)
2. **An amendment to the citizenship requirement under the Constitution, albeit difficult to achieve owing to the lengthy procedures of passing bills into laws.**
    - Amending the citizenship requirement and other restrictive economic provisions in the 1987 Philippine Constitution will contribute in improving business climate, one that fosters competition and attracts foreign investment. However, it must be ensured as well that the impact of such amendment to industry players and the public altogether is determined and eventually addressed. Pending the amendment of these economic provisions, the government will continuously pursue periodic review of the Regular Foreign Investment Negative List (RFINL) to address barriers to foreign investment.
  3. **The Bangko Sentral ng Pilipinas (BSP) has rolled out a two-pronged approach to green/sustainable finance: (i) undertaking capacity building and awareness campaigns; and (ii) mainstreaming environmental, social and governance (ESG) through the issuance of enabling regulations.**
    - The BSP will be issuing regulations on ESG in phases, with the first phase aimed at providing high level principles and broad expectations on the integration of ESG and sustainability principles in the corporate and risk governance frameworks as well as in the business strategies and operations of banks. The second phase will provide more granular expectations in managing climate change and other environment-related risks in relation to credit, market, liquidity, and operational risks. The third phase may look into potential regulatory incentives to be granted to banks.

### **Role of Regional Cooperation in Institution Building**

1. **APEC can provide a vital role by providing capacity-building activities among financial institutions that will help them develop innovative sustainable finance products attuned to the sustainable development goals of the Asia-Pacific region.** Moreover, APEC may foster cross-fora collaboration among relevant stakeholders, with the goal of assessing the sustainable finance needs of the region and assisting financial institutions in the development of finance projects that will meet those needs.
2. **Regional support and resources both play a crucial role in bolstering the internal capacity of the economy in setting up and maintaining development projects such as the TradeNet.gov.ph.** Specifically, the Philippines recognizes and values the importance of continued engagements and discussions, as they afford us the opportunity to learn from other economies' experiences which may be crucial when crafting the necessary policies and initiatives to ensure the sustainability of the TradeNet.gov.ph.
3. **International organizations such as APEC can play a role in providing collaborative platforms for discussion and sharing of strategies and initiatives on migration and labor mobility.**

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

1. **Philippine Development Plan (PDP) 2017-2022 and AmBisyon Natin 2040.** The PDP lays out the economy's strategies to pursue inclusive growth, empower the poor and marginalized, and enhance social cohesion, while AmBisyon Natin 2040 sets the collective long-term vision and aspirations of the Filipino people for a high-trust society and an improved quality of life. As of 2018, 11 out of 14 PDP sectors had at least half of their respective indicators exhibiting likelihood of achieving the target in 2022.
2. **The National Strategy for Financial Inclusion (NSFI) launched in 2015.** The NSFI provides the platform for public-private coordination and cooperation toward the shared goal of achieving greater financial inclusion in the economy. Following this, the Financial Inclusion Steering Committee (FISC), an interagency body headed by the BSP Governor and tasked to lead the implementation of the NSFI, was created through an Executive Order in 2016 focusing on: 1) digital finance; and 2) agriculture value chain finance (AVCF). From its original 16 member-agencies, the FISC is now 20-strong, with the Philippine Commission on Women as the latest addition.
3. **The Philippine Identification System (PhilSys) as a digital ID passed into law in 2018.** Beyond providing every Filipino a proof of identity, the PhilSys is envisioned to serve as a social and economic platform supporting service delivery efficiencies, ease of doing business, governance, and financial inclusion. Based on a study, electronic Know-Your-Customer (e-KYC) using PhilSys can reduce the cost of on-boarding customers by as much as 80 percent. Registration of five million low-income household heads is slated for 4<sup>th</sup> Quarter 2020. Financial inclusion has been identified as one of the priority use cases of the PhilSys with BSP heading the Inter-Agency Committee on Use Cases and Authentication.

### Remaining Challenges to Social Cohesion

1. **Digital divide hampers the adoption of innovative digital finance by low income and rural communities.** There is an evident digital divide between urban and rural areas as shown in the 2019 FIS. In terms of smartphone and internet usage, 60 percent in urban areas use them, while only 40 percent use them in rural areas. The National Capital Region has the highest smartphone and internet usage at 70 percent, while Visayas and Mindanao only have 40 percent and 30 percent, respectively. The lack of infrastructure also disadvantages the low-income segments with the Class E segment having a usage rate of only 40 percent versus Class ABC's usage rate of 80 percent.
2. **Socio-economic and employment gap.** Based on the 2019 FIS, account ownership in the top socio-economic class (72 percent) is more than double in the lowest economic class (27 percent) while employed individuals (39 percent) are also twice as likely to own an account than those who are unemployed (19 percent). While account penetration gap in socio-economic class remain significant, this has started to narrow compared to 2017 where class abc posted account penetration four time higher than

class e. Account ownership among the class e doubled from just 14 percent in 2017 to 27 percent in 2019.

3. Despite the increase in health funds, the availability, accessibility and affordability of quality healthcare have impeded healthcare utilization. The archipelagic nature of the economy, uneven distribution of its population and the varying levels of economic growth in the regions led to human resource for health maldistribution, with health workers, particularly doctors and nurses, concentrated in more urbanized and economically developed areas. Further, the lack of gender perspective in the health system may cause disparities in access and control of men and women to health care services and interfere social cohesion.

### **Action Plans on Social Cohesion**

1. **The BSP contributes to social cohesion in general and drives financial inclusion in particular by creating an ecosystem that makes it viable for market players to serve the low-income sector.** This involves the development of necessary conditions that make formal financial services accessible and compelling for the low-income sector. The BSP has taken three (3) strategic thrusts in realizing this goal:
  - Building the financial and digital infrastructure. Also supports the development of Islamic finance to serve the financial needs of Muslim Filipinos.
  - Promoting financial literacy and trust in financial services.
  - Creating compelling use cases for transaction accounts.
2. **With the passage of the Philippine Universal Health Care (UHC) Law in in 2019, the health sector is poised to accelerate towards realizing UHC for all Filipinos. Still guided by the health strategy F1 Plus for health for the rest of the medium term 2017-2022, the National Objectives for Health, articulates the economy's medium-term strategic plan for the health sector.** The UHC Law seeks to progressively realize universal health care in the economy through a systemic approach and clear delineation of roles of key agencies and stakeholders towards better performance in the health system; and ensure that ALL Filipinos are guaranteed equitable access to quality and affordable health care goods and services, and protected against financial risk.
3. **Implementation of the 4Ps 7-Year Intervention Program, wherein various agencies of government implementing multi-stakeholder programs and services for the poor shall guarantee seamless complementation and convergence with the aim of ensuring that the targeted household beneficiaries are alleviated from poverty and remain non-poor even after the prescribed maximum 7-year period.** The major obstacle might be in the delay in making information databases of government agencies inter-operable, considering that the window of time given is only seven years.

### **Role of Regional Cooperation in Social Cohesion**

1. Technical assistance in the form of consultancy (e.g., conduct of in-depth researches/studies, monitoring and evaluation, peer exposures/reviews) and donor funding are welcome.

2. Inter-sectoral collaboration, aligned to the strategies and priorities of the economy through whole-of-system, whole-of-government, and whole-of-society approach, championed by international organizations such as APEC is strongly needed to achieve dual outcomes, for health and other sectors.
3. In order to strengthen social cohesion among the APEC economies, social concerns of women and girls should be mainstreamed in the discourse on strengthening economic cooperation in the region.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

1. **National Framework Strategy on Climate Change (2010-2022).** The framework strategy was adopted in 2010. It outlines the objectives and strategic priorities for climate mitigation and served as the basis upon which the National Climate Change Action Plan was developed.

**National Climate Change Action Plan (2011-2028).** The Philippines formulated its framework strategies and actions towards adaptation and mitigation. Being an insignificant emitter of greenhouse gases, the Philippines places greater emphasis on adaptation measures to complement those that reduce greenhouse gas emissions. It is a mechanism to manage risks, adjust the economic activity to reduce vulnerability, and to improve business certainty.<sup>4</sup>

**Key environmental laws and policies to facilitate improvement of critical habitats.** Improvements were noted in the management of the economy's environment and natural resources (ENR), particularly in the reduction of open and denuded forest lands in the economy as well as the effective management of important terrestrial and marine protected areas, facilitated by the implementation of the following laws and policies, among others.

2. **Policy Development**
  - **Department of Health Administrative Order No. 2019 – 0054 dated 15 November 2019 Re: Guidelines on the Implementation of the Philippine Approach to Sustainable Sanitation (PhATSS)** – Increased coverage of sanitation facilities, reduction of Open Defecation, reduction of E. coli contamination in water sources.
  - **Department of Health Administrative Order No. 2019 – 0047 dated 29 October 2019 Re: National Standard on the Design, Construction, Operation and Maintenance of Septic Tank Systems** – Improved wastewater treatment, reduced E. coli contamination in groundwater and other water sources.
  - **Department of Health Administrative Order No. 2018 – 0017 dated 7 June 2018 Re: Revised Implementing Rules and Regulations on Chapter VII – “Industrial Hygiene” of the Code on Sanitation of the Philippines (P.D.**

---

<sup>4</sup> Climate Change Commission. National Climate Change Action Plan 2011-2028. <http://extwprlegs1.fao.org/docs/pdf/phi152934.pdf>



**856) as amended** – Included the Economic Zones, Freeport Zones, Industrial Estates, and Retirement Areas as identified by the Department of Trade and Industry managed by the Investment Promotion Agency (IPA).

- **Department of Health Administrative Order No, 2017 – 0010 dated 23 June 2017 Re: Philippine National Standards for Drinking Water of 2017** – Prescribed the standards and procedures on drinking-water quality to protect public/consumer’s health.

### 3. Support to Domestic Initiatives

- Boracay Rehabilitation (2018-2020). Construction of Sewage Treatment Plant/Facility at Ciriaco S. Tirol Hospital. Purchase of Medical Waste Decomposer (MWD). Drinking Water Quality Surveillance. Food Sanitation/Safety. Solid Waste, Sewerage and Septage Management. Healthcare Waste Management Promotion of Zero Open Defecation (toilet construction) through Community-Led Total Sanitation (CLTS). Support the implementation of the Boracay Action Plan. – Improved Drinking Water Quality. Reduced E. coli contamination in bodies of water.
- Manila Bay Rehabilitation (2019-2020). Provision of Training on Healthcare Waste Management. Orientation of Local Government Units (LGUs), and Hospitals on the New Key Performance Indicators of DOH to the Manila Bay Rehabilitation. Manila Bah Rehabilitation and clean-up related activities. (i.e., provision of supplies for basic sanitation). Promotion of Zero Open Defecation. – Improved sanitation condition of the communities living near Manila Bay. Reduced E. coli contamination in bodies of water.
- Marawi Rehabilitation (2019-2020). Water sampling activities (Effluent of the resettlement area). Orientation/Training on Environmental Sanitation to LGUs. – Improved environmental health condition of the community in Marawi.

## Remaining Challenges to Environmental Impact

1. **Weak governance and institutional arrangements on ENR management.** There are sufficient laws and regulations in the economy that compel the protection, proper management, and sustainable use of resources. However, the weak and fragmented institutional arrangements limit the implementation and enforcement of ENR laws.<sup>5</sup>

**Persistent issues threaten the gains from the rehabilitation of natural resources on overlapping land claims, such as ancestral domain claims in forestlands and protected areas.** The absence of zoning, unresolved boundary conflicts in many local government units, and outdated land records and problems in land data capture also pose a challenge in mitigating Environmental Impact. These zoning and delineation issues primarily stem from the lack of a domestic land and sea use and permanent forest limit policies.

**Weak and fragmented monitoring and evaluation (M&E) system in the ENR sector.** Tracking the progress and comprehensive assessment of the status of the ENR remains a persistent concern. The weak M&E serves as a constraint for strategic planning and programming in the sector. This stems from the inadequate capacity for

---

<sup>5</sup> National Economic and Development Authority. 2017. Chapter 20 – “Ensuring Ecological Integrity, Clean and Healthy Environment” in the 2017-2022 Philippine Development Plan.

and low prioritization of the use of appropriate methodology, particularly for the collection and robust analysis of up-to-date ENR data.

2. **Readiness of the LGUs and technical experts needed to implement a vigorous campaign at the LGU level could not be done due to lack of local experts on CCAH.** There is a need for a massive capacity building or additional staff who can conceptualize and implement CCAH at LGU level. The LGUs lack technical people to conduct Environmental Impact Assessment.
3. **Inadequate fund.** CCAH is not yet seen as a priority in all LGUs in terms of funding allocation

### **Action Plans on Environmental Impact**

1. Increase investment in innovative technologies and harmonize and adopt standards to enhance ENR management and monitoring.<sup>6</sup> Government interventions will be strengthened to improve governance and convergence of economy-wide and local stakeholders. Build their capacities to manage ENR effectively, and enhance data generation and monitoring of the state of resources.
2. Promote sustainable consumption and production to achieve economic growth within environmental limits, minimize damage to the natural environment, and sustainably utilize natural resources. The government also aims to conduct carrying capacity studies to help ensure sustainable tourism in the economy.<sup>7</sup>
3. The enforcement, regulation, and monitoring of compliance with existing environmental laws and regulations (e.g., Philippine Clean Air Act, Philippine Clean Water Act, and Ecological Solid Waste Management Act) will be intensified to implement the necessary operating mechanisms to address the threats brought about by rapid urbanization and climate change.

### **Role of Regional Cooperation in Environmental Impact**

1. **Regional organizations such as ASEAN and ADB come up with strategic plans containing detailed blueprint to spur cooperative action.** For instance, an ASEAN strategic plan on the environment is currently being developed to translate the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 into a more detailed plan of action, which shall serve as a guiding document for ASEAN in promoting ASEAN cooperation on the environment until 2025. Meanwhile, ADB's long-term strategic framework Strategy 2030 identifies tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability as core areas for support.
2. **Regional cooperation and international organizations such as APEC can help mobilize resources from developed economies to assist developing economies like**

---

<sup>6</sup> National Economic and Development Authority. 2019. Chapter 20 – “Ensuring Ecological Integrity, Clean and Healthy Environment” in the 2018 Socioeconomic Report.

<sup>7</sup> Ibid.

**the Philippines in greening the Healthcare Facilities (HCFs).** APEC can also facilitate technical exchange on Climate Change Adaptation for Health (CCA) among economies in the region on best practices. Further, regional cooperation can foster partnership with LGUs to adopt an LGU to support CCAH.

3. Coastal clean-ups enlist the support and cooperation of the community, NGOs and like-minded private organizations in the cleaning of coastal areas of debris and wastes.

## **RUSSIA**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **Development of regulatory impact assessment (RIA) tools and reducing the regulatory burden**

- a. *Optimization of RIA mechanisms at different stages*

The Government of the Russian Federation approved Decree of July 10, 2017, No. 813, which provides for the optimization of the RIA procedures. As a result the RIA mechanism was optimized as follows:

- the time for public discussion of the text of draft regulatory legal acts (DRLA) was reduced (for a high degree of regulatory impact from 45 working days to 20 working days, for a medium degree of regulatory impact from 20 working days to 15 working days);
- an option was added to coordinate draft federal laws simultaneously with public comment procedures, RIA, and independent anti-corruption expertise;
- draft amendments to draft federal laws were excluded from the RIA subject area.

- b. *Implementation of the «regulatory guillotine» mechanism*

The problems of a large number of obsolete, duplicate and redundant requirements lead to significant costs for business entities. In order to reduce the regulatory burden on business in the Russian Federation, the implementation of the “regulatory guillotine” mechanism has started, within the framework of which the approach to control and supervision activities and the introduction of mandatory requirements for business entities will be conceptually revised.

2. **New tariff policy development**

The FAS Russia implements measures aimed at improving the system and tools of tariff regulation that contribute to the creation of a system of incentives to reduce costs, increase the efficiency of natural monopolies and sound investment policy.

In particular, since 2017, the new pro-competitive principles of tariff regulation are being implemented, including tariff regulation based on the “inflation minus” principle (when the growth is slower than inflation).

In 2018, as a result of the introduction of control (supervisory) powers in the sphere of tariff regulation by the FAS Russia, unreasonable expenditures (costs) in the amount of

more than 17.7 billion rubles were excluded from the regulated prices (tariffs). Common rules were also established for consideration of all tariff disputes.

The new *Law on Tariff Regulation* provides for the priority of the comparative method (standards, benchmarking), long-term pricing (tariffs) (at least 5 years), the introduction of common principles of price regulation (tariffs) and transparent procedure for tariff decisions.

Moreover, in accordance with the Resolution of the Government of the Russian Federation of 04.09.2015 No. 941, the “Rules for Making Decisions by the FAS Russia on Determining (Setting) Prices (Tariffs) and (or) their Limit Levels in the Sphere of Activity of Natural Monopolies and other Regulated Organizations” were approved. A collegial body composed of 12 persons, the Board of the FAS Russia was established for decision-making in this area. Composition of the Board is approved by the Governmental Order. Decisions on tariffs are taken by a majority of the members of the Board attending the meeting.

### 3. **Digital economy regulation and regulatory sandboxes**

In accordance with Executive Order of the President of the Russian Federation of May 7, 2018, No 204 “On National Goals and Strategic Objectives of the Russian Federation through to 2024” the Government of the Russian Federation has developed the program “Digital Economy of the Russian Federation”.

One of the tasks under the Program is building a legal framework suitable for the digital economy and based on a flexible approach. The federal project devoted to this task is designated as “Normative Regulation of the Digital Environment” and is supervised by the Ministry of Economic Development of the Russian Federation.

So far the federal project has accomplished among others, the following tasks:

- The legal status of “smart contracts” has been regulated, definition of “digital rights” is provided (federal law №34-FZ, 18 March 2019)
- The Russian business has been provided with preferential VAT on exporting IT-services (federal law №63-FZ, 15 April 2019)
- The order of attracting investments with crowdfunding is determined (federal law №259-FZ, 2 August 2019)
- Amendments to the law, implying a shift to electronic “employment record books” have been introduced (federal laws №436-FZ and 439-FZ, 16 December 2019).

Apart from these, the draft laws on digitization of insurance formation procedures, on a shift towards digital financial assets and digital staff workflows are being elaborated.

### **Remaining Challenges to Institution Building**

1. Partially unleashed potential of digital economy in the regulatory impact assessment sphere; still remaining (though obviously decreasing) regulatory burden on business;
2. Need to provide reliable and effective provision of consumers (including final customers) with goods and services, increase the transparency of the activities of natural

monopolies, improve conditions for the development of competition, increase the quality of regulation of natural monopolies;

3. Lacking mechanisms stipulating for the use of digital innovations and other related activities (although the Central Bank of Russia has already introduced and tested “regulatory sandboxes” in fintech, the general law on experimental legal frameworks (regulatory sandboxes) is in the “draft” stage).

### **Action Plans on Institution Building**

- 1a. *On optimization of RIA mechanisms at different stages*

A draft act has been prepared providing for the possibility of paperless interaction between the developers of DRLA and the Ministry of Economic Development of Russian Federation in the process of conducting RIA and preparing a conclusion on RIA on the regulation.gov.ru site.

- 1b. *On implementation of the «regulatory guillotine» mechanism*

In accordance with the instructions of the President of the Russian Federation V.V. Putin within the framework of the implementation of the “regulatory guillotine” mechanism, it is planned to abolish all regulatory legal acts that establish requirements, the compliance with which is subject to verification in the course of control (supervision) and the introduction of new rules containing updated requirements, taking into account a risk-based approach and modern level of technological development in relevant areas.

2. *On tariff policy development*

Ensuring the adoption of the draft Federal Law "On Amendments to the Federal Law "On Protection of Competition" and on Repealing of the Federal Law "On Natural Monopolies" and other Particular Legislative Acts (Provisions of Legislative Acts) of the Russian Federation", "On the Basis of State Regulation of Prices (Tariffs)".

3. *Digital economy regulation and regulatory sandboxes*

The Draft Law on experimental legal frameworks (regulatory sandboxes) is supposed to be sent to the floor in Spring 2020. It is aimed at determination of the procedure of initiating, establishing, implementing and monitoring of the outcomes of legal experiments.

Regulatory sandboxes should allow a business to test the use of new technologies at the same time being exempted from certain mandatory requirements for the period of experimentation. Following the results of the running-in of new technologies in business processes, successful solutions may be extended for the whole economy.

### **Role of Regional Cooperation in Institution Building**

The key role of regional cooperation is seen in its capacity building function. We believe that fostering respective APEC cooperation we may, on the one hand, achieve greater awareness of best regulatory practices of partners as well as of general policies our colleagues have adopted to ensure quality growth. On the other hand, on our behalf we may share our regulatory

innovations, especially those enabled by the “digital era”, as well as positive experience of institution building impacting achievement of sustainable and inclusive economic growth.

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

#### 1. Small and medium enterprises:

- a. In 2015, a new development Institute was created – *Federal Corporation for the development of small and medium-sized businesses*, which is a system integrator of measures to support SMEs.
- b. According to the *project “Small and medium-sized businesses and support for individual business initiatives”*, adopted at the end of 2018, our goal is to achieve by 2024:
  - the number of employees in the SME sector up to 25 million people, creating an additional 6 million jobs;
  - the share of small and medium-sized businesses in GDP should grow to 32.5% (from 22.3%);
  - the share of SMEs in total non-commodity exports should be increased to 10% (from 8.6%).
- c. In the regions of the Russian Federation, the functionality of all existing business support infrastructure objects is combined on a single platform – *centers “My business”* which provide different kinds of support to SMEs in the region: information and consulting, educational, property, financial support, support for SMEs engaged in innovation and modernization of production, as well as export of goods, works and services.
- d. The Federal Tax Service of Russia has developed the *electronic service “Transparent business”*, which includes all the information contained in the group of services “Check yourself and the counterparty”.
- e. Governmental support programs for small and medium-sized businesses:
  - Information on lending to SMEs.  
The volume of total lending to SMEs in 2019 in Russia is amounted to 7.8 trillion rubles, of which 436.6 billion rubles was issued under *Program of preferential lending to SMEs* (5.6% of the total lending to SMEs). In accordance with the Program, SMEs are given the opportunity to obtain a loan at a reduced rate no more than 8.5% per annum through authorized banks (77 banks in 2019, 94 banks in 2020).
  - Information on stock market support.  
The Ministry of Economic Development of Russia is also implementing *Program of subsidizing stock market entrance for SMEs*. Under the program, the Ministry of Economic Development of Russia subsidizes the costs of companies entering the stock exchange, as well as subsidizes up to 70% of coupon income. As part of this program, SMEs issued shares and bonds worth more than 3.0 billion rubles in 2019.

## 2. **People with disabilities:**

The Russian program “*Accessible environment*” is being implemented, which is aimed to create legal, economic and institutional conditions, the possibility of integrating people with disabilities into society and improving their living standards.

Russia implements measures to create conditions for promotion of employment for persons with disabilities including creation of jobs for persons with disabilities and conditions that ensure their effective employment, creation of infrastructure to provide persons with unhindered access to jobs, mentoring, etc. In 2017, in order to implement measures at the federal and regional levels aimed at increasing the level of employment for persons with disabilities, an action plan was approved to increase the employment of persons with disabilities for 2017-2020.

The main directions of this action plan include: improving the monitoring mechanism of the employment of persons with disabilities in quota jobs; increasing the effectiveness of the employment services; creation of conditions for expanding employment opportunities for persons with disabilities.

Since January 1, 2019, amendments to the Federal Law “On employment in Russia” have come into force, which give additional rights to people with disabilities when searching for work and while working. The concept of accompanying a person with disabilities with the assistance of their employment has been introduced by law.

## 3. **Women:**

The National Strategy of Actions in the Interests of Women has been adopted in 2017, which is aimed to remove legal, regulatory, cultural and behavioral barriers to women's employment.

The Strategy defines the main directions of policy with regard to women and is aimed at implementing the principle of equal rights and freedoms of men and women and creating equal opportunities for their implementation by women in accordance with the provisions of the Constitution of Russia, generally recognized principles and norms of international law, international treaties of Russia.

The strategy is being implemented simultaneously in several directions:

- creating conditions for maintaining the health of women of all ages;
- improving the economic situation of women, ensuring the growth of their well-being;
- prevention of women's social disadvantage and violence against women;
- expanding the participation of women in public and political life;
- improvement of statistics characterizing the status of women in society.

Under the Government of Russia, a Coordination Council for the implementation of the Strategy has been formed, which ensures the interaction of federal government bodies, government bodies of the constituent entities of Russia, local governments, public associations, scientific and other organizations when considering issues related to the implementation of the Strategy. The Coordinating Council includes members of the Council of the Federation of the Federal Assembly of Russia, deputies of the Russian Parliament, senior officials of the constituent entities of Russia (heads of the highest executive bodies of power), representatives of federal bodies of executive power, and

public organizations. The Chairman of the Coordination Council is the Deputy Chairman of the Government of Russia.

The Government of Russia has introduced a new action plan for the implementation of the Strategy in 2019-2022, which will focus on measures to create conditions for maintaining health of women of all ages, improving the economic status of women, developing professional skills and competencies for women and girls needed in industries, attracting women to study mathematical and natural sciences, attracting women to work in high-tech professions and advanced technological companies, promoting women's entrepreneurship and promoting women's success stories, preventing women's social disadvantages and violence against women, including through a joint project with the Council of Europe, expanding women's participation in public and political life, developing international cooperation, including in a joint project with the Council of Europe, organizational and methodological support for the implementation of policies for women, including the third Eurasian women's forum.

### **Remaining Challenges to Social Cohesion**

1. **Low birth rates.** The total birth rate in Russia reached a minimum in this decade and amounted to 1.58.
2. **Difficult financial situation of families with children.**
3. **Aging population, low life expectancy.** The average age of women living in Russia is higher than men - 42.41 years old and 37.26 years old, respectively. Life expectancy in Russia is about 73 years old.

### **Action Plans on Social Cohesion**

1. Action Plan - the introduction of a measure of social support for "maternal capital" in the amount of 466,617 rubles in the event of the birth (adoption) of the first child starting January 1, 2020. In the case of the birth (adoption) of a second child from January 1, 2020, provided that the first child was born (adopted) also from January 1, 2020, the amount of maternal (family) capital increases by 150,000 rubles and amounts to 616 617 rubles; 616 617 rubles in the event of the birth (adoption) of a second child from January 1, 2020, provided that the first child was born (adopted) before January 1, 2020; 616 617 rubles in the event of the birth (adoption) of a third child or subsequent children from January 1, 2020, provided that previously the right to additional support measures did not arise.
2. Action Plan - to support families with children - monthly payments for children aged three to seven years old inclusive for families whose income does not exceed one living wage per person.
3. Action Plan - to develop and implement a program of supporting and improving the quality of life of senior citizens, as well as achieving the goal - increasing the expected duration of a healthy life to 78 years old (by 2030 - up to 80 years old).



## **Role of Regional Cooperation in Social Cohesion**

Other economies, due to the peculiarities of their socio-economic and demographic development earlier than others, faced problems caused by the demographic transition and, above all, with a long and steady decline in the birth rate. Therefore, in such economies for the first time measures have been worked out to influence the demographic processes. In this regard international experience is vital for solving these challenges.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

The Internet of Energy project has been approved for implementation. Its goal is to create an architecture model of the “Internet of energy” (a scalable network of self-optimizing energy exchange clusters between active consumers, local energy suppliers and the centralized power system), ensuring the accessibility, reliability and quality of energy supply with a minimum cost of electricity in the life cycle. Currently 2 projects have been approved: “Digital district electric network – Sevastopolenergo” and “Digital district electric network – Yantarenergo”.

The “Development of solid-state storage power plant – technologies of the gravitational electric power storage on hard goods” project has also been approved and is aimed at creating an experimentally proven technology for energy storage, allowing to build solid storage plants, as well as an experimental drive, was approved.

In 2017 renewable energy facilities with a total capacity of more than 140 MW were brought online, of which 104 MW were large solar power plants, and 35 MW – the economy’s first large wind farm. In 2018, the construction of renewable energy generating facilities with a total capacity of 376 MW was completed, which is more than 2.5 times higher than in the previous year.

In 2018, the commissioning of 27 natural gas filling stations for motor vehicles took place and the total number of gas-filling compressor stations and multi-fuel filling stations reached 381. Investments in the development of gas infrastructure amounted to almost 5.5 billion rubles.

The Ministry of Energy of the Russian Federation compiled an integrated comparative assessment energy efficiency rating of electric grid companies. Also, the Russian Ministry of Energy compiled an efficiency rating of the economy’s heat supply systems. These projects are being implemented on an annual basis. At the corporate level, an important element of the management system in the field of energy saving and energy efficiency is the introduction of an energy management system. In 2018, 68% of the largest fuel and energy companies carried out work on the implementation of the energy management system with a certification rate of 52% (in 2017, 67% of companies implemented the energy management system, 41% of which were certified).

### **Remaining Challenges to Environmental Impact**

The main priority of renewable energy resources development in Russia is the development of advanced technologies and competencies with a view to further export high-tech products.

One of the important tasks facing the Russian fuel and energy complex is ensuring the rational and environmentally responsible use of energy and energy resources.

### **Action Plans on Environmental Impact**

Measures of support for the development of renewable energy resources were extended to generating facilities operating on the basis of solid waste (MSW) combustion. The initiative is aimed at solving environmental problems and developing the technological base in this area. Regions in which projects will be implemented for the construction of generating facilities based on MSW with a total installed capacity of 335 MW have been identified. Competitive selection of investment projects for the construction of generating facilities operating on the basis of renewable energy sources (RES) is underway.

To reduce the level of anthropogenic impact on the environment, increase energy efficiency and resource saving will allow for a transition of fuel and energy industries to the principles of the best available technologies (BAT). The key priority for the Ministry of Energy was to maintain a balance of interests between the government and private companies in order to prevent an unjustified additional burden on the fuel and energy industry. The practical transition to the principles of BAT in the fuel and energy industries is planned to begin in 2020.

Currently the development of the gas motor fuel market under the State program of the Russian Federation “Energy Efficiency and Energy Development” is underway, including the introduction of measures to financially support the development of the infrastructure for the production and sale of liquefied natural gas for the purpose of its use as motor fuel in transport, including on rail and water.

## **SINGAPORE**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

#### **The expansion of Singapore’s Free Trade Agreements (FTAs) and Economic Partnership Agreements (EPAs)**

Singapore’s FTAs represent key commitments to an open, connected, and globalised world. As of 2020, Singapore has a network of over 26 FTAs, which collectively account for more than 85% of global GDP and more than 90% of Singapore’s trade.

These FTAs have provided local businesses access to millions of consumers in markets across the globe; preferential access to services sectors, expanded government procurement opportunities; and improved intellectual property protections. These FTAs also provide legal certainty and help to safeguard the interests of Singapore businesses in overseas markets.

According to a study by Singapore’s Ministry of Trade and Industry, it is estimated that on average, Singapore businesses’ domestic exports of goods to an FTA partner increases by 18% two years after its entry into force, and a further 16% in the third year. In 2016, FTAs collectively saved Singapore businesses about S\$720 million in tariffs, a substantial increase from the S\$450 million enjoyed a decade before.

Additionally, Singapore's tariff search engine, Tariff Finder, enables companies to find out the preferential margins for specific products in each market, along with Rules of Origin criteria and import documentation. There is also a dedicated online helpdesk for businesses with specific FTA queries. Since 2016, about 1,800 companies have benefitted each year from efforts to build awareness of Singapore's network of trade agreements and its benefits.

## **Remaining Challenges to Institution Building**

### **The need for updated Digital trade rules and policies**

As the substance and modality of trade is constantly evolving, industries across the board are being disrupted by technology and digitalisation. Consumer behaviour is also changing rapidly with the rise of e-commerce. Current trade rules and policies do not adequately address the needs of the digital economy. Many of our existing trade agreements were designed for 20th century trade in physical goods and services, but are less suited for 21st century digital transactions.

## **Action Plans on Institution Building**

### **Digital Economy Agreements (DEAs)**

Singapore is working on DEAs to put in place clear rules and standards as well as collaboration mechanisms that promote greater interoperability between digital frameworks and guard against digital and data barriers. Singapore concluded its first DEAs with Chile and New Zealand, and Australia, in 2020.

The DEAs will address emerging areas such as Artificial Intelligence (AI) and digital identities. For example, by fostering information sharing and cross-border collaboration on the development and promotion of ethical AI governance frameworks, as well as the use of data to support AI development.

Singapore is also leading digital trade efforts at the WTO, as co-convenor of ongoing negotiations on e-commerce at the WTO, along with Australia and Japan. This Joint Statement Initiative on E-Commerce (JSI) will support the development of baseline rules on digital trade, and act as a bulwark against digital fragmentation. More than 80 WTO members are involved in JSI negotiations, including major players like the US, China, and the EU. Collectively, JSI participants account for over 90% of global trade.

## **Role of Regional Cooperation in Institution Building**

Regional Cooperation and international organisations such as APEC can encourage more economies to join the APEC Cross Border Privacy Rules (CBPR) system and the APEC Privacy Recognition for Processors (PRP) programme, and to promote their uptake domestically.

The APEC CBPR and PRP systems are accountability-based and enforceable certifications developed by APEC economies to build consumer, business and regulator trust in cross border flows of personal data. Both systems establish a harmonized set of data protection standards consistent with the APEC Privacy Framework.

Through the systems, certified companies and governments are working together to ensure that when personal information moves across borders, it is protected in accordance to standards

prescribed by the system's program requirements and is enforceable across participating jurisdictions.

Developed by all 21 APEC economies and endorsed by APEC Leaders in 2011, an APEC economy must demonstrate that it can enforce compliance with the requirements before joining. Currently, participating economies include Australia, Canada, Japan, Korea, Mexico, the Philippines, Singapore, Chinese Taipei, and USA.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

1. **SG50 to SGTogether:** Co-creating a narrative that is inclusive to all members of society. Evidence in the appreciation of SG50, participation in SGFuture and interest in SG Together. A common vision is necessary for trust within the community.
2. **People's Association efforts:** Empowering local communities and connecting people to government. Growth of community spaces such as community gardens and growth in community events. Common spaces and activities to bring people together.
3. **International Conference on Cohesive Societies (ICCS):** Bringing together scholars, community leaders and policy makers, as well as religious and interfaith leaders in a platform for conversations on forging stronger interfaith understanding and developing new ideas to foster greater harmony in diverse societies. Important in religiously and culturally diverse Singapore.
4. **On the health front:** High out-of-pocket expenses for healthcare can lead to increased social and economic inequality, greater class differentiation, eroding feelings of belonging and community disengagement. Since 2015, Singapore has introduced several initiatives to ensure that healthcare continues to be affordable and sustainable. *MediShield Life*, a health insurance plan which pays for large hospital bills, has been enhanced to cover all Singaporeans for life, including those with pre-existing conditions. This acts as a safety net and protects households from falling into financial ruin when medical bills are especially high.

### **Remaining Challenges to Social Cohesion**

Singapore is a globalised and connected society. With global sensitivities on the challenges faced by youth, growing societal inequality and divisive ideologies (e.g., extremist views), the prevalence of these trends globally in turn drives it within Singapore.

We need to:

- Ensure young and old have a voice in writing the economy's story and all benefit from it
- Grow more common spaces for people to meet across divides
- Be farsighted in our planning for social cohesion – both in the design of programmes and physical infrastructure.

A key concern on the health front is to ensure that healthcare remains affordable to citizens and the healthcare system remains sustainable for the long term, and accessible in the face of population aging, increasing healthcare costs and a shrinking workforce.

### **Action Plans on Social Cohesion**

1. **SG Together**
2. **Plans for social mixing across island**
3. **ICCS in future years**
4. **CareShield Life:** Singapore is currently working on a long-term care insurance scheme, *CareShield Life*, to be introduced from mid-2020. Under this scheme, *CareShield Life* will provide Singaporeans with financial protection against long-term care costs and better protection and assurance in old age.
5. **We are also constantly transforming our healthcare system and rethinking our current approaches towards healthcare delivery to address future health challenges.** This is to ensure that our system continues to deliver services that are accessible, of good quality and sustainable in the long run. In addition, we are also experimenting with new game-changing concepts and innovative technologies to shape the future of healthcare in Singapore.

### **Role of Regional Cooperation in Social Cohesion**

It would be useful for APEC to help provide thought-leadership on social cohesion – research, studies, capability-building and conferences.

Health challenges are not unique to Singapore and issues such as population ageing is a global phenomenon. We will need to continue to learn from the experiences of other economies. Platforms such as APEC provides economies with opportunities to exchange ideas, share experiences and foster stronger international collaboration.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

1. **Enhanced Nationally Determined Contribution and Long-Term Low-Emissions Development Strategy:** On 31 March 2020, Singapore submitted an enhanced Nationally Determined Contribution (NDC) and its long-term low-emissions development strategy (LEDS) to the UNFCCC, becoming the first APEC member in Southeast Asia to do so. Under its enhanced NDC, Singapore has committed to peaking emissions at 65 million tonnes of carbon dioxide equivalent (MtCO<sub>2e</sub>) around 2030, Building on its enhanced NDC, Singapore's LEDS aspires to halve emissions from its peak to 33 MtCO<sub>2e</sub> by 2050, with a view to achieving net-zero emissions as soon as viable in the second half of the century.

2. **Carbon tax:** Singapore is the first economy in Southeast Asia to introduce a carbon tax. Implemented on 1 January 2019, the carbon tax rate is set at a transitional rate of S\$5/tCO<sub>2e</sub> to allow companies time to adopt energy efficiency measures. The carbon tax is applied to all facilities emitting 25,000 tCO<sub>2e</sub> or more greenhouse gas emissions annually. The carbon tax, which covers around 80% of Singapore's emissions, and is applied without exemptions, sends a transparent, fair, and consistent price signal across the economy to incentivise emission reductions in the most economically efficient way. The carbon tax rate will be reviewed by 2023, taking into consideration international climate change developments, Singapore's economic competitiveness and the progress of domestic emissions mitigation efforts. The Government intends to increase the tax rate to S\$10 - S\$15/tCO<sub>2e</sub> by 2030.
3. **Improving Energy Efficiency (EE):** The Government is pursuing efforts to improve energy efficiency (EE) in all sectors of the economy as a key strategy to reduce GHG emissions. Apart from the carbon tax, several measures have been in place to facilitate improvement in EE, such as the Energy Efficiency Fund and the Resource Efficiency Grant for Energy to better support companies in the adoption of energy efficiency solutions. Singapore's Energy Conservation Act (ECA) was also enhanced in 2017 to strengthen industrial facilities' energy management practices.

### Remaining Challenges to Environmental Impact

1. **Enhancing economic development while ensuring environmental protection**
2. **Status as alternative energy disadvantaged (AED):** Singapore has limited access to alternative energy options such as geothermal, wind or hydropower. Solar power is the most technologically and economically viable renewable energy option in Singapore. Nonetheless, there are challenges to integrating significant amounts of solar in our grid, as it is intermittent and highly affected by climatic factors such as changing weather and cloud cover.
3. **Land constraints:** Singapore is a small low-lying, island economy with a total land area of about 725.7 km<sup>2</sup>. As of June 2019, Singapore's total population is estimated to be 5.7 million, with a population density of about 7,866 people per km<sup>2</sup>. Given our small size and dense urban landscape, there are challenges to using alternative energy sources such as solar energy on a wide scale.
4. **Threat of climate change, especially sea level rise**

### Action Plans on Environmental Impact

1. **Sectoral Masterplans:** The Government is implementing a comprehensive suite of measures to reduce emissions across all sectors of the economy. This includes improving energy efficiency across all sectors, pricing carbon, increasing the production of clean energy, greening our buildings and transport, reducing waste and safeguarding our green spaces. Various sectoral masterplans such as *Singapore's Energy Story*, *Land Transport Master Plan 2040*, *3<sup>rd</sup> Green Building Masterplan*, *Zero Waste Masterplan* and *City in Nature* chart out the Government's long term vision, policies and targets for these sectors respectively. The Government has also announced

a number of key sectoral headline goals, including: a solar deployment target of at least 2 gigawatt-peak (GWp) by 2030, which is equivalent to about 10% of Singapore's peak daily electricity demand today; phasing out internal combustion engine vehicles and having all vehicles running on cleaner energy by 2040; greening 80% of Singapore's total building gross floor area by 2030; increasing the overall recycling rate to 70% by 2030; and having at least an additional 200 hectares of nature parks by 2030.

2. **National Sea Level Research Programme:** Singapore has launched a National Sea Level Research Programme (NSLP) to bring together international and local researchers to enhance our understanding of how the various factors of sea-level rise affect Singapore and the Southeast Asian region.

### **Role of Regional Cooperation in Environmental Impact**

APEC may wish to consider studies on policies that enhance both economic benefit and environmental sustainability, such as carbon pricing.

With regard to environment, APEC should focus on the nexus between environment and free trade issues. This would keep a clear focus of the work at APEC vis-à-vis other specialised UN bodies dealing with specific environmental such as the UN Environment Programme, UNFCCC, and other multilateral environment agreements.

## **THAILAND**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

- In October 2018, a project “**Simple and Smart License**” (**sslicense**), formerly known as a **Regulatory Guillotine Project**, was launched to review licenses or procedures which are no longer necessary, out-of-date and constraint on living and doing business in Thailand. The 20-Year National Strategy and National Reforming Plan are key principles for those revisions.
- The Project also intends to enhance business sectors' competitiveness and reduce high duties in public sectors management, as well as progress legal reviews in accordance with Thailand 4.0 policy.
- To achieve all aspects, recommendation papers for reviewing the licenses or procedures are based on the 5Cs Framework: **Cut, Change, Combine, Continue and Create**.
- The Project was concluded in May 2019. Approximately 170 laws or regulations relating to licences or permits were reviewed and over 1,000 issues were processed by a 50-person Guillotine Unit. Recommendations can be divided into 3 groups: (1) Promoting Thailand's competitiveness (including migrants' employment facilitation / FDI promotion / innovation promotion / SME promotion, etc.); (2) Reducing problems and obstacles in doing business in targeted industries, namely tourism, retail, private education, medication and real estate; and (3) Enhancing employment opportunities of

the underprivileged groups including persons with disabilities, ageing population, former inmates and low-income citizens.

- The Guillotine Unit proposed to eliminate or amend approximately 700 processes. If the concerned agencies could follow the recommendations, at least 75,000 million baht (combined expenses of the public and people sectors) would be saved.
- **The World Bank's Doing Business 2020 report ranked Thailand at 21<sup>st</sup> among 190 economies with the overall score of 80.1, moving up six places from 2019.** In the category of dealing with construction permits, Thailand moved up from 67<sup>th</sup> position to 34<sup>th</sup>, with a score of 77.3. Thailand also improved significantly in the protection of minority investors, moving up to 3<sup>rd</sup> place from 15<sup>th</sup> last year.

### **Remaining Challenges to Institution Building**

Thailand still needs to further improve its business environment and support competition to attract more investors and raise the economy's competitiveness in the long term.

### **Role of Regional Cooperation in Institution Building**

- Best practices sharing and capacity building among member economies;
- APEC may consider broaden priority areas for regulatory reform to cover 10 areas included in the World Bank's Ease of Doing Business report.

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

- The National Legislative Assembly (NLA) of Thailand has enacted the National Reform Plans and Procedures Act B.E. 2560 (NRPPA), which has become effective since 1 August 2017. Subsequently, the Cabinet approved the establishment of 11 reform committees including **the Social Reform Committee**.
- The Social Reform Committee's major task is to **promote social inclusion by providing access to opportunities to and improve the well-being of the underprivileged and marginalised group** including women, youth, disabled persons, ageing population and unregistered persons.
- The reform issues include **promoting the universal design of mass transportation system** to ensure accessibility to all groups, transforming the **Fund for Empowerment of Persons with Disabilities**, promoting the **employment of the elderly people**, empowering women, and **registering the unregistered persons**, among others.
- Moreover, Thailand is currently developing **a plan to promote the multi-cultural society**, and is conducting a study that would lead to **the drafting of an Act to promote and preserve the lifestyle of the ethnic groups**.



## Action Plans on Social Cohesion

**Thailand's 12<sup>th</sup> National Economic and Social Development Plan (2017 – 2021)** comprises a Strategy for Strengthening and Realising the Potential of Human Capital, and a Strategy for Creating a Just Society and Reducing Inequality.

### Role of Regional Cooperation in Social Cohesion

- APEC economies must work to implement the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion (2017 - 2030) by initiating related projects in the priority areas of work identified in the Action Agenda.
- Aside from mainstreaming gender issue across the work of APEC fora and sub-fora, Economies should consider mainstreaming ageing and disability in the work of APEC beyond the HRD Working Group.

## Key Accountability Area 3: Environmental Impact

### Achievements in Environmental Impact

- **In 2018, Thailand developed a Roadmap on Plastic Waste Management (2018 - 2030) as a policy framework to deal with the plastic waste problem in Thailand.** The objective of the roadmap is to reduce single-use plastics by 2022 by using environmentally friendly materials and the recycling of plastic waste by 2027. This will reduce the amount of plastic to be disposed of by about 780,000 tons per year, reduce the waste management budget by 3.9 billion baht per year and reduce the emission of carbon dioxide by 1.2 million tons.
- **Since 1 January 2020, Thailand has banned single-use plastic bags at department and convenience stores,** to reduce marine debris and promote the circular economy. The “**Everyday Say No to Plastic Bags**” Campaign has been well-received by the public and business owners.

### Remaining Challenges to Environmental Impact

- **More awareness must be raised economy-wide.** While major stores have banned single-use plastic bags, these bags are still widely distributed by vendors at the fresh markets and in the rural areas.

### Action Plans on Environmental Impact

Thailand will continue to take actions based on a **Roadmap on Plastic Waste Management (2018 - 2030)** and a **Blueprint on Solid Wastes Management (2016 - 2021)**.

### Role of Regional Cooperation in Environmental Impact

- As MSMEs account for over 97 percent of all businesses across the Asia-Pacific, APEC economies must work to implement the **APEC Strategy for Green, Sustainable and**

**Innovative MSMEs** to encourage MSMEs to adopt of green technologies and eco-friendly packaging materials and design, as well as to comply with international environmental standards and socially responsible investment conducts.

- Moreover, **APEC should work with ABAC in launching awareness raising and capacity building programmes** for MSMEs to go green while increasing their competitiveness.

## VIET NAM

### Key Accountability Area 1: Institution Building

#### Achievements in Institution Building

##### 1. **Revision of the Law on Legal Normative Documents (i.e., Law on Laws) in 2015 and enforcement of this Law**

Viet Nam decided to amend the Law on Laws in 2015. Among the major revisions were clear identification of the authority to issue legal normative documents at both Central and provincial levels. In addition, the processes for formulate, appraise, issue and review policies are separated from those for legal normative documents. The Law also incorporates provisions to enhance transparency, publicity and list the actions that are prohibited. The Law includes cases that are allowed for simplified rulemaking process. Finally, the Law sets out resources (i.e., capacity building for personnel; financial resources; modernization of technical means, etc.) to meet requirement for effective rulemaking process.

Thanks to the enforcement of this Law, Viet Nam's regulatory management system has been significantly improved. Good regulatory practices (regulatory impact assessment, public consultation, etc.) have been increasingly used in the formulation of legal normative documents. It is more common for business associations, including foreign ones, to send official comments to the authority on various issues of proposed regulatory changes. Viet Nam's percentile rank as per World Bank's regulatory quality has been improved from 35.58 in 2015 to 36.64 in 2018. In an assessment by Economic Research Institute for ASEAN and East Asia (ERIA) in 2019, Viet Nam has been ranked in the group of Enabled and Increasingly Practices of good Regulatory Management System, only after Singapore and Malaysia in the ASEAN region.

##### 2. **Implementation of series of Resolution 19 to improve business environment and competitiveness**

The series of Resolutions 19 (for 2014-2018, and renamed into Resolution 02 in 2019) incorporated specific tasks and associated targets related to business environment improvement. The key characteristics of these Resolutions are that: (i) the tasks and targets are updated annually; (ii) an agency (Central Institute for Economic Management) is dedicated for monitoring and coordinating the activities; and (iii) external benchmark (by World Bank, World Economic Forum) is used instead of internal reporting by focal agencies.

This series has led to significant improvement of business environment. By 2018, 6 out of 10 of Viet Nam's Doing Business indicators had improved: getting electricity (up by 108 positions from 2014), paying taxes (42), protecting minority shareholders (28), starting a business (21), getting credit (4), and dealing with construction permits (1). Overall rankings of Viet Nam was up from 72<sup>th</sup> in 2014 to 69<sup>th</sup> in 2018.

3. **Signing and/or implementation of a number of new free trade agreements such as Viet Nam-Korea FTA, Comprehensive and Progressive Agreement for Trans-Pacific Partnership, EU-Viet Nam FTA, etc.**

Most importantly, these FTAs induced Viet Nam to reform the economy in a number of areas (such as state-owned enterprises, good regulatory practices, etc.) in line with international best practices. Accordingly, Viet Nam continues to appeal to investors and traders. Export growth has been robust, reaching 12.86% per annum on average during 2014-2018. Implemented capital of foreign direct investment projects rose continuously, from US\$12.5 billion in 2014 to US\$ 19.1 billion in 2018.

### **Remaining Challenges to Institution Building**

1. *First*, ensuring good capacity for institution building is not easy. Viet Nam receives less support for capacity building now, which may challenge its development of necessary institutions, especially for important areas such as digital economy, services, etc.
2. *Second*, reducing competitive non-neutrality can be hard. Viet Nam has been relatively slow in making use of ownership function over State-owned enterprises, albeit having already established the Commission for Managing State Capital at enterprises (CMSC). In certain areas, State-owned enterprises still have more preferential access to loans, land, etc., compared to private enterprises.
3. *Third*, Viet Nam may have more difficulty in increasing international regulatory cooperation (IRC). The most popular forms of IRC with Viet Nam's engagement are regulatory dialogues and exchange of information with partners, and cross-agency exchange of personnel with partners. Meanwhile, other important forms of IRCs such as policy and standard development, enforcement, supervision and reducing regulatory divergences are relatively limited.

### **Action Plans on Institution Building**

Viet Nam has various plans for institution building, such as Resolution 48-NQ/TW, 2005, on the strategy to develop and improve the legal system by 2010, vision 2020; Resolution 49-NQ/TW, 2005, on the judicial reform strategy until 2020; Resolution 06-NQ/TW, 2016, on effective economic integration in the context of new-generation FTAs; Resolution 10-NQ/TW, 2017, on private sector development; Resolution 11-NQ/TW, 2017, on improving socialist-oriented market institutions; and related action plans of the government.

Implementing those action plans may encounter some key obstacles. First, the frequent changes in legal normative documents, if not properly justified, may reduce the consensus among business community. Second, the lack of data on various socio-economic aspects may undermine the quality of regulatory impact assessment in particular and regulations in general.

## Role of Regional Cooperation in Institution Building

Regional cooperation can be essential to institution building in Viet Nam in various aspects. First, Viet Nam may receive additional capacity building to support domestic institution building efforts. Second, regional cooperation may help develop external benchmarks that facilitate more objective assessment of regulatory improvement in Viet Nam. Third, regulatory dialogues and shared experiences under APEC may enhance the Viet Nam's confidence in market-friendly institutional reforms.

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

The importance of social cohesion is increasingly recognised in the development strategies of Viet Nam, especially when the extreme imbalance of the welfare benefits might lead to social instability and pose a threat to social development. The Socio-Economic Developing Strategy of 2011 – 2020 (SEDS 2011 – 2020) emphasises on the change of growth model in order to ensure sustainable development and “consider the human capital as the main resource as well as target of development”.

The results so far are as followed: The average GDP growth in recent years reached about 7%/year, which lead to a double in median income of middle-class households. The continuous decrease of number of poor households (decreased by 2%/year on average) thanks to multiple specific assistance policies helps Viet Nam to achieve the MDG on Poverty Reduction early.

The three specific actions of the government of Viet Nam which are considered the most effective in improving social inclusion in these years are follows:

1. ***The first is improving social cohesion via employment promotion policies.*** The ratio of services and industrial sector in the economy's GDP has been increased. Productivity and real wage has both remarkably increased in the industrial and services sectors. Public investment in education has risen steadily in recent years, which has contributed in increasing human capital. Change in structure require long-term investment in education and training in order to develop new skills to meet the increasing needs of labour. Education expenses (at 4.7% of GDP) is relatively high compared to other low-middle income economies in the region. The minimum wage policy has been issued with an annual increase, especially for the most vulnerable groups of workers.
2. ***The second is developing a comprehensive and effective social protection system.*** Viet Nam has had meaningful achievements in social protection. The State budget investment ratio into social protection is above 28%. The State prioritises investment in job creation, hunger eradication, poverty reduction, preferential treatment for devotees, social assistance for the vulnerable groups and ensuring basic social services (education, healthcare, clean water, shelter, etc.) for the people. The average unemployment rate of Viet Nam is maintained at under 2.5%/year; the poverty rate decreased to 5.23% in 2018; health insurance coverage increased from 60% in 2010 to 87.5% of the total population in 2018 (82.38 million people).

3. ***The third is fiscal policy and social contract.*** The Law on State Budget stipulates the hierarchy in the budget system, however, the decision making belongs to the central level. In Viet Nam, the survey results<sup>8</sup> show that the trust in fiscal institution is high and the attitude towards taxation is positive. The maintenance of a strong social contract is very meaningful in the context of rapid socio-economic development in the past decades. Social contract – how the tax is collected and expense structure in the society is a deciding factor to ensure comprehensive growth and social cohesion. The current personal income tax has the potential to decrease social inequality by even 1.5 Gini point<sup>9</sup>.

### **Remaining Challenges to Social Cohesion**

The process of economic change and development has created multiple challenges for social cohesion. A cohesive society is one that follows the aim of social inclusion and increase of social capital in order to create a common sense of the individual's position in the society and the expectation of an upwards social mobility.

The more persistent and grave inequality within several groups of population (e.g., 60%, which is more than half of the ethnic minorities are poor) is a concern regarding the potential of achieving comprehensive and sustainable growth.

The area without coverage of social protection policy (for example, only 26.6% of the labour force participate in the social insurance scheme) and the weak redistribution effects of the current fiscal policies can lead to risks of falling back into poverty for middle class households. The middle income trap is also an issue that Viet Nam society has to face in the coming stage. The redistribution effects of PIT in Viet Nam is also limited. If fully implemented, the current PIT system can have greater impacts on diminishing inequality.

Finally, innovations and technological progress are creating needs for new skills and a pressure on education and training policies. These can be a threat to social cohesion.

### **Action Plans on Social Cohesion**

In order to promote social cohesion, the policymakers at the economy level need to ensure collaboration between different sectors and develop the multi-directional approach in order to fill the policy gaps which pose a threat to social cohesion.

On that basis, the priorities of the public actions in the context of development of the SEDS 2021 – 2030, as the foundation for Viet Nam's directions and policies in the next stage, need to be identified.

The policies are directed to focus on 3 following main objectives: i) promote social inclusion; ii) facilitate social mobility; iii) increase social capital.

---

<sup>8</sup> Survey on social cohesion – OECD, 2015

<sup>9</sup> Calculated based on the data from Vietnam Household Living Standard Survey (VHLSS) and the current Personal Income Tax (PIT) level

## **Role of Regional Cooperation in Social Cohesion**

International cooperation in general and APEC-related activities in particular is one among the important measures to ensure social cohesion with following objectives:

- Raise awareness of the governing agencies in localities and create favorable conditions for the agencies to attract support from the international partners and increase exchanges;
- Foster partnerships and friendships, organise study tours, visits, exchanges and trainings regarding economic development and social inclusion with the other economies and partners.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

Viet Nam has determined that proactive response to climate change is one of the most important tasks currently. Viet Nam has issued a number of policies to create an important legal basis for the research, development and implementation of climate change mitigation activities. Detail as follows:

- Decision No. 2053 / QD-TTg of October 28, 2016 of the Prime Minister, approving the Paris Agreement Implementation Plan specifies tasks to cope with climate change, including tasks of reducing greenhouse gas emissions (GHG) for the period 2016-2020.
- Decision No. 1670/QD-TTg dated October 31, 2017 of the Prime Minister approving the Target Program to respond to climate change and green growth in the period 2016-2020.
- Resolution No. 120/NQ-CP dated November 17, 2017 of the Government on sustainable development of the Mekong Delta (Mekong Delta) to adapt to climate change.

### **Remaining Challenges to Environmental Impact**

1. Lack of information and data needed to carry out greenhouse gas emission inventory and overall assessment of climate change impacts in interdisciplinary and inter-regional scope.
2. There are no specific technical guidelines and models suitable to domestic conditions to assess and develop options to reduce greenhouse gas emissions and adapt to climate change, leading to difficulties and limitations in developing climate change plans, programs, and projects.
3. Lack of financial resources and financial mechanisms to encourage the implementation of reducing greenhouse gas emissions and adapting to climate change.

### **Action Plans on Environmental Impact**

1. Complete interdisciplinary database system on natural resources and environment.
2. Develop and issue specific regulations and guidelines related to the assessment and development of greenhouse gas emissions mitigation and adaptation measures.
3. Research, develop and implement market instruments and carbon credit exchange mechanisms to raise funds for climate change adaptation projects.

### **Role of Regional Cooperation in Environmental Impact**

- Cooperation in capacity building, exchange experts in the process of implementing climate change response measures.
- Sharing experiences and practices on application of market instruments and establishing carbon credit exchange mechanisms in the region to realize the goals of greenhouse gas emission reduction.

## 4. COMMITTEES

### COMMITTEE ON TRADE AND INVESTMENT

#### Key Accountability Area 1: Institution Building

#### Achievements in Institution Building

1. **Capacity Building Needs Initiative (CBNI):**

The major aim of the initiative is to narrow the widening gap in the negotiating capabilities of APEC economies (e.g., emerging issues, trend and challenges in FTAs/RTAs (negotiations)). Numerous projects over a wide range of topics were realized under phase 2 (2015-2017) and phase 3 (which began in 2018) of this initiative, for example: Rules of Origin, domestic consultation in RTA/FTA negotiation, competition policy, trade remedies, e-commerce elements in FTAs/RTAs and transparency. 13 workshops were realized during phase 2. Therefore, this initiative has contributed to the expansion of our understanding on relevant fields of FTA negotiations and serves as a solid steppingstone for the realization of the FTAAP, in accordance with the Lima Declaration. It constitutes a mechanism that supports trade and investment liberalization and facilitation and contributes to a rules-based economy.

2. **APEC Cross-Cutting Principles on Non-Tariff Measures (NTM) (2018):**

The Principles enable a collective and principled APEC approach to NTMs that could usefully assess the consistency of measures and aid economies in developing any new measures. Additionally, this approach could provide a way forward for future FTAs and the FTAAP. The Principles are WTO-consistent and include the views of the private sector, scientific research centres and other stakeholders. The Principles were endorsed by MRT in 2018. As they are based on the ABAC Cross-Cutting Principles on NTM, they refer directly to the practical needs of the business sector. In this sense, their application was also explicitly referenced by ABAC as a recommendation in its Letter to Trade Ministers in 2019. By enabling a more predictable and reliable trading environment, the Principles are a mechanism that supports trade and investment liberalization and facilitation and contribute to a rules-based and market-based economy.

3. **Promoting Transparency through the Improvement of Sanitary & Phytosanitary (SPS) Notifications (2019):**

To build on the current work of the WTO SPS Committee, a set of voluntary recommendations has been developed to improve the quality and completeness of the WTO's SPS Notifications. Contributions from the private sector and other stakeholders were included. The recommendations improve the predictability of regulations for government officials and the private sector; and are a valuable tool for the negotiation of future FTAs/RTAs. Therefore, they are a mechanism that supports trade and investment liberalization and facilitation and contribute to a rules-based and market-based economy.

4. **Implementation of the WTO Trade Facilitation Agreement (TFA):**

Continues efforts in the CTI were made to support the entry into force of the TFA and to encourage APEC economies to ratify the TFA, by urging economies to notify the



WTO of their acceptance of the TFA and through monitoring the progress, combined with numerous capacity building projects regarding the implementation of the TFA, for example on Art. 3; Art. 1 TFA; Expedited Shipments; Pre-Arrival Processing; Release of Goods; and Electronic Payments, etc. Finally, in 2018 all 21 APEC economies had ratified the TFA. Singapore is leading the work on consolidating economies' progress in implementing the TFA. The consolidated progress in implementing the TFA was noted by MRT in May 2019. By CTI 1 2020, all APEC economies had submitted their "Definitive Date for Implementation" of Category B and C. In this sense, the CTI's efforts contributed to trade and investment liberalization and facilitation and to a rules-based and market-based economy.

**5. Asia-Pacific Model E-Port Network (APMEN):**

The initiative of establishing the APMEN was endorsed by APEC Leaders in 2014. In August 2015, the APMEN Operational Center was officially inaugurated in Shanghai. APMEN endeavours to build and improve understanding of e-ports amongst APEC economies, as well as to collaborate on identifying exemplary practices and solutions for promoting e-ports development, paperless trade, enhancing supply chain data transparency, security and privacy, and increasing the level of interconnectivity and interoperability in Asia-Pacific. Since 2015, APMEN has been very active in promoting trade facilitation and supply chain connectivity in the Asia-Pacific region through a broad range of activities. The number of participating members has constantly increased over time. In 2019, APMEN comprised 22 members from 12 economies. Hence, the establishment of APMEN supports trade and investment liberalization and facilitation and contributes to the institution building of a network of model e-ports.

**6. APEC Services Competitiveness Roadmap (ASCR):**

The CTI served as a core forum to provide inputs to the drafting process of the ASCR (endorsed by Leaders in 2016). Since its adoption the ASCR has served as an inspiration for numerous initiatives in the CTI/GOS, including such important projects as the APEC Non-Binding Principles for Domestic Regulation of the Services Sector (endorsed by the CTI in 2018) and the development of the APEC Services Index (still ongoing). The Roadmap serves a mechanism that supports trade and investment liberalization and facilitation and contributes to a rules-based and market-based economy.

## **Ongoing and Future Initiatives on Institution Building**

**1. Addressing the Unfinished Business of the Bogor Goals: A Final Push in Services:**

Endorsed by SOMs and noted by MRT in 2019, the initiative aims at making a final push towards the achievement of the Bogor Goals and consists of five priority areas led by champion economies:

- a. Progressing disciplines in domestic services regulation: United States
- b. Continuing the work towards developing an APEC Index for Measuring the Regulatory Environment in Services Trade in APEC, including work on the pilot project: Korea
- c. Facilitating talent mobility through the recognition of qualifications and skills: Australia
- d. Environmental services: New Zealand
- e. Manufacturing-related Services: Malaysia.

Besides the project's contribution to the Bogor Goals, it is also worth noting its significant contribution to the APEC Services Competitiveness Roadmap, to the Non-Binding Principles for Domestic Regulation of the Services Sector and to the APEC Index for Measuring the Regulatory Environment in Services Trade in APEC. Regarding the Services Index, Korea is developing a pilot program for the establishment of a regulatory database covering all APEC economies and to enhance members' capability in analysing the regulatory environment. In 2018 a technical group was established that decided to use the OECD STRI as a working basis. Four sectors have gained support for the pilot program: Distribution; Computer Services; Telecommunications; and Logistics-Storage-Warehousing. Currently, four volunteer economies participate in the pilot: Chile, Chinese Taipei, Viet Nam and Peru.

2. **The APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025 (Blueprint 2.0):**

The Blueprint 2.0, endorsed by CTI in 2019, improves its previous version endorsed in 2014, by incorporating NGeTIs and recent business trends. Champion economies have been identified to lead the work in the Blueprint's 7 workstreams:

- a. Addressing trade and investment issues and barriers that impact GVCs: United States
- b. Realize the critical role of the digital economy within GVCs: Chile; Korea
- c. Cooperate on implementing and taking full advantage of statistics related to GVCs: China; United States; Indonesia
- d. Strengthening the role of services within GVC: Australia
- e. Promoting access to GVCs for sustainable and inclusive growth: China; Chile
- f. Improve the business climate for GVCs: Chile; Russia
- g. Deepen efforts to promote trade facilitation: Singapore

Important to notice is also the connection of workstream 3 to the development of the APEC Trade in Value Added (TiVA) Database which will serve as an important tool to help understand better the impact of global production networks on APEC economies, and to help develop effective policies that would improve the opportunities for businesses to participate in the global economy. The development of the database is supported by a series of capacity building workshops.

3. **Single Window Interoperability Action Plan (2019-2021):**

The objective of this project, endorsed by CTI and noted by MRT in 2019, is to promote the interoperability among APEC economies' electronic single window systems. The project has completed its 1<sup>st</sup> phase in 2019, which concluded with a "Compendium of Best Practice Technology Solutions for Single Window Interoperability" outlining current practices and recommendations for the best technology solutions. In 2020, the project enters its 2<sup>nd</sup> phase in which a pilot of single window interoperability with volunteer economies will be developed. With the interoperability pilot that eventually will be expanded to more economies, this project will lead to a very tangible outcome.

4. **Phase II of the Supply Chain Connectivity Framework Action Plan (SCFAP II) (2017-2020):**

In 2009, Leaders adopted the Supply-Chain Connectivity Framework Action Plan (SCFAP-I, 2010-2015), identifying 8 "chokepoints" that directly affect the performance of supply chain connectivity in APEC. Based on an evaluation in 2016, it was agreed to develop a second phase of SCFAP (2017-2020), which aims to reorient

and deepen work on 5 chokepoints: (i) lack of coordination in the management and development of customs procedures; (ii) inadequate quality and lack of access to infrastructure in transportation and services; (iii) high costs and unreliable logistics services; (iv) limited regulatory cooperation; and (v) lack of development in infrastructure and regulation for electronic commerce.

Following the PSU's publication of the Interim Review of External Indicators, emphasizing that many challenges still exist in the cooperation of border agencies and in electronic commerce, a number of SCFAPII-related activities have been planned for 2020.

**5. Review and Update of the 2007 APEC Model Measures for RTAs/FTAs on Rules of Origin (ROO):**

The proposal was endorsed in 2018 for APEC economies to review and update the Model Measures from 2007. Once reviewed, APEC economies will be encouraged to reference the model measures when reviewing or negotiating FTAs. An informal group has been established to progress the work.

**6. Support for the WTO Information Technology Agreement (ITA) Expansion:**

APEC was one of the key players since the very beginning of the ITA initiative. The APEC Market Access Group has constantly supported and encouraged APEC members to join the ITA expansion, and since the successful closing of the ITA2 deal at the WTO MC10 (supported by 13 APEC economies) it has conducted follow-ups to ensure the implementation of the ITA expansion by all economies, along with promoting capacity-building initiatives and constantly urging APEC members who are not yet parties to join the ITA2.

**7. APEC Cross-Border Privacy Rules (CBPR) System:**

The CBPR, endorsed by Leaders in 2011, is implemented by the APEC Privacy Framework which was updated in 2015. The APEC Privacy Framework promotes a flexible approach to information privacy protection across APEC economies, while avoiding the creation of unnecessary barriers to information flows. It benefits consumers and business alike by ensuring that regulatory differences do not block businesses' ability to deliver innovative products and services. There are currently eight participating APEC CBPR system economies: (USA, Mexico, Japan, Canada, Singapore, the Republic of Korea, Australia, and Chinese Taipei) with more expected to join soon. Further positive results are the CBPR's recognition in the USMCA, Japan's recognition of the CBPR System to enable cross-border data transfers in compliance with its domestic law and the fact that the companies that are certified businesses under the CBPR are some of the world's most prominent ones (e.g., Apple, HP, IBM, Merck).

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

**1. Compendium on Methodologies for SMEs Internationalization (2019):**

The Compendium of APEC best practices, methodologies and successful stories on SMEs Internationalization seeks to align economies' efforts in positioning SMEs in

regional and global markets. A significant number of economies submitted contributions to the Compendium: Peru, Mexico, Chinese Taipei, Malaysia, Chile and the Philippines. The contributions were uploaded to the MSMEs Marketplace for more visibility. The Compendium contributes to fight exclusion and marginalization and to offer opportunities for upward mobility since it provides useful examples on how to improve the internationalization of SMEs which, as a backbone of many economies, are “significant contributors of economic growth, trade, employment poverty alleviation and innovation and their internationalization is key to realizing inclusive growth and development” (Boracay Action Agenda).

2. **Promoting E-commerce to Globalize MSMEs (2017):**

This initiative sought to identify and explore ways to address difficulties faced by MSMEs to participate in e-commerce; and to develop a set of recommendations for developing capacity building plans. Based on the inputs gained from the survey and group discussions conducted with five economies – Brunei Darussalam, China, Korea, Malaysia and Chinese Taipei, the PSU developed a report on Promoting E-Commerce to Globalize MSMEs which includes case studies of the above five economies and recommendations. The initiative contributed to fight exclusion and marginalization and to offer opportunities for upward mobility, since e-commerce provides a significant potential for improving SMEs’ integration into international markets.

3. **Highlights of initiatives directly related to the topic of “inclusion”:**

- The Capacity Building Workshop on Women and Trade was held at SOMI 2019. The workshop shared information on policies and practices that should be considered when trying to increase participation of women in trade and help them reach their full potential as participants in the global economy. More than 50 participants from 14 member economies participated in this workshop. Presentations from expert speakers, including from the WTO, were well received, and elicited an active and fruitful discussion. By focusing on a mix of policy and practical elements aimed at improving economies’ capacity to design and implement domestic policies to advance women’s participation in trade, the workshops contributed to fight exclusion and marginalization and to offer opportunities for upward mobility.
  - In the same direction went the 2019 Information Sharing Mechanism on WTO-plus aspects of FTAs/RTAs provisions that address the issue of inclusion.
4. In 2019, the **ABTC Operating Framework was updated** by the BMG to allow additional eligibility criteria to further encourage and support applications from women across the APEC region. It is hoped that through facilitating business activity for women in APEC, more opportunities for upward mobility are created. In reference to the general success of the ABTC: By July 2019, there were over 345,122 active ABTCs across the APEC region, which is an increase of 10% from the preceding 12-month period.

## **Ongoing and Future Initiatives on Social Cohesion**

1. **Implementation of the Boracay Action Agenda (BAA) to Globalize MSMEs:**

The BAA seeks to promote MSMEs in regional and global markets until 2020 through 8 priority areas and underscores the participation of MSMEs in global commerce for

inclusive growth. According to the mid-term evaluation of 2018, 115 initiatives (76 completed and 39 on-going) had been developed in support of the BAA. Since 2015, the CTI and its sub-fora have contributed to the implementation of BAA through a vast number of projects. Some ongoing projects worth highlighting are:

- Research on Promoting Trade in Services by SMEs and Women Entrepreneurs through data analyses and case studies. The publication of the research includes a framework for service trade liberalization in favor of SMEs and women entrepreneurs and aims at increasing the participation of SMEs and women in service trade.
- Next Generation MSME-Specific Provisions and Possible Next Steps: The project aims to identify MSME-specific provisions in FTAs and possible next steps for the Work Programme on MSMEs in FTAAP. By building economies' capacity to address MSMEs related issues (in FTAs), the project contributed to increasing MSMEs' ability to better take advantage of future FTAs/RTAs.

## 2. **Digital Symposium:**

The two-day symposium to be held in 2020 seeks to enhance and complement economies' capacities through an exchange of information and experiences in implementing policies that contribute to growth of the digital economy with a focus on a) building digital literacy, b) supporting digital inclusion and adaptation, and c) fostering an enabling environment for the digital economy. The project will identify opportunities for greater public-private cooperation on digital issues; support MSMEs (including women-led businesses) and innovation enterprises with information and tools for participating in the digital economy; and highlight approaches to harness on the opportunities in the digital economy.

## 3. **Malaysia's priority agenda on Inclusive and Responsible Business and Investment (IRBI)** was included in IEG's permanent agenda and endorsed by the CTI at CTI1 2020. This includes: to carry out a study on level of awareness, impact and risk of rising standards on IRBI conduct; to conduct a Public-Private Dialogue on IRBI in SOM3 2020; to establish an APEC's set of guiding principles on IRBI; and to develop an APEC toolkit or a resource document on IRBI.

## 4. **Public-Private Dialogue on Understanding Non-Tariff Measures (NTM) on Agriculture, Forestry and Fisheries Sectors to Enhance Trade to Improve Rural Development and Poverty Alleviation in the Asia Pacific Region:**

The PPD, to be held in 2020, aims to discuss how to develop necessary NTMs with the least trade disruption as well as areas where incidence of unwarranted NTMs are extensively hindering international trade and therefore disincentivize producers in rural areas. The three sectors were chosen mainly because of their contribution to poverty alleviation in the region.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

#### 1. **Best Practices on Circular Economy: Redefining Growth- from Waste to Worth (2018):**

The workshop was an opportunity to exchange best practices and develop recommendations on maximizing resources utilization and efficiency in production; in collection and recycling of post consumption package; to identify and create new opportunities for economic growth and boost innovation and competitiveness of APEC economies. The project allowed economies to learn a successful case of a Circular Economy in the APEC region by receiving the tools and learning the experiences of the stakeholders that put in place such a model. Finally, the participants were assisted in the development of their own roadmap and helped into identifying the gaps to achieve certain stages in a Circular Economy Model, as well as receiving tools to close those gaps. The initiative contributes to reducing greenhouse gas emissions and to adapting to the effects of climate change.

2. **Promoting Quality Infrastructure Investment in Rapidly Urbanizing APEC region, and Upgrading the APEC Guidebook on Quality of Infrastructure Development (2014/2018):**

The Guidebook, whose first version from 2014 was revised in 2018, provides model approaches and procedures for government officials and stakeholders of APEC economies for implementing quality infrastructure projects based on a common understanding of quality infrastructure development and investment. The revised Guidebook lists key actions in each phase of quality infrastructure projects, such as identification, procurement, operation, and completion. “Social and Environmental Sustainability” is addressed by the Guidebook as one of the 5 key elements of quality infrastructure. In this context, the project favors “environmentally friendly infrastructure to realize a low-carbon society which can flexibly react to the progress of global warming and climate change”, and thus contributes to adapting to the effects of climate change. The Guidebook constitutes a practical reference useful for many economies. It can be used independent of economies’ different policies, capabilities, experiences or stages of economic and institutional maturity.

3. **APEC Guideline on Quality of Water Infrastructure (QWI) (2018):**

The Guideline aims to provide a deeper understanding of how water infrastructure is planned, built and operated; including suggestions on methods for securing the quality of water infrastructure. The Guideline presents 5 key elements that ensure the QWI and important considerations for the QWI. One of the 5 elements is “Social and Environmental Sustainability” which includes “controlling and reducing the environmental burden, preserving biodiversity, conserving energy and using renewable energy, and developing the system for material recycling, energy recovery, and water reclamation”. Hence, while conforming to economies’ conditions/development levels, the Guideline gives practical advice for water infrastructure development that adapts to the effects of climate change and reduces greenhouse gases.

4. **Facilitating Trade and Investment in Sustainable Materials Management Solutions in the APEC Region: Promoting an Enabling Regulatory Environment (2016/2017):**

Under the auspices of ARCAM, in 2016 economies launched an initiative to facilitate trade and investment in Sustainable Materials Management (SMM) Solutions (i.e., source reduction, recycling, composting, waste-to-energy). The initiative consisted of a study, through which APEC aimed to lay the groundwork to determine how the region can best address barriers to trade in SMM solutions and prioritize actions for further

work. A survey circulated to economies via the CTI to collect data on domestic economy-wide definitions for key SMM-related terms and their sources was met with an impressive 86% response rate, signalling considerable regional interest in this topic. Numerous stakeholder interviews supplemented the survey data, articulating public and private sector experiences with barriers to trade and investment in SMM solutions in APEC. Through these interviews, this research is able to ground the analysis in reality—demonstrating “real world” barriers facing the APEC SMM community. The initiative concluded with a report on SMM, endorsed by CTI in 2017, with recommendations to facilitate trade and investment in this sector. Through its set of key observations this report promotes growing SMM markets across the Asia-Pacific which address today’s waste management deficiencies. In this sense the initiative contributes to adapting to the effects of climate change and to reducing greenhouse gas emissions.

#### 5. **APEC Roadmap for Electric Vehicles (2015):**

In 2015, the CTI and the Automotive Dialogue (AD) endorsed the Roadmap for Electric Vehicles (drafted in cooperation with the EWG and the TPTWG). The Roadmap’s objective is to facilitate the adoption and implementation of international standards pertaining to electric vehicles (EVs) and to address divergent EV regulations which may constrain the market potential for increased trade in electric vehicles (EVs) and its possible contribution to the realization of low carbon economy. To realize the Roadmap’s actions, a series of workshops have been held from 2016 to 2018, to discuss inputs on inventory of regulations and standards used in the production and operation of EVs in the region, on-going international efforts to create Global Technical Regulations on EVs, establishment of an APEC Interoperability Center, and the list of priority standards for promoting widespread usage of electric vehicles in the region. The Roadmap contributes to adapting to the effects of climate change and to reducing greenhouse gas emissions.

### **Ongoing and Future Initiatives on Environmental Impact**

#### 1. **APEC List of Environmental Goods (EGL):**

In 2012, Leaders endorsed a list of 54 environmental goods, on which they would cut tariffs to 5% or less by 2015. Detailed Implementation Plans were published by each economy on the APEC Website in 2016. The conclusion of this APEC initiative, the first multilateral tariff-cutting arrangement in 20 years, helps to lower the cost of environmental goods such as solar panels, wind turbines and air pollution control equipment. Transparent, easy-to-access information on tariff cuts within the sector made available by APEC economies will help businesses take advantage of new trade opportunities while promoting clean, efficient energy use and lower carbon emissions in the region. This is all the more important since APEC accounts for nearly 60% of world trade flows in the 54 HS sub-headings included in the APEC EGL and global trade of the APEC EGL of products is increasing (PSU Policy Brief No. 5, 28. Nov. 2012). The CTI continues to monitor the progress of implementing the EGL commitments, with a view to realize its full implementation. By SOM1 2020, all member economies have implemented their tariff reductions for the APEC EGL, except for three economies. Two of them are making great progress towards the implementation of their tariff reductions soon.

2. **Implementation of the Environmental Services Action Plan (ESAP):**

Endorsed by CTI in 2015, the ESAP comprises actions to promote liberalization and facilitation of environmental services. The ESAP envisages a number of actions in three phases, including a survey of regulatory and/or policy measures on services under CPC94 in APEC economies; studies to build and enhance a common understanding of the roles of a wider range of services in environmental industries/businesses (such as water business, recycling business, waste management, energy efficiency and renewable energy business); identifying key challenges and compiling recommended actions to address those challenges; and sharing good practices as a means to promote liberalization, facilitation and cooperation in this area. The CTI achieved great progress in working on a wide range of services in environmental industries under the ESAP, including several capacity building workshops. The interim review of ESAP was endorsed by CTI in 2018. Until the final review in 2020, it is expected that concrete actions will be taken based on the recommended action agendas contained in the interim review.

3. **Green Supply Chain Cooperation Network (GSCNET):**

In 2014, Leaders agreed to establish the GSCNET and endorsed the establishment of the first pilot center in Tianjin, China. The purpose of the network is to facilitate the reduction of pollution and waste linked to manufacturing and logistics networks in the Asia-Pacific. In focus is environmentally friendly, economically viable purchasing, production activity, and distribution and consumption of goods and services. Several other pilot demonstration centers within economies have been identified to coordinate their efforts and activities, promote Green Supply Chains and contribute to possible future actions on information exchange and capacity building. The GSCNET holds an annual conference and realizes a broad range of activities each year.

4. **Information-Sharing to Support APEC Economies to Implement the WTO's 2017 Decision to Eliminate Subsidies that Contribute to IUU Fishing:**

The project consists of a stocktake of economies' current measures against subsidies that contribute to IUU Fishing and seeks to increase economies' capacity to implement the MC11 commitment to eliminate subsidies that contribute to IUU fishing through the WTO fisheries negotiations. Currently, CTI members are asked to complete a stocktake survey on their measures against subsidies that contribute to IUU Fishing. The objective of the survey is to share information on existing approaches in the APEC region to the withdrawal of subsidies that might contribute to IUU fishing. The findings of the survey will be consolidated into a factual report, which could form the basis of a set of good practices that member economies could draw on to implement future commitments once the WTO negotiations have concluded.

## **ECONOMIC COMMITTEE**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **Ease of Doing Business Initiative**

- Developing rules-based and market-based economies, as well as trade facilitation.



- Under the first and second EoDB Action Plans (2009-2018), APEC achieved the target of a combined progress of 25% across all five priority areas: starting a business, dealing with construction permits, getting credit, trading across borders, and enforcing contracts.

## 2. RAASR

### 3. Good Regulator Practices Conferences

- Promote regulatory quality standards that are particularly important to trade and investment, such as regulatory accountability, reform capacity, consultation, efficiency, and transparency.

### 4. SELI ODR Work Plan

- The SELI Work Plan on APEC-wide cooperative Online Dispute Resolution (ODR) framework for MSMEs in B2B transactions and use of modern technology for dispute resolution and electronic agreement management (“SELI ODR Work Plan”), endorsed by EC, has been co-sponsored by 14 member economies.
- The SELI ODR Work Plan aims to promote understanding of FinTech and related law, including blockchain technology and smart contracts, with a view to facilitating the prevention and resolution of contractual disputes as well as the enhancement of contract management in the region.
- Various workshops and policy discussions have been held under the SELI ODR Work Plan in the previous years. APEC member economies actively took part in the projects, and noted the value of ODR as a useful form of dispute resolution for MSMEs with limited resources through the use of digital technology to facilitate speedy dispute resolution in cross-border trade for APEC member economies, leading to the EC endorsing the APEC Collaborative Framework on ODR of Cross-Border B2B Disputes and Model Procedural Rules (“ODR Framework”) at the 2<sup>nd</sup> EC plenary meeting during SOM3 2019.
- The SELI ODR Work Plan is a good example of a mechanism that facilitates cross-border trade and investment among APEC member economies.

### 5. Policy dialogue on “*Applying Emerging Technologies for Better Governance and Regulation of the Digital Economy*”

Having noticed that it is important and essential to have an in-depth discussion on how to apply emerging technologies for better governance in the digital age, Chinese Taipei held a policy dialogue on “*Applying Emerging Technologies for Better Governance and Regulation of the Digital Economy*” in 2019. The Dialogue was intended to explore the opportunities, challenges and risks of applying emerging digital technologies to structural reform efforts, especially with a focus on public sector governance and regulatory reform.

## Ongoing and Future Initiatives on Institution Building

### 1. Third phase of the EoDB Action Plan

### 2. Next phase of APEC’s structural reform agenda

### 3. 13<sup>th</sup> GRP Conference

#### 4. EC 01 2020 S – FinTech Regulatory Sandboxes Capacity Building – Russia

- It is expected that identification of regulatory sandboxes patterns in APEC as well as identification of principal users' needs and expectations could contribute to upgrading the existing experimental frameworks to a new level of efficiency in a medium term as well as allow the APEC economies to perform their own compare/contrast exercise and decide upon elements to incorporate into their sandboxes in the long period. The utmost goal is to ensure a balance between effective regulation and stimulation of fintech innovation.

#### 5. Stocktake of APEC Online Dispute Resolution (ODR) Technologies – Russia

- The project seeks to assess the types of technological solutions offered by ODR providers that may assist in building trust to e-commerce, providing sufficient instruments to solve complaints, contradictions, and disputes online. It will help distinguish key patterns and features of available ODR technologies and make APEC aware of them to build future e-commerce strategies.

#### 6. APEC Collaborative Framework on ODR of Cross-Border B2B Disputes and Model Procedural Rules

- The Framework was endorsed by the EC on a pilot basis at the 2<sup>nd</sup> EC plenary meeting during SOM 3 in 2019.
- The objective of the Framework is to: (i) contribute to the implementation of the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion and Boracay Action Agenda to Globalize MSMEs; (ii) promote B2B cross-border confidence; and (iii) facilitate inclusion of MSMEs in the global value chain.
- The Framework is expected to provide quick electronic resolution and enforcement of disputes across borders, languages, and different legal jurisdictions. This would help lift or eradicate trade barriers caused by the high costs and time involved in resolving cross-border disputes by traditional means (e.g., litigation, arbitration), especially for low-value disputes common among MSMEs in the region.
- Great support and interest has been shown by member economies and relevant stakeholders, including ODR platform providers and businesses, including ABAC. At the EC plenary meeting held during SOM1 2020, 3 member economies announced their decision to opt into the Framework with 6 other economies expressing high possibility of opting in pending internal approval.
- The Framework would lower the costs faced by MSMEs in engaging in cross-border trade, facilitating cross-border trade and investment among APEC member economies.

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

#### 1. Gender and Structural Reform

- Highlighting the importance of structural reform in women's economic empowerment and tackling the many of the barriers to women's economic

participation in the region are behind the border barriers of a legislative, regulatory or policy nature.

- Women@Work Brief.

2. **Three Approaches Paper**
3. **2017 AEPR on Structural Reform and Human Capital Development**
4. **2016 AEPR on Structural Reform and Services**
5. **2015 AEPR on Structural Reform and Innovation**

### **Ongoing and Future Initiatives on Social Cohesion**

1. **2020 AEPR on Structural Reform and Women's Empowerment**
2. **SCE 01 2018S – APEC Public-Private Dialogue on Remote Areas Development in the Digital Era**
  - The project paves the way for the collective elaboration of means for the crosscutting technologies to foster broad-based economic growth and integration of remote areas and prevent the latter from remaining marginal in the digital era.
3. **EC 03 2019A – Analysis of Perspectives and Barriers for Effective Implementation of Public e-Services – Russia**
  - The practical value of the project will be its “recommendations” part that will provide APEC economies with advice on the measures to be adopted at different levels (government, business, financial institutions) to ease the delivery of services in a faster and cheaper manner to the population of APEC.
4. **APEC Collaborative Framework on ODR of Cross-Border B2B Disputes and Model Procedural Rules**
  - For a brief description of the Framework, please refer to p.2 above.
  - The Framework provides for online dispute resolution through mediation, which as a form of non-adversarial, consensus-based dispute resolution, would assist to preserve a harmonious relationship between the parties when a dispute arises, encouraging direct communication between the disputing parties and serving as a helpful healing process.
  - By creating a more inclusive environment for economic participation and cross-border trade through use of modern technology, the Framework aims to achieve inclusive economic participation through the digital economy and technology.
  - Through lowering the costs for MSMEs to trade across borders, the Framework assists to provide MSMEs opportunities for upward mobility.

## **Key Accountability Area 3: Environmental Impact**

### **Ongoing and Future Initiatives on Environmental Impact**

#### **APEC Collaborative Framework on ODR of Cross-Border B2B Disputes and Model Procedural Rules**

- For a brief description of the Framework, please refer to above.
- The Framework is expected to provide speedy resolution of disputes across borders, languages, and different legal jurisdictions, through electronic means.
- Unlike traditional means of dispute resolution such as litigation or arbitration which require the parties to a cross-border dispute (who are located in different member economies) to travel to the Court or arbitration center which may be located in a different economy, the Framework envisages that the parties (and their legal team, if any) do not need to undertake such travel due to the online nature of dispute resolution under the Framework.
- Besides lowering the costs faced by MSMEs in engaging in cross-border trade, the Framework would assist to reduce greenhouse gas emissions and the carbon footprint of enforcing cross-border contracts.

## **SOM STEERING COMMITTEE ON ECOTECH**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

- The SCE's (through the SMEWG) focus on business ethics and the adoption of the Framework of Ethical Business Practices in Medical and Pharmaceutical Sectors has helped strengthen the development of rules-based economies. In 2018, the SCE adopted and implemented 40 domestic health industry codes of ethics across 10 APEC economies, expanding best practices to more than 19,000 enterprises, including 13,500 small and medium enterprises.

#### **Ongoing and Future Initiatives on Institution Building**

Most institution building work takes place at the working group level and then rises to the SCE level for endorsement upon completion. As such, this work is not visible to SCE until complete.

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

- The SCE (with support from PPWE) has successfully built momentum and cross-fora coordination on APEC's women's economic empowerment agenda across working groups, including in 2017 launching a new Sub-Fund on Women and the Economy and in 2019 the La Serena Roadmap for Women and Inclusive Growth. SCE's work has encouraged the EC to advance these efforts in this year's APEC Economic Policy Report.

- SCE (via GOFD and HRDWG) as also added work to support persons with disabilities to APEC’s agenda to help fight exclusion and marginalization.

## **Ongoing and Future Initiatives on Social Cohesion**

### **1. The APEC Case Studies on Inclusive Policies**

This Korea led project was endorsed in 2019. The project aims to provide the member economies with the best practices of inclusive policies including support for the economic participation of the poor, women, SMEs, youth, etc. The Key Contributing Economies (KCEs) submitted the case studies to the PSU in February. The first draft is scheduled to be circulated during the SCE2, and the finalized report is expected to be circulated during the SCE3 in 2020.

### **2. La Serena Roadmap for Women and Inclusive Growth**

The SCE is supporting the implementation of the La Serena Roadmap for Women and Inclusive Growth, utilizing accountability mechanisms and tools to ensure that working groups can carry out the Roadmap’s commitments into the future.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

#### **1. APEC Mining Week 2019**

The Mining Week was a Chilean self-funded project which was implemented through a series of activities in Copiapó City, on 5-8 August 2019. Delegations from 10 of the member economies participated in the weeks’ events, including Australia, Canada, Chile, China, Japan, Papua New Guinea, Chinese Taipei, Thailand, the United States and Viet Nam. Sessions also included participants from the private sector, academia and civil society. The Mining Week aimed to be an instance for the discussion of mining issues in APEC, strengthening the relation between the mining industry and APEC economies, and showing the potential contribution that the mining sector can offer to the Asia Pacific region. It also had as objective to show the initiatives and advances in mining and evidence the benefits that a developing mining sector can contribute with better opportunities and development of SMEs, capacity building, good practices sharing, and the use of technologies on sustainable mining issues (safety, services, technology among others).

The following workshops, seminars and meetings took place during the Mining Week:

- Mining Safety Seminar;
- Conference on Sustainable Mining;
- Workshop on ‘Developing Training Materials to Promote the Reduction of Mercury Use in Artisanal and Small-scale Gold Mining’;
- Mining Policy Public-Private Dialogue; and
- High-Level Policy Dialogue on Mining Digitalization.

Several sustainable-related issues were addressed at these workshops and meetings, including: sustainable mining, with new technologies applicable for lowering mining’s footprint (hydrogen applications, water desalination, and operation sustainability plans); SMEs transition from mercury amalgamation to other cleaner technologies;

mining traceability and responsible sourcing, to produce more sustainable and recyclable products to comply with regulations and final consumer/stakeholders social, economic and environmental demands; mining tailings, with the development of better management standards and guides; and energy resource governance, sharing the importance of cooperation to develop resilient mineral supply chains on EVs, that meet the expected demands for clean energy technologies.

The Mining week proved to be an excellent opportunity to exchange successful experiences, best practices and recommendations regarding on the abovementioned issues, especially sustainable mining. In addition from the important focus on sustainable mining, is worth mentioning the high engagement that private sector had during the different activities of the week. The APEC Mining Week Summary Report was endorsed intersessionally by the SCE in September 2019.

## 2. **Marine Debris and IUU Roadmaps**

In 2019, the Committee endorsed (through OFWG) the APEC Roadmap on Combating Illegal, Unreported, and Unregulated (IUU) Fishing and APEC Roadmap on Marine Debris. Also, the new sub-fund on Marine Debris Management and Innovation was authorized.

## **Ongoing and Future Initiatives on Environmental Impact**

### 1. **APEC Case Study: Best Practices of Smart Cities in the Digital Age**

The case-study research project seeks to offer member economies useful knowledge and reference material on successful practices and innovative solutions implemented by other member economies who have overcome challenges such as: inadequate infrastructure, growing inequalities and poverty, as well as rising environment pollution and require increased resilience towards natural disasters. In this way, by sharing experiences and offering policy recommendations, it will contribute to smarter urbanization processes across the Asia-Pacific region and foster opportunities for smart cities cooperation within APEC economies in the digital age. Making cities smarter is an essential factor in the global effort to achieve sustainable, inclusive growth, consistent with the Sustainable Development Goals.

### 2. **Marine Debris and IUU Roadmaps**

In 2019, the Committee endorsed the APEC Roadmap on Combatting Illegal, Unreported, and Unregulated (IUU) Fishing and the APEC Roadmap on Marine Debris. The OFWG is currently drafting implementation plans for both. In addition, a new sub-fund on Marine Debris Management and Innovation was authorized in 2019. Once fully operational, this fund will help address the effects of climate change while working towards more sustainable practices.

## 5. SCE SUB-FORA

### ANTI-CORRUPTION AND TRANSPARENCY WORKING GROUP

#### Key Accountability Area 1: Institution Building

#### Achievements in Institution Building

The ACTWG has focused on capacity building addressed to law enforcement agents, public officials and the private sector, regarding public and private integrity, to ensure fair trade within the APEC economies. Compliance and anticorruption programs in the private sector is a key element for this purpose. In terms of Institutional Building and anti-corruption efforts the following projects/initiatives can be highlighted:

1. The handbook “**Best Practices in Investigating and Prosecuting Corruption**”: using financial flow tracking techniques and financial intelligence” [M SCE 01 12A] was published in 2015 as an important tool for law enforcement agencies (focus). This multi-year project joined efforts made by Chile and Thailand to improve the investigation and prosecution of corruption and money laundering. The Handbook covers several important key areas of law enforcement agencies’ work such as pre-conditions needed for complex investigations; building coordination strategies (domestic and international) and cooperative networks; effective gathering of information and evidences (digital, for example); and the asset recovery process, among other useful resources.
2. **Facing Foreign Bribery: APEC Anti-Corruption Workshop** (2016 – Peru): Participants shared successful experiences and identified the obstacles that have been overcome on the criminalization of foreign bribery and successful prosecution of this criminal offence in the APEC region. The Workshop counted with the active participation and technical expertise of the OECD.
3. **Workshop on Digital Government, Integrity Policies and Corruption Prevention Mechanisms in APEC Economies** (2019 – Chile): ACTWG and participants shared experiences in how the modernization and use of digital technologies within the public sector, together with the integrity culture, can help in reducing corruption and promoting transparency in their economies.
4. **Capacity Building Workshop for Law Enforcement Agents to Investigate Individual and Corporate Liability in Domestic and Foreign Bribery** (2019 – Chile): provided capacity building to APEC economies’ law enforcement agents addressing and sharing effective tools to investigate and prosecute individuals and corporations for their liability in domestic and foreign bribery. It also identified an effective compliance program as a critical component of a company’s internal control and as an essential tool to detect domestic and foreign bribery. After the Workshop, a Guidebook with Best Practices in Monitoring and Supervising Effective Corporate

Compliance Programs was developed and published in the APEC website in February 2020.

### **Ongoing and Future Initiatives on Institution Building**

During 2020, ACTWG will be working on two important projects regarding Institution Building and Anti-Corruption, which will be held in Malaysia during SOM3:

1. Public-Private Dialogue on Government Strategies to Encourage Ethical Business Practices (U.S Self-Funded Project) from the Business Ethics for APEC SMEs Initiative. This is also a cross fora collaboration with SMEWG.
2. Capacity Building Workshop on Exposing the Unseen Hands: tackling concealment of beneficial ownership, which aims to provide capacity building to APEC economies on this relevant topic for law enforcement agencies and policymakers, enhancing its abilities on investigating and prosecuting techniques (Malaysia's Concept Note submitted to APEC Project Session 1, 2020).

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

Regarding this key area, the ACTWG has been working during the requested period in different aspects that might fight exclusion and marginalization, create a sense of belonging and promote trust.

1. **APEC Workshop on Enhancing Whistleblower Protection in Corruption Cases** (APEC Project ACT 01 2016) was held in Chinese Taipei in 2016, to enhance corruption investigation and prosecution to promote stronger Whistleblower protection mechanisms and develop recommendations for advancing APEC's work in protecting whistleblowers. At the end of the Workshop, APEC delegates and international experts drafted and discussed a set of principles to conclude the recommendations made in the Workshop, thereby identifying some of the key elements that should be considered and contained when developing or enhancing Whistleblower protection regimes.
2. **Best Fit Practices and Experience Sharing Workshop on Corruption Prevention Mechanisms in APEC Economies** (APEC Project ACT 02 2017A) was held on the margins of SOM1 in 2018 in Papua New Guinea to generate discussions and recommendations regarding ideal effective transparent corruption prevention measures, practices and mechanisms through the sharing of best fit practices and experiences from experts and member economies. The workshop also promoted private sector collaboration by inviting speakers and participants from government, business and academia, which presented on topics ranging from the International Framework to Corruption Prevention in the Digital Age. A Compendium on Best Practices on Corruption Prevention Methods was the main output of the Project.



3. The Group also endorsed in 2019 the **Compilation of APEC Member Economies' Good Practices in Promoting Social Engagement in Anti-Corruption**, led by Viet Nam. The activity was agreed by member economies in 2017 and since then, good practices from member economies have been compiled on the yearly basis. After three years of this compiling exercise, it was informed that 117 good practices have been shared by 16 member economies. The document contains very valuable practices, experiences, lessons in promoting the engagement of the society in anti-corruption, which might be a useful reference guide for member economies to promote civil society and stakeholders' participation in the fight against corruption.

### Ongoing and Future Initiatives on Social Cohesion

1. Following APEC Leaders' mandate to continue enhancing cross-fora collaboration to achieve APEC's core goals and having in mind that corruption can be present in many areas associated to economic trade, business and especially within governmental sector, in 2019 the ACTWG started a cross fora strategy to identify those areas where joint work can be done together with other APEC groups. Therefore, **a Cross-Fora Meeting was held in 2019 (SOM I) in Chile**, where representatives from SCCP, PPWE and SMEWG participated. This has been a starting point for a joint work that will be done also in 2020 and 2021.
2. **"Symposium on Gender Mainstreaming and Women Empowerment to Fight Corruption"** (APEC Project ACT 01 2019) is currently being implemented. The Symposium (11-12 February 2020), a cross collaboration between ACTWG and PPWE, addressed the linkages between corruption and gender in order to come up with Policy Recommendations which are aimed as reference for ACTWG future work. The work led by Chile (2019) and Malaysia (2020) on gender and corruption has encouraged ACTWG to agree on including this topic in future Plenary Meeting Agendas.
3. To follow up on this work, a **Concept Note to hold a "Symposium to Develop Practical Guidance to Enhance Gender Mainstreaming and Women Empowerment to Fight Corruption"** has been presented by New Zealand in Project Session 1 2020. New Zealand will be the ACTWG Chair 2021 (APEC Host Economy).

### Key Accountability Area 3: Environmental Impact

#### Achievements in Environmental Impact

During this period, the ACTWG has hold several Pathfinder Dialogues *"Strengthening the Fight against corruption and illicit trade: partnerships for Sustainable Security"*, which have been organized by the United States with the respective ACTWG Chair economy. The Dialogues aimed to identify specific measures that APEC economies could implement in order to combat corruption and illicit trade, human trafficking, wildlife trafficking, timber trafficking, illegal logging, etc., focusing on the links between corruption and environmental crimes, human trafficking and slavery. These Dialogues produced spaces to discuss clear and efficient strategies for anti-corruption officers in the APEC Region.

1. **APEC Pathfinder Dialogue II 2015** – Cebu, the Philippines
2. **APEC Pathfinder Dialogue III 2016** – Lima, Peru

### 3. **APEC Pathfinder Dialogue IV , 2017 –Viet Nam**

#### **Ongoing and Future Initiatives on Environmental Impact**

The **1st Cross-Fora Policy Dialogue (PD) within ACTWG, SCCP and EGILAT** will be held on 4 August 2020, Pulau Pinang, Malaysia, in the margins of SOM3 as of the ACTWG Work plan's deliverables for 2020.

The Policy Dialogue aims to revisit efforts that have been carried out to reduce illegal logging, improve revenue collection of economies, to combat corruption and to create a platform with common understanding on governance and sustainability perspective addressing the current state on timber trading among the APEC economies.

In this regards next steps for this cross-fora work would be to discuss the viability in establishing a consensus policy on “Governance on Timber Trading Sustainability (GTTS) Dashboard” or other tangible measurements. A Dashboard, for example, would enable economies to enhance prevention, strategizing, planning and indicate common areas of regional cooperation in enforcement etc. The concrete outcome of the dialogue will be the way forward for upcoming initiatives and efforts on combating illegal logging and timber trading among APEC economies.

## **ENERGY WORKING GROUP**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

##### **1. APEC Workshop on Best Practices for Attracting Renewable Energy Financing and Investment (EWG 04 2018A)**

To help address capacity needs of developing economies and support APEC in achieving its broader energy goals, the US-ATAARI project implemented the APEC Workshop on Best Practices for Attracting Renewable Energy Financing and Investment: Successful Development of Grid-Connected Wind and Solar in November 2018. The workshop accomplished its primary objective of exchanging ideas and best practices for creating an enabling environment to attract financing and investment for renewable energy projects. The key findings, as discussed in the referenced corresponding study, include that deciding on the perfect balance of costing and attracting investment for renewable energy development can be a considerable challenge.

##### **2. Energy Workforce Resilience Workshop (EWG 01 2017S)**

The Workshop held in April 2016 in Singapore served as a platform to (i) Raise awareness on key human resource challenges, (ii) Share best practices implemented by APEC economies to enhance workforce resilience, and (iii) Identify potential solutions to attract and retain talent for the energy sector in the APEC region.

3. **APEC Workshop on Liquefied Natural Gas (LNG) Trade Facilitation (EWG 07 2018S)**

The Workshop held on 7<sup>th</sup> December 2018 in Chinese Taipei provided a platform for deeper dialogues on policies, regulatory frameworks and market mechanisms related to the region's LNG development and trade facilitation among current and future LNG suppliers and consumers of the region. Experts of member economies, international organizations, and regional LNG trading hub will be invited to share their views on the challenges and prospect of LNG trade in the region. The Workshop is also a continuation of the work of the APEC Energy Work Group on implementation of the recommendations of the "APEC Energy Ministers-CEO Dialogue on LNG Development and Trade" held in Washington, D.C. in June 2018. The policy recommendation derived from the Workshop included: (i) Create a sound environment for LNG development; (ii) Facilitate regional LNG market transparency; and (iii) Promote Multilateral Cooperation.

### **Ongoing and Future Initiatives on Institution Building**

1. APEC Workshop on the Use of Pumped Storage Hydropower to Enable Greater Renewable Energy Use and Reliable Electricity Supply (EWG09 2019A)
2. Sustainable Mobility: Routes for Integrating the Energy and Transport Sectors for Urban Cities (EWG 05 2019A)
3. Evaluation of Energy Technologies, Programs and Policies (EWG 12 2019A)

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

1. **Integrated Energy System Planning for Equitable Access to Sustainable Energy for Remote Communities in the APEC Regions using North Sulawesi as a Pilot Project/Test Bed (EWG 13 2017A)**

The outcomes of the project including: (i) Encourage gender diversity in university courses, policy and engineering programs focussed on electrification pathways for developing small urban communities in the APEC regions; (ii) Improved understanding of planning for sustainable development through electrification in developing regional towns with a focus on energy efficiency, renewable energy sources as well as innovative and new energy technology pathways; (iii) A strong clean and cost-effective energy environment in Bitung that can attract new industries that will contribute to and thrive on the further sustainable regional development; and (iv) A foundation for a communication and engagement highway through the public website and other media. This will underpin an environment of openness, transparency and good governance among APEC member economies.

2. **Enhancing Women's Empowerment in Energy Field: Mapping Energy Policies with Gender Perspective (EWG 18 2018A)**

The project creates a platform where stakeholders from public and private sectors from both energy and gender background can exchange expertise to identify potential areas that energy policies can be improved with refined gender perspective; increases

knowledge in women's participation potential in each sub sector within energy field; and seek dialogues and collaboration between EWG and PPWE on women's empowerment in energy field for greater synergy among APEC on this issue.

The project workshop provides policy recommendations on Women Empowerment in the Energy Field, including (i) Apply a gender approach in energy policies and programs; (ii) Strengthen capacity building; and (iii) Promote multilateral cooperation. More than 80% of the workshop participants are women.

**3. APEC Workshop on Improving Electric Grid Resiliency to Natural Disasters (EWG 09 2018S)**

The workshop held on 19-20 September 2019 in Cebu, the Philippines included discussion of energy security and resilience analysis and design for communities, and a full example analysis done with the attendees for a hypothetical small community (20,000) people. The workshop allowed APEC economies to exchange experience on methods and approaches for evaluating and planning for natural disaster risks to power systems, infrastructures, and communities. The workshop also provided the opportunity to show how Smart Grid, advanced microgrid, and distributed and renewable energy generation and storage technologies can be used to enhance the reliability and resiliency of the electric grid in the APEC region.

**Ongoing and Future Initiatives on Social Cohesion**

1. APEC Workshop on University Collaboration to Support Data Gathering and Analysis in Energy Efficiency and Renewable Energy (EWG 06 2019A)
2. APEC Peer Review on Energy Efficiency (PREE) Phase 10 (EWG 07 2019A)
3. An on-going discussion on energy access which aims at providing energy to poor and remote regions.

**Key Accountability Area 3: Environmental Impact**

**Achievements in Environmental Impact**

**1. APEC Peer Review on Low-Carbon Energy Policies (PRLCE), Phase 4 (EWG 01 2017A)**

The peer review team comprised of experts on low-carbon energy supply policy from APEC member economies reviewed goals and policies to promote low-carbon energy supply in Papua New Guinea (PNG). The peer review team provided recommendations to assist effective policy making as well as the effective formulation of action plans, etc. PRLCE in PNG was conducted with a focus on hydro power generation. The PRLCE was successfully conducted for PNG from 1- 4 August 2017. To help PNG advance towards its RE targets and improve the effectiveness of its policies and implementation programs, the peer review team made 44 recommendations to the PNG government for voluntary implementation. The report is expected to help the PNG promote low-carbon energy policies, and will also be useful for discussion in APEC's relevant fora.

2. **APEC Fossil Fuel Subsidy Reform: Workshop on Effective Pricing Mechanisms and Mitigation Strategies (EWG 12 2016A)**

The Workshop was held in Jakarta, Indonesia from July 10-11, 2017 to discuss common challenges and successful strategies for reform. Experts reviewed approaches to effectively transition toward market-based pricing, prepare for potential significant fuel price increases, and depoliticize fuel pricing such as through automatic pricing mechanisms and establishment of an independent body to administer price adjustments. Experts stressed the importance of developing a comprehensive reform plan with clearly defined objectives & long-term goals, including contingency plans for addressing significant price increases. Experts also noted that implementation of gradual price increases with transparency around price adjustments is often most effective, providing predictability and demonstrating that reforms are part of a broader strategy.

3. **Low Emissions Development Strategies: Supporting the Transition to Energy Efficient, Electric Transport Systems (EWG 10 2018A)**

This project proposes an integrated transport and energy approach to generate a roadmap for APEC economies addressing barriers and solutions for public transport systems transition to electric vehicles (EVs). The project facilitates dialogue between ministerial/local authorities and international/regional technical experts and ways to accelerate deployment through a capacity-building workshop held in the United States on 14-15 January 2020 for all APEC economies, a roadmap using select island communities and engagement via a Community of Practice (CoP) for knowledge sharing and regional collaboration.

### **Ongoing and Future Initiatives on Environmental Impact**

1. APEC Low-Carbon Model Town (LCMT) Project Dissemination Phase 3 (EWG 01 2019A)
2. Sustainable Mobility: Routes for Integrating the Energy and Transport Sectors for Urban Cities (EWG 05 2019A)
3. Research on the Role of Urban Planning for Addressing Climate Change and Disasters (EWG 09 2019S)

## **HUMAN RESOURCES DEVELOPMENT WORKING GROUP**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **Market-based economy**

In 2015, the **High Level Policy Dialogue on Human Capacity Building** was held in Papua New Guinea. The high-level member economy representatives, business leaders from APEC Business Advisory Council (ABAC), ILO and Asia Society representatives prioritized stabilizing and expanding quality employment and job creation. In the same year, *APEC Workshop on Strategic Human Resources Management for Successful*

*Foreign Investment in APEC* was held and the workshop outcomes were shared as a report in 2016.

To create a market-based economy, HRDWG focuses on advancing public and private partnership on Technical and Vocational Education and Training (TVET) Sector. A project entitled *Developing Technical Skills for all* in APEC economies was endorsed in 2017. Furthermore, in partnership with the Tourism Working Group (TWG), the HRDWG developed *APEC Occupational Standards Framework (OSF)*, which defines standards for the transport, logistics, and tourism industries.

a. **Market-based economy (Project Description)**

**[HRD 12 2016S] APEC Occupational Standard Framework: test in the travel, tourism and Hospitality Industry**

Occupational standards developed for five occupations (Housekeeper; front Desk Attendant; event coordinator; cook; travel consultant; bar attendant. In Peru the occupational profiles has been incorporated through the Labour Competencies of Tourism Sector Committee.

2. **Mechanisms that support trade and investment liberalization and facilitation**

To support the TILF agenda, HRDWG has cooperated with the Economic Committee (EC). HRDWG-EC held a **Symposium** in 2016, which focuses on a sustainable, inclusive and productive human resources development. As a continued cooperation, in 2018, the HRDWG and EC held a **Joint Policy Dialogue on implementing the 2017 APEC Economic Policy Report on Structural Reform and Human Capital Development (2017 AEPR)** and creation of Post Core Team (2018).

Also, HRDWG emphasizes the importance of building institutional and people-to-people connectivity. To achieve this common goal, HRDWG member economies implemented various projects in regard to mutual recognition of diploma and qualification in the region. Notably, the below project were conducted in HRDWG;

- *Enhancing Mutual Recognition and Regional Cooperation for Skills and Job Qualification in the APEC Region;*
- *Conference on Diploma and Qualification Recognition for People to People Connectivity;*
- *Workshop on Research on Mutual Recognition of Credits among Universities;*
- *APEC integrated Referencing Framework (IRF) consultation workshops;*
- *Trade and Human Resource Development: Capacity Building for Inclusive Trade;*
- *Research on Mutual Recognition of Credits among Universities in the APEC Region; and*
- *Promoting Regional Connectivity of Professionally Qualified Engineers.*

3. **Efficient labour markets**

The HRDWG focuses on education, training, and employment of individuals to create efficient labour markets in APEC. In 2018, HRDWG held a Symposium on the Impact of Digital Age on Labour Market Outcomes. In the fourth industrial revolution era, it is important to upskill and reskill our individuals to meet the dimensions of globalization. In this regard, major key areas HRDWG focuses on are: global and digital competencies

development, global talents, certification of professional licensure, industry-academia cooperation, labour mobility, labour market information, youth education, training and employment, and social protection.

The following projects and initiatives are representative HRDWG efforts to create efficient labour markets:

- *A workshop on enhancing labour mobility in the APEC region;*
- *Workshop on the Development of an APEC Labour Mobility Framework;*
- *Strengthening Mobility and Promoting Regional Integration of Professional Engineers in APEC Economies;*
- *Developing the Tourism Workforce of the Future through Labour and Skills Development, Certification and Mobility in the APEC Region (TWG-HRDWG Cooperation);*
- *APEC Initiative on Labour Mobility Cooperation;*
- *Sharing and Reporting Labour Market Information in the APEC Region;*
- *Improving Professional Licensure: Member Economy Case Studies and Workshops;*
- *Workshop on Youth Strategies;*
- *APEC Framework for Youth Education, Employment and Entrepreneurship;*
- *Advancing Career Development of Athletes in the APEC Region; Best Practice in Policy Making to address youth employment issues;*
- *Regional Industry-Academia Collaboration for Talent Development and Inclusive Growth: An Exchange of Skills Training, Internships and Jobs (I);*
- *Promoting Sustainable and Inclusive Growth by Enhancing Social Protection in the Digital Age;*
- *APEC Project for Youth Employment Promotion;*
- *APEC Workshop on Global Competencies and Economic Integration;*
- *Expand Cooperation Among APEC Economies throughout Language Education Stage II: Innovative Modes of Cooperation for APEC Cross-Border Education;*
- *APEC Data Science and Analytics Competencies, APEC Data Analytics Raising Employment (Project DARE);*
- *APEC Closing the Digital Skills Gap Forum;*
- *Digital Workforce Development: Leveraging digital and distance-learning technologies to build a 21st Century workforce through improved career and technical education*
- *Inclusive Mathematics for Sustainability in a Digital Economy (InMside).*

a. **Efficient labour markets (Project Description)**

**[2016 HRDWG Initiative] APEC Framework for Youth Education, Employment and Entrepreneurship**

This initiative was proposed by the Republic of Korea and was endorsed by HRDWG in the year 2016. APEC Education Ministers, Foreign, and Trade Ministers stated the importance of this framework on the 6th APEC Education Ministers' Joint Statement and APEC Peru 2016 Joint Statement.

Many member economies face the challenge of youths being NEETs (Not in Education, Employment or Training), which requires common actions to solve the problem. In this regard, this framework encourages APEC member

economies to tackle youth unemployment and create quality jobs for youth. Since then, the framework has been a useful foundation in setting the youth employability agenda in APEC. Thus, the framework aligns with the key accountability area of efficient labour markets in the institution building.

**[HRD 03 2017] Regional Industry-Academia Collaboration for Talent Development: An Exchange of Skills Training, Internships, and Jobs**

Led by Chinese Taipei, seven APEC member economies have co-sponsored this project, which focuses on youth employability. The participants addressed the importance of skills training and smooth transition of schools to jobs, providing youths internship opportunities as well as on-the-job training. In this regard, the project addresses the key accountability area of efficient labour markets.

**[HRD 04 2017] APEC Project for Youth Employment Promotion**

As a follow up of the APEC Framework for Youth Education, Employment and Entrepreneurship, the Republic of Korea implemented the APEC Project for Youth Employment Promotion with support from eight APEC member economies. The project promotes efficient labour markets in APEC. As a part of this project, the APEC Forum on Youth Employment was held in Seoul in June 2018 and invited 40 HRD experts. As a final project outcome, a policy paper on “Best Practices of Youth Employment Policies in Selected APEC Economies” was drafted and endorsed by HRDWG in October 2018.

**[HRD 02 2015] Global Competencies and Economic Integration**

The employment sector has increasing requirements for employees with global competencies who can work and engage with business partners and clientele beyond an economy’s borders. Noting this increasing demand, the APEC Global Competencies and Economic Integration project assessed the demand for global talent across APEC economies and developed a final report with policy recommendations to address global talent gaps, including recommendations to add global competency in the APEC Education Strategy Action Plan. The project defined global competency and indicators to measure progress in strengthening global competency and developed an APEC-wide framework to describe global talent and its requisite elements.

**[HRD 06 17A] Digital Workforce Development: Leveraging digital and distance-learning technologies to build a 21st Century workforce through improved career and technical education**

Distance career and technical education has shown promise in removing barriers to access, especially for women and girls and underrepresented populations, while offering innovative, flexible and personalized experiences that are responsive to industry demands. To address the growing number of providers and students who rely on digital and distance learning technologies, the APEC EDNET project on Digital Workforce Development highlighted practices to build a strong 21st-century workforce and expand access to quality education, training and employment. Project outputs included webinars, a workshop; and the DWD Guide to Promising Practices and Design Principles with recommendations to promote digital and distance CTE.



### **[HRD 01 2018] Inclusive Mathematics for Sustainability in a Digital Economy (InMside)**

Thailand views that Inclusive Mathematics for Sustainability in a Digital Economy (InMside) (HRD 01 2018) proposed by Chile Japan and Thailand in 2018 under HRDWG has played important roles in contributing to efficient labour market by creating a network of trained curriculum developers from various economies, who are trained to have advance skills on mathematics, statistics and coding for developing appropriate curriculum for students who are future human capital of digital era. This project also aligns with the Target 1of the Action Plan for APEC Educational Strategy on HRDWG (2017) for 2030, which expects APEC member economies to improve the use of educational and technological capabilities in teaching and learning processes.

### **[Chilean Inputs] Institution building in education sector**

Creation of Local public services of education: The system of public education transferred schools from municipalities to Local services, setting a whole new system of education where public education has become relevant again.

Schools' capacity building: Schools and all education centers have been reinforced on the areas of pedagogical management, educational leadership, participation and democratic life and inclusion and diversity. These different factors certainly reinforce each institution on their own capacities and are intended to strengthen their efficiency and efficacy.

Working conditions for public servants at the Ministry itself as an institution have improved, especially giving some order to the status of employees and their contract conditions. This was a measure to ensure them continuity on their jobs and some stability.

## **Ongoing and Future Initiatives on Institution Building**

### **1. Market-based economy**

HRDWG acknowledges that education and proper skills development for all individuals is a ground for market-based economy in APEC. In this regard, building regional competencies and standards are priority areas for member economies. HRDWG project such as *Sub-regional pilot of the APEC Occupational Standards in the Travel, Tourism, and Hospitality Industry, Responsible Business Conduct (RBC)* is an on-going initiative on institutional building.

### **2. Mechanisms that support trade and investment liberalization and facilitation**

HRDWG understands that the Trade and Investment Liberalization and Facilitation (TILF) is a common agenda among APEC economies and requires a close cooperation with other fora and relevant stakeholders in APEC. In 2020, HRDWG would propose projects such as *Industry-Academia-Government (IAG) Collaboration on Alternative Re-Employment Project for Aging Population: An Innovative Employment Management Model (IEMM)* and explore possibility in developing mechanisms that support the TILF agenda.

### 3. Efficient labour markets

HRDWG implements projects and initiatives to not only foster individuals' capacities and skills, but also contribute to developing human capital at a broader level. The HRDWG member economies agree that the 21<sup>st</sup> century human resources must meet the current industrial and market needs and lead the regional economic integration in APEC. Thus, HRDWG will continue to implement and initiate projects to build efficient labour markets:

- *Joint Research Project with APEC Economies on “The Impact of Regional Integration in the Digital Age on Social Security Protection for Cross-border Workforce in APEC Economies and Related Responses”;*
- *Regional Industry-Academia Collaboration for Talent Development and Inclusive Growth: An Exchange of Skills Training, Internships and Jobs (II);*
- *APEC Forum on Digital Innovation and Entrepreneurship (II): Building Capacity and Collaborative Connectivity for Young Entrepreneurs;*
- *APEC Strategies on Future of Work Study.*

#### a. Efficient labour markets (Project Description)

##### **[Chilean Inputs] Remaining Challenges, Action Plan and Role of regional cooperation for Institution Building**

There is still a long way to cover to improve the management and efficiency of the Ministry of education as a whole. Since the system for public education is quite new it will take a while before its work is solid and has successful outcomes to exhibit. Also, at staff level there is always a need for deeper understanding of how international matters work and how to move forward with projects and international collaboration.

Every year there is a special budget item dedicated to cover an index called program on management improvement, PMG, where special goals are covered. This index needs evaluation on their parts and also on the aspects that are evaluated. Staff evaluation is quite regulated and it definitely needs some revision and updating. There is a lack of training and specific skills to work on the international arena.

Regional cooperation is key when designing a project and finding help and setting collaboration and ties with other economies. It is only when you have a solid team and conceptual ideas that back up your work when you can move forward with a project.

##### **[Thailand's project proposal] Shareholder-oriented Corporate Governance System**

Thailand believes that responsible business conduct (RBC) is a key to promote shareholder-oriented corporate governance system. Therefore, Thailand is planning to launch a self-funded APEC project on promoting Responsible Business Conduct (RBC) under SCE in 2020, with a view that promoting and enabling responsible business conduct should be a central interest of APEC to attract quality investment, and ensure that economic activity in APEC economies contributes to building economic stability and sustainable development. The main objective of the project is to raise awareness of the private sector on this issue by organising an APEC Forum on fostering

responsible business practices in July or August 2020. The target group would be for the business sector.

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

#### 1. Fighting exclusion and marginalization

In 2017, the HRDWG hosted a **High-level Policy Dialogue on Human Resources Development in the Digital Age**. The meeting emphasized human resources is the key to sustainable, inclusive and innovative growth in the fourth industrial revolution era. At the same time, HRDWG recognizes that the digitalization offers challenges and opportunities, which includes “not leaving people behind” in the new labour market environment. To achieve this goal, HRDWG implemented projects and initiatives for women and people with disabilities to promote their socio-economic participation. Namely, they are:

- *Healthy Women, Healthy Economies;*
- *APEC Women in Research Fellowships;*
- *Workshop on Improving Quality Employment Opportunities for women;*
- *Endorsement of HRDWG Terms of Reference Addendum on Disability Issues; and*
- *Establishment of Advisor to HRDWG Lead Shepherd on Disability Issues.*

##### a. Fighting exclusion and marginalization (Project Description)

**[HRDWG Administration] Addendum to the Terms of Reference of the HRDWG (2019)**

This addendum enables the fora to work issues related to people with disabilities as well as to count with an advisor on this issue.

#### 2. Create a sense of belonging

In the margins of social cohesion, the HRDWG implements diverse projects, which focus on creating people-to-people connectivity via on and off-line. Particularly, the Working Group focuses on building strong joint educational and professional expert networks. The following projects created a sense of belonging and connection in APEC:

- *Strengthening Innovative Skills Training and Education for Increasing Workers' Inclusion in the Digital Age;*
- *The 4th~ 8th APEC Conference on Cooperation in Higher Education in Asia-Pacific Region;*
- *Cross-Border Human Capacity Building for Glocalized Scientific Literacy: Phase 1-The Best Practice Models for Innovative STEM+ Education for Teacher Professional Development; and*
- *The 15th APEC Future Education Forum and the 17th APEC Learning Community Builders' (ALCoB) Conference.*

##### a. Create a sense of belonging (Project Description)

**[HRD 03 2019S] 8th Conference on Cooperation in Higher Education in Asia-Pacific Region - APEC in the 21st Century: Reimagining Education for Policy Makers, Educators, and All Stakeholders – [By Korea]**

Proposed and implemented by Russia, the 2019 Conference on Cooperation in Higher Education in Asia-Pacific Region (CCHE) was held in Vladivostok. Under the theme APEC in the 21st Century, the Conference focused on global and regional higher education network and exemplary cases.

In particular, for one session, Far Eastern Federal University (FEFU) of Russia, Tokyo Agriculture University and Hitachi from Japan gave a presentation about smart farming in the 4th Industrial Revolution era. The three parties showcased a greenhouse, which is controlled by digital technologies. With the strawberry smart farm built on the FEFU campus, the presenters demonstrated how private, public and academia could collaborate on agriculture in international settings.

In this regard, the project drew member economies' attention to the effects of environmental changes on agriculture. The project successfully demonstrated the role of Public-Private Partnership (PPP) as well as the role of education in connecting a variety of academic disciplinary.

**[HRD 05 2019S] The 15th APEC Future Education Forum (AFEF) and the 17th APEC Learning Community Builders' (ALCoB) Conference**

This project is proposed and implemented by the Republic of Korea. The AFEF and International ALCoB Conference are annual events, which specialize in future education. The 15th AFEF and the 17th International ALCoB Conference were held in Seoul, Korea in September 2019.

Under the theme “Enhancing ICT utilization, Social Integration and People-to-People Connectivity for Future Education”, a total of 204 persons from 13 APEC economies, Ecuador and four international organizations joined the events. The participating educational specialists and experts presented and discussed theories and pedagogies on inclusive and sustainable future education. In this regard, the AFEF and ALCoB Conference connected the participants, making a sense of belonging and advanced social cohesion in APEC.

**3. Promote trust**

In 2016, the **6th APEC Education Ministerial Meeting (AEMM)** was held under the theme of “An Inclusive and Quality Education”. The meeting endorsed the **APEC Education Strategy** as a framework to guide future projects and initiatives. Since then, the HRDWG implemented diverse projects to promote trust in education and training sector, focusing on academic Integrity, cross border education, data collection, quality of education, and mutual recognition of credits:

- *APEC Guiding Principles of Research Integrity; Cross-border higher education data collection survey;*
- *Education for Quality Growth: Competencies, Employability and Innovation: Research and Development of Instruments;*
- *Workshop on APEC Report on Education and Economic Development;*
- *APEC Education Strategy Action Plan; APEC-OECD Education Data Workshop.*

a. **Promote trust (Project Description)**

**[Initiative] APEC Education Strategy (2016) and its Action Plan (2017)**

It prioritizes three areas of cooperation and work among APEC economies within the HRDWG while the Action Plan identifies objectives and indicators to measure progress. Delegates to the 6th APEC Education Ministers' Meeting (AEMM) in 2016 agreed that greater cooperation can raise participation in education and lifelong learning, improve social and economic development, and promote regional prosperity.

To this end, the Education Network endorsed the APEC Education Strategy in 2017 to inform EDNET projects and initiatives and provide a comprehensive approach to regional cooperation on education issues. The Strategy is guided by a vision of a cohesive APEC community that supports inclusive and quality education and includes three objectives: 1) Enhance and align competencies to the needs of individuals, societies and economies; 2) Accelerate innovation; and 3) Increase employability. The EDNET built on the Strategy's foundation with the Action Plan for the APEC Education Strategy, which provides outlines for successful implementation of the Strategy's objectives and plans to report on progress made under the Strategy at the 7th AEMM.

The APEC Education Strategy accelerates innovation Area: Improving the use of educational and technological capabilities in teaching and learning - By 2030, APEC member economies will have improved the use of educational and technological capabilities in teaching and learning processes.

## **Ongoing and Future Initiatives on Social Cohesion**

### **1. Fighting exclusion and marginalization**

The HRDWG will continue to address the dimensions of globalization and the digital economy. With a commitment to provide women and girls, as well as persons with disabilities more and better access to the economy, the Working Group will implement gender and disability-related projects and initiatives. These projects and initiatives will enhance skills and health of the participants and contribute to greater development of the capacity building, closing the digital and technological divide and bring innovation in APEC:

- *Informatics and Data Science Education Reform for Digital, Inclusive and Sustainable Society (InMside II);*
- *APEC Cross-Border Human Capacity Building for Globalized Scientific Literacy for Future Citizenship Phase 2;*
- *#mydigitalmaker APEC Tech Talent Development Program;*
- *Actualisation of Integrated STEM Degree Programmes: A Model to Inform, Catalyse and Shape Inter- and Trans- disciplinary University Education; and*
- *Women's Economic Empowering, New Media Digital Upskilling (WEDU).*

a. **Fighting exclusion and marginalization (Project Description)**  
**[HRD 05 2019] Informatics and Data Science Education Reform for Digital, Inclusive and Sustainable Society (InMside II)**

The objective is to train middle school curriculum developers to include Artificial Intelligence (AI) and Big Data into the APEC economies' curricula

for building an Inclusive, Sustainable and Digital society under Integration 4.0 in the context of the 4<sup>th</sup> Industrial Revolution.

**[HRD Actualisation of Integrated STEM Degree Programmes: A Model to Inform, Catalyse and Shape Inter- and Trans-disciplinary University Education**

The project is aimed to develop an integrated STEM education that underscores the importance of connections among two or more STEM disciplines and align to the real demands of the fourth Industrial Revolution in substantive ways to promote more women in STEM.

**[HRD 03 2019A] New Media Digital Upskilling Women's Economic Empowerment**

It aims to identify new media skills to meet the needs of the labour market, as well as to develop the training package that will cultivate the talents, especially women, youth, the elderly, and people with disabilities.

**2. Create a sense of belonging**

The APEC Framework on Human Resources Development in the Digital Age, which is also Annex B of the 2017 APEC Economic Leaders' Declaration as a key document of the Working Group. The document emphasizes the importance of ensuring decent work and life quality for all, including socially vulnerable groups. HRDWG member economies agree that technological and socio-economic advancement are critical factors in HRD in the digital age. In this regard, the utilization of ICT infrastructure and curriculum would enhance both physical and virtual people-to-people connectivity. The following projects and initiatives are on-going and future efforts to advance a sense of belonging in APEC:

- *APEC e-Learning Training Program;*
- *APEC Online Education Workshop Series;*
- *Wellbeing in the Digital Age;*
- *The 16th APEC Future Education Forum and the 18th APEC Learning Community Builders' (ALCoB) Conference; and*
- *Capacity Building Workshop for Persons with Disabilities.*

**a. Create a sense of belonging (Project Description)**

**[Initiative] Progress Tracking Tool - APEC Framework on Human Resources in the Digital Age**

At the 45th APEC HRDWG Plenary Meeting, Australia initiated this Tracking Tool to monitor progress on the implementation of the APEC Framework on Human Resources in the Digital Age. The framework is an annex to the 25th APEC Economic Leaders' Declaration and identifies priority areas of HRDWG in the age of rapid technological and socio-economic changes. Thus, this progress tracking tool would serve in the institution-building of APEC by facilitating new dynamism and regional growth.

**[will be proposed] The 16th APEC Future Education Forum (AFEF) and the 18th APEC Learning Community Builders' (ALCoB) Conference**

In 2020, the Republic of Korea will propose the annual AFEF and ALCoB Conference as an effort to continue advancing social cohesion in APEC. This

year's forum and conference, in particular, will focus on: 1) the ways how each economy deals with the educational challenges caused by the COVID-19 pandemic through the use of online distance platforms, 2) measures to mitigate the digital divide between the privileged and non-privileged youths that could be exacerbated by this pandemic, and 3) the international cooperation needed to address this emergency using existing resources in an effective and cooperative way. With these thematic discussion, the AFEF and ALCoB Conference would respond to the current pandemic as well as explore longer term opportunities.

**[Peruvian Inputs] Capacity Building Workshop for Persons with Disabilities**

Workshop to share experiences on how governments, enterprises and social organizations collaborate to create job opportunities for persons with disabilities and explore long-term cooperative opportunities.

**[will be proposed] Follow-up Project of APEC CEDI**

As a follow-up project of APEC CEDI, the Republic of Korea will propose an education leadership program. This project would offer opportunities for education experts to discuss the role of education and school as innovative systems to promote upward mobility and social cohesion in APEC.

**3. Offer opportunities for upward mobility**

The HRDWG recognizes the role of education and training as a bridge to offer opportunities for upward mobility. HRDWG calls for opportunities in the education and training sector, as well as labour market to advance individuals' quality of lives and offer pathways to upward mobility. Thus, HRDWG has been operating useful and practical projects and initiatives for teachers, students, and many other stakeholders as follows:

- *APEC Community for Education Innovation: Joint Research and Implementation to Enhance Innovative Practices in Education and HRD;*
- *APEC Cross Mentoring Research Activity (CMRA);*
- *Skills for the Digital Age through education and training in APEC economies;*
- *Promoting Lifelong Vocational Skill Development in the Era of Technological Revolution.*

**a. Offer opportunities for upward mobility (Project Description)**

**[HRD 10 2017S] APEC Community for Education Innovation: Joint Research and Implementation to Enhance Innovative Practices in Education and HRD (APEC CEDI)**

Supported by 10 APEC member economies and implemented between 2017 to 2019, the APEC CEDI project has three outcomes: 1) A comparative study on teacher training and capacity development between Korea, the Philippines, Singapore, and Chinese Taipei, 2) A model on school leadership competencies, and 3) two pilot programs for 14 school leaders from Korea, the Philippines, Malaysia, Indonesia, and Thailand. The pilot programs were capacity-building workshops for school principals and vice-principals. The participants shared the concept of school innovation and cases from their associated schools. Thus, this

project contributed to social cohesion with the roles and responsibilities of educational leadership and management in school settings.

**[Peruvian Project] APEC Cross Mentoring Research Activity (CMRA) 2018-2019**

The project aimed to bring together young students and scientists, as well as science educators in the same field in order to help the youngest to carry out research activity. 22 Peruvian students were selected, 13 of whom were students from 08 High Performance Schools participated on this program (Loreto 04; Tacna 01; Ica 01; Junín 02; Huancavelica 01; San Martín 01; Ucayali 01; Ayacucho 02).

**[Chilean Inputs] Remaining Challenges, Action Plan and Role of Regional Cooperation for Social Cohesion**

Chile is one of the most unequal economies in the world, where not every child is born under the same conditions and therefore will not have the same opportunities.

The Ministry of Education is well aware of this and has been working towards providing more resources for education, targeted to quality, directly to students, through the law for inclusion and the legislation for the new teaching career system where teachers are revalued on the education system.

On higher education free education has been provided for thousands of students, coming from the most vulnerable groups of society, widening grants and benefits for them. Two new regional universities were created on this period, mainly to serve underprivileged students and also trying to match local needs with the local regions. It was acknowledged that careers did not match local and especially the production needs of the production sector leading to prompt unemployment and lack of real job opportunities.

Technical education has also been reinforced and revalued by the Project that creates 15 new technical public center. These are led toward working with population which normally do not enter higher education and have real problems getting a job. It is also the population that are in the end part of the NEET, not in education, employment or training, group, which is also a huge problem for government.

The inclusion law started in 2015 and has been a major step towards social cohesion and inclusion. It determined that private subsidized schools started to be full free of charge, no selection process and no discrimination, and the ministry is providing with a special subsidy for those students who are in more need. Students are also important agents for education. A special plan on citizenship training was put into law and students from higher education got the right to also vote on the process of government of higher education institutions.

At preschool level, there have also been important improvements on infrastructure for facilities located at poor areas in Chile. This is certainly a huge advance since it means that a proper service for those who need it more. Many housewives, parents and guardians are now able to work and get an extra (and



sometimes the only income) in the house. In September 2018 a Project of law for mandatory kinder was passed and this means to have mandatory education from 12 to 13 years old. This will certainly mean more opportunities and better.

In 2018, the Ministry founded the Innovation center to offer tools to schools and education institutions to improve and innovate according to their educational project, preparing students for the challenges of the future. Access to internet and hardware equipment is also provided for schools, with special emphasis on rural areas.

Gender: Gender Observatory for higher education: The Ministry of Education elaborated a document that commits institutions (on a voluntary basis) to distribute opportunities equally and setting an equal treatment for all members and sectors. This plan sets the enhancement of teacher training, elimination of stereotyping by gender, creation of special enrolment for STEM areas and zero tolerance to gender violence on all educational levels.

The huge gap on educational outcomes and results is still a challenge to overcome in our society. Grants and economic help to higher education students are still not enough and there are a huge number of students who enrol and pursue careers only to drop out a year or two after entering. The current crisis that will certainly follow the COVID-19 crisis will set an enormous challenge for every society in the world. Chile will also have tighter budgets and therefore resource allocation will not be easy.

Gender issues have still a long way to advance and sometimes there is the feeling that meanwhile we advance on one area there are also on others. There is a need for a more holistic view and coordinated work between public and private organizations. All the initiatives the ministry is working on are in place now and face the challenges of implementation, evaluation and especially budgetary terms.

Education has got to be everybody's business. All the projects related to private/public cooperation and on the creation of alliances to work towards shared goals and results, are extremely valuable. Actually this works independently of the topic to be works on, the richness is on the WAY/METHOD the work is developed. Societies should not work fragmented.

Chile values enormously that APEC is committed to gender issues. During its APEC year, Chile set the roadmap for gender and worked hard on the issue interessionally which was recognized as relevant by every ministry.

We believe all the projects related to the digital area that Malaysia has ranked also very high. Ex.: Digital Learning Platform: Partnership in Teaching and Learning from Malaysia.

From Korea: APEC Learning Community Builders for Shared Prosperity (ALCom), APEC e-Learning Training Program (AeLT) and APEC Community for Education Innovation (CEDI) which we believe will be projects that will certainly make economies come closer, get integrated through ICTs.

Also: Japan/Thailand/Chile presented ongoing project Inclusive Mathematics for Sustainability in a Digital Economy (InMside I and II). Finally, the projects #mydigitalmaker APEC TeenTech Challenge (Malaysia); Wellbeing in the Digital Age: Phase I (New Zealand) and Strengthening Sports Talents Cultivation in the Digital Economy (Chinese Taipei).

In terms of gender: APEC Women in Research Fellowship (Australia) and all the cross work with other initiatives on different working groups.

We are also looking forward to getting our project approved: Skills for the Digital Age through education and training in APEC economies – Chile (Sponsor economies: New Zealand, Singapore, Russia, China, Peru, Japan, and the Philippines).

Vocational skills are essential to promote social cohesion and more opportunities for all. These are some APEC projects we have supported and have been useful: China’s proposed project “Promoting Lifelong Vocational Skill Development in the Era of Technological Revolution” and Chile’s completed project “Developing technical skills for all in APEC economies”.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

##### **1. Reduce greenhouse gas emissions**

The HRDWG has taken steps to build an inclusive and sustainable future in APEC with its projects and initiatives, which are relevant to environmental causes. Some of the projects, which directly address environmental issues in APEC are as follows:

- *Textbooks on energy efficiency, energy security and energy resilience; and*
- *Textbook Development for Energy Efficiency, Energy Security and Energy Resiliency: A Cross-border Education Cooperation through Lesson Study.*

##### **2. Carbon sequestration**

The HRDWG agrees that environmental impact is a crosscutting subject, which requires a collaborative approach in APEC. In this regard, the Working Group has cooperated with the Policy Partnership on Science, Technology, and Innovation (PPSTI) and held joint meetings. The first meeting was held in 2015, entitled **The First High Level Policy Dialogue on Science and Technology in Higher Education**. In 2016, **PPSTI-HRDWG Joint Meeting** was held to advance a multifaceted initiative to bolster women and girls in science, technology, engineering and mathematics (STEM) field. The two fora agreed investment for science and technology subjects, academic and Industrial Research and Development (R&D) as well as a pool of resources on environmental issues are necessary elements for sustainable growth. In this connection, the two fora implemented some projects concerning: *APEC Gendered Innovation for Technology and Science (GIFTS): Promoting Women in STEM for Sustainable Growth*.

### 3. **Adapt to the effects of climate change**

APEC is an interconnected forum and has a shared interest in environmental causes, including climate change. In this regard, HRDWG had a meaningful project to educate its youths about irrigation, water shortage, flood control, and disaster management strategies: *The Youth Sustainable Water Resources Education and Hub Development in APEC Region*.

#### a. **Adapt to the effects of climate change (Project Description)**

##### **[HRD 08 2015S] Youth Sustainable Water Resources Education and Hub Development in APEC Region**

This project was for APEC youths from 12 economies. The participants joined a conference in 2016 and studied water resources and management. In this regard, the project directly addresses environmental impact such as climate change effects and delivered useful knowledge and information for APEC youths.

### **Ongoing and Future Initiatives on Environmental Impact**

1. **Reduce greenhouse gas emissions**
2. **Carbon sequestration**
3. **Adapt to the effects of climate change**

Reducing greenhouse gas emission, carbon sequestration and adapting to the climate change effects are common issues for APEC. Thus, safeguarding sustainable and quality growth is a priority area for APEC HRDWG.

As stated under Article 3 of the HRDWG Terms of Reference (TOR), the HRDWG Objective is to “address human and environmental needs associated with economic development”. Based on this objective, the HRDWG will continue and ensure its commitment to search for relevant projects on environmental protection. With other APEC fora, the HRDWG will support APEC’s transition to green economies, creating an environmentally sound and sustainable growth.

#### 1. **[Report] SCE Fora Assessment: Human Resources Development Working Group 2018 (Project Description)**

The latest Independent Assessment (IA) on HRDWG was conducted in 2018. In the HRDWG Terms of Reference (TOR), Article 3 HRDWG Objective states that the working group should “address(ing) human and environmental needs associated with economic development”.

In the year 2020 and coming years, the HRDWG will continue to search for relevant projects on environment protection and support transition to green economies, creating an environmentally sound and sustainable growth.

## **POLICY PARTNERSHIP ON SCIENCE, TECHNOLOGY AND INNOVATION**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

**1. SMEs Cluster Development through Science, Technology and Innovation (STI) and Supplier Value Chain Integration (PPSTI03 2016A)**

This project aimed at establishing STI-OIP (Open innovation platform) to foster Micro, Small and Medium Enterprises (MSMEs) value recreation through workshops with policy recommendations. The platform especially targeted MSME industries of the metal dechnology (design and technology) and micro Electric Vehicle (EV) to form clusters through academic innovation, industrial value-chain integration, and sharing of best practices that can enable them to succeed in advancing the value chain through technological innovation. Over 50% of the workshop participants agreed that this event assisted in their understanding of topics related to metal dechnology and green vehicles. In the workshop, participants received many insights, especially regarding the type of government support that SMEs of the metal and automotive fields require, the need to introduce innovative technology and how to create value and increase their value proposition via technology integration through Chinese Taipei's case sharing.

**2. Workshop on high growth innovative firms (HGIFs) acceleration (PPSTI05 2017A)**

This project aimed at initiating APEC's efforts in supporting medium-sized High Growth Innovative Firms (HGIFs). Companies with good growth dynamics play an important role in the current economy. The workshop was held on December 2018 in Moscow, Russia. It was designed to help create a community of entrepreneurs, managers, government officials and experts. Workshop participants gained knowledge on the most important aspects of HGIFs development, including women entrepreneurship, joint actions to intensify cooperation in the APEC region. Also, HGIF support programs in APEC economies were reviewed and analysed; this allowed participants to compare and reveal strengths and weaknesses, best practices of such programs and evaluate the benefits of HGIFs' support in APEC economies.

#### **Ongoing and Future Initiatives on Institution Building**

**1. APEC Start-ups Incubator Capacity Building Symposium towards Digital Society (PPSTI03 2019A)**

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

**1. APEC Symposium on Policy and System for promoting Micro, Small and Medium Enterprises (MSMEs) Modernization towards Industry 4.0 (PPSTI04 2016A)**

This project funded a symposium on Policy and Systems for Promoting MSMEs Modernization toward Industry 4.0. The symposium was held in China in September 2017 and offered an opportunity for APEC and non-APEC economies to discuss the present

challenges for MSME in the industry 4.0, review policy, share experiences and to make recommendations. Through this project, participants reviewed the current policies and systems on promoting MSMEs modernization, summarized present challenges, had open discussions, shared experiences and suggestions, which resulted in a call for strengthening the cooperation in APEC region. Recommendations to promote the modernization of MSMEs included: support required from the financial sector to economic development; enhanced cultivation of innovative personnel for MSMEs based on targets of “improving quality and efficiency”; facilitate transformation and upgrading of MSMEs through “professionalism, precision management, uniqueness and innovation”; and, dissolve overcapacity of MSMEs by categories.

## **2. APEC Women in STEM Initiative: Workshop, GIST Training, and Roundtable (PPSTI02 2018A)**

A core part of this project, led by The U.S. Department of State’s Global Innovation through Science and Technology (GIST) initiative, was to conduct a training and pitch competition to empower science and technology entrepreneur teams from APEC economies. This was facilitated through on-the-ground training and mentoring to accelerate the APEC Women in Science Technology Engineering and Math (STEM) initiative, and creating robust science, technology, and innovation-based economies. Simultaneously, an APEC Women in STEM workshop was held to discuss policies and the value of investing in women in STEM across public, private and community sectors, using case studies and economic data. By holding a few events with different stakeholders – Chief Scientists, STEM entrepreneurs, policy makers, established business leaders, and civil society – the project created opportunities for conversation about needs, policies, and future partnerships at levels that would otherwise be unachievable.

### **Ongoing and Future Initiatives on Social Cohesion**

1. **Research Network for Women in STEAM (PPSTI01 2019A)**
2. **APEC Startups Incubator Capacity Building Symposium towards Digital Society (PPSTI03 2019A)**
3. **Workshop on Cluster Collaboration Opportunities in the Asia-Pacific(PPSTI04 2019A)**

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

##### **1. Regional Workshop on Measurement Challenges in Renewable Energy and Climate Science (PPSTI02 2015A)**

This project addressed the impact of climate change and volatility on food security by focusing on the agriculture and fisheries sector. The project hosted the APEC Climate Symposium (APCS) 2016 in September in Piura, Peru during the 2016 APEC Food Security Week. The project supported regional technical cooperation and policy by bringing together representatives from Meteorological and Hydrological Services, various government offices, non-governmental agencies, media, and academia from 22

economies. Experts presented and discussed how climate affects agricultures and fisheries, what climactic changes are anticipated, how these changes will impact economies and society, and how climate information can be employed to support sustainable solutions to food insecurity, with a special focus on policy applications. Experts from diverse fields explored the role of weather and climate information in agriculture production, fisheries and food security in APEC member economies. The key messages of APCS were integrated into the Piura Declaration on APEC Food Security, where the APEC ministers recognized “the potential of climate science in improving information services, and the need to improve agriculture and fisheries risk forecasting assessment and management” and valued the “multi-disciplinary and multi-stakeholder” approach taken by APEC Climate Center (APCC) and others.

## **2. Improving Micro, Small and Medium Enterprises (MSMEs) Competitiveness Through Low Carbon Economy ((PPSTI03 2015A)**

The project aimed at strengthening capacity and improve competitiveness of APEC Micro, Small and Medium Enterprises (MSMEs) by establishing a regional platform for discussing best practices, technology and developing replicability strategies for low carbon technology interventions in the APEC MSMEs, including mechanism to quantify the reduction of Green House Gas (GHG) emissions. A two-day energy efficiency forum and workshop brought together energy policy makers, technology developers, MSMEs industry representatives and government officials from the APEC member economies which contributed to increasing awareness among the participants on best practices relating to energy efficiency measures and benefits of using low carbon technologies in SMEs and its effect on the environment. The project also fostered collaboration among stakeholders from the government, industry, technology provider, research and financial institutions.

### **Ongoing and Future Initiatives on Environmental Impact**

- 1. Integrated Water Resource Management (IWRM): Best Practices, Norms and their Implementation within APEC Region (PPSTI05 2019A)**

## **POLICY PARTNERSHIP ON WOMEN AND THE ECONOMY**

### **Key Accountability Area 1: Institution Building**

#### **Ongoing and Future Initiatives on Institution Building**

- 1. La Serena Roadmap for Women and Inclusive Growth, 2019-2030** – The Roadmap aims to guide and catalyse policy actions to support greater integration and empowerment of women across the Asia-Pacific.
- 2. Women and the Economy Dashboard** – The dashboard is a set of indicators to track, measure and communicate progress in reducing barriers to women’s economic participation.

3. **APEC Support Fund Sub-Fund on Women and the Economy** – The sub-fund aims to institutionalize and provide ongoing support across APEC for initiatives to advance women’s economic participation.

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

1. **Healthy Women, Healthy Economies** – This series of initiatives and projects has sought to build capacity and understanding toward improving women’s health so they can better join and thrive in the workforces across the region. The positive results of this series of initiatives and projects are witnessed in the sustained interest in its objectives and outputs, including a *Policy Toolkit on Health Women, Healthy Economies*, which was welcomed by ministers, and the creation of an *Health Women, Health Economies Research Prize*.
2. **APEC Women and STEM** – The series of initiatives and projects has sought to build awareness and capacity toward addressing the gap of women in STEM-related education and careers. Increased understanding of the issues and potential approaches are underscored in recent *Women and Economy Statements* and in economies committing to the *APEC Women in STEM Principles and Actions* in 2019.
3. **Enhancement of the Ratio of Women’s Representation in Leadership** – The project has aimed to build capacity and understanding of barriers encountered by women in securing positions of leadership in the public and private sectors. The positive outcomes of this project are witnessed in economies continuing to set voluntary goals through annual, Individual Action Plans and in supporting a final review of progress on these IAPs.

### Ongoing and Future Initiatives on Social Cohesion

1. **La Serena Roadmap for Women and Inclusive Growth, 2019-2030** – The Roadmap aims to guide and catalyse policy actions to support greater integration and empowerment of women across the Asia-Pacific.
2. **Women and the Economy Dashboard** – The dashboard is a set of indicators to track, measure and communicate progress in reducing barriers to women’s economic participation.
3. **APEC Support Fund Sub-Fund on Women and the Economy** – The sub-fund aims to institutionalize and provide ongoing support across APEC for initiatives to advance women’s economic participation.

## **Key Accountability Area 3: Environmental Impact**

### **Ongoing and Future Initiatives on Environmental Impact**

- Mitigating environmental impact is not within the mandate of the PPWE.

## **SMALL AND MEDIUM ENTERPRISES WORKING GROUP**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **2018 APEC Business Ethics for SMEs Forum: Leveraging Technologies to Scale Code of Ethics Implementation for Small and Medium Enterprises (SME 03 2017A):** This project This project resulted in the extension of best practices ethics training to over 200 principals across 18 APEC economies, representing over 150 organizations that play a leading role in the medical device and biopharmaceutical sectors, as well as entire health systems.
2. **APEC Capacity Building Workshop on WTO Trade Facilitation Agreement for Micro, Small and Medium Enterprises (SME 04 2018):** The project met its objective of increasing knowledge of MSMEs and experts from MSME associations and supporting organizations on the TFA. In the evaluation forms, Workshop participants agreed that their knowledge on the TFA was increased. Speakers from Singapore and Viet Nam shared experiences on how to efficiently integrate the TFA in SME development policies, and there were recommendations on how MSMEs can benefit from the TFA.
3. **APEC International Symposium and Workshop: The Cooperative Business Model (CBM) as an Alternative Tool for Financing SMEs (SME 03 2018A):** The Symposium, allowed the participants to learn about all the options on financing for MSMEs' through new financial tools, the purchasing power of cooperatives, the significant influence of cooperative in the market, the role of banking, saving and credit cooperatives to widen options on financing MSMEs, among other topics. The second part, the Workshop, provided the participants with tools (legislations, budget and communicational strategies) that help to create a more competitive environment for cooperative and MSMEs within APEC region.

#### **Ongoing and Future Initiatives on Institution Building**

1. **Towards MSMEs Internationalisation: Study on the Final Review of the Boracay Action Agenda and Forum on Building Global MSMEs (SME 11 2019A):** The overall objective of the proposal is to assess the implementation of the Boracay Action Agenda to Globalize MSMEs (BAA) through a study and forum and to develop recommendation to advance APEC's work on MSMEs, including possible new framework for MSME internationalization.



2. **Public Policy, Fintech and SMEs: Recommendations for Promoting a New Financing Ecosystem** (SME 09 2019A): The overall objective is to deliver policy recommendations to APEC economies on how to increase access to and awareness of Fintech solutions for SMEs.
3. **2020 APEC Business Ethics for SMEs Forum: Realizing the Nanjing Declaration to Universal Code of Ethics Adoption** (SME 03 2019A): This project facilitates enterprise-level implementation of ethical business practices by bringing together SMEs and their industry associations, governments, professional and patient groups to: (1) facilitate the adoption of best practices outlined in the APEC Principles (Kuala Lumpur Principles, Medical Device Sector; Mexico City Principles, Biopharmaceutical Sector); (2) implement scalable ethics training capacity building curriculum; and (3) realize full implementation of the Nanjing Declaration's 2020 commitments.

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

1. **Program of Supporting Women in Starting Online Businesses** (SME 11 2018A): After a successful workshop, the project delivered a comprehensive report including policy recommendations enhance regulations and policies to effectively facilitate online businesses. These are based on these findings and contributions of speakers and participants.
2. **APEC Young Entrepreneurs Networking Program** (SME 10 2017A): Experts, Young entrepreneurs, SMEWG participants and policy makers gained information on what other economies are doing to promote start-ups. Entrepreneur participants had chance to get experts' advice on how to develop their ideas into success. Besides, various start-up related groups had opportunity to network with each other. This conference was the event where start-up policymakers, start-up experts and entrepreneurs gathered and exchanged their own start-up experience.
3. **Enhancing the Competitiveness of Women-Led Micro, Small and Medium Enterprises (MSMEs) in the Garments and Textile Sector through Innovation and Entrepreneurship** (SME 08 2017A): The project met its objectives of supporting women-led MSMEs enhance their business or start a business through skills training and raise awareness of possible impediments to Women MSMEs sustainable growth through the coaching session of the skills training workshop which helped participants draft their marketing strategy assessments and provide a venue for them to exchange their personal experiences in running their businesses.

### Ongoing and Future Initiatives on Social Cohesion

1. **APEC Initiative on Promoting Innovative Start-ups**: This initiative was endorsed in 2017 at Ministerial level (SMEMM) and recognizes that creating favorable conditions for start-ups remain an important area for APEC. In this regard, economies consider to support efforts in the following areas: a) Regulatory and legal framework; b) Favorable access to resources for fostering start-ups; c) Strengthen ethical business practices for innovative SME start-ups; and d) Development of startup networks and partnership.

Ministers encouraged SMEWG 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.

2. **APEC Women-Led Start-Up Accelerator Initiative** (SME 13 2019A): This project aims at enlarging female entrepreneurial participation and strengthening business competitiveness of women-led startups by providing female entrepreneurs with trainings and mentorship that help increase access to finance and market opportunities
3. **APEC Workshop: Strengthening Women Empowerment in Industry 4.0 through Digital Entrepreneurship Training** (SME 12 2019A): The main objective for this workshop is to elevate the knowledge and to improve the skill of women entrepreneurs in the dynamic world of industrial revolution 4.0.

### **Key Accountability Area 3: Environmental Impact**

#### **Achievements in Environmental Impact**

1. **Enhancing Green MSMEs' Competitiveness for a Sustainable and Inclusive Asia-Pacific (Phase 1: Tourism and Food Sectors)** SME 01 2018S: The project aimed to: a) raise awareness among MSMEs, particularly those in tourism and food sectors, on green business practices; b) promote green awareness among stakeholders including consumers; c) enhance MSMEs' competitiveness in greener GVCs by utilizing e-commerce and other digital platforms; and d) encourage APEC member economies to exchange their best practices on promoting green, sustainable and innovative MSMEs.
2. **APEC Workshop on Renewable Energy Potentials for Small and Medium Enterprises (SMEs)** SME 05 2016A: Workshop participants gained an increased awareness and knowledge on the situation, policies, strategies, programs, technologies etc., on renewable energy applicable for or have impacts on SMEs, as well as barriers to accelerate renewable energy markets for SMEs. Workshop participants were encouraged to propose recommendations on further work to SMEs to reap renewable energy potentials. They had the opportunity to raise any useful policy suggestions in practice once returning to their home economies or organizations.

#### **Ongoing and Future Initiatives on Environmental Impact**

The only current initiative on Environmental Impact is the “APEC Strategy for Green, Sustainable and Innovative MSMEs”. This initiative was endorsed in 2017 (SME Ministerial Level) 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.

## **TELECOMMUNICATIONS AND INFORMATION WORKING GROUP**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **Survey on the Regulation of OTT Services within APEC (PNG), 2018**
  - Raised the issues that policy makers and regulators need to consider when they contemplate OTT services.
  - Considered required changes in overall policy frameworks and regulatory settings.
  - Conducted a survey among TEL member economies to discuss and share their approaches to OTT service regulation.
  
2. **Regulatory Roundtable: The Role of Competition Policy in Fostering Infrastructure to Bridge the Digital Divide (Chile), 2019**
  - Explored policies that foster competition to encourage the development of the digital ecosystem to overcome the digital divide, mainly from the point of view of the digital infrastructure.
  - Considered the measures that can be adopted by APEC economies that promote their development in the context of avoiding generation of new divides.
  
3. **APEC Framework for Securing the Digital Economy (Thailand), 2019**
  - Provided non-binding principles and strategic recommendations to inform member economies as they develop policy and regulatory framework to secure their digital economies and their digital futures.
  - Offered many possibilities for APEC member economies, such as opportunities in electronic commerce and digital trade.
  - Officially published on the APEC website in November, 2019

#### **Ongoing and Future Initiatives on Institution Building**

1. **TEL Strategic Action Plan 2021-2025**
  - Outlines how the TEL will continue to play the leading role as the specialized forum in APEC on all telecommunications and information matters, including contributing substantially to the digital economy through the implementation of the APEC Internet and Digital Economy Roadmap.
  - Will be implemented with 4 priority areas: 1) Digital/ICT Infrastructure and Connectivity, 2) Trusted, Secure and Resilient ICT, 3) ICT Policies and Regulations to Enable Innovation, Economic Integration and Inclusiveness, and 4) Collaboration in Emerging Digital/ICT Technologies and Applications.
  
2. **Workshop on Competition Law and Regulation in Digital Markets (New Zealand)**
  - Plans to coordinate work underway across APEC on competition and regulatory challenges arising from the digital economy.
  - Focuses on the close interplay between competition law and other forms of regulation such as consumer policy and data privacy in digital markets.
  - Discusses the practical ways of facilitating cross border cooperation.

## **Key Accountability Area 2: Social Cohesion**

### **Achievements in Social Cohesion**

1. **Cyber Security Awareness Activity (the U.S.), annually**
  - Set October as the U.S. National Cybersecurity Awareness Month
  - Collaborative effort between the U.S. Department of Homeland Security (DHS) to ensure every citizen has the resources they need to stay safer and more secure online.
  - Published reports on malicious activity from North Korea and their use of malicious software on payment systems, such as ATMs, to conduct financial fraud.
  - Created the National Cybersecurity Awareness Month Toolkit, providing tips and resources to engage with stakeholders to promote positive and lasting cybersecurity habits.
  
2. **Smart Silver Innovation Project (Japan), 2018**
  - Found appropriate digital solutions to solve the issues on ageing society by ICT
  - Focused on the “Smart Silver Innovation” including ICT applications, emerging technologies and capacity building.
  - Discussed to establish the model of Smart Silver City for ageing societies and Chief Smart City Officer (CSCO).
  
3. **Industry Roundtable: How to Maximize the Impact of Gender Equality in the Digital Economy within the APEC Economies (Chile), 2019**
  - Presented emergent initiatives focusing on women (also on minorities), oriented to empower them for innovation, while also developing tools to support and facilitate their particular needs.
  - Discussed the need for mind-set challenge, and the need to expand on the role of women as innovators.
  - Raised the issues of barriers that women face entering ICT jobs, problems associated to women keeping ICT jobs, and the need for structural changes.
  - Agreed on the importance of making the disparities between men and women in labour market more visible and explicit.

### **Ongoing and Future Initiatives on Social Cohesion**

1. **Digitalized Villages and Remote and Rural Development for Inclusive Growth (China)**
  - Seeks to explore and share best practices of remote and rural development for inclusive growth, especially in digitalized villages.
  - Identifies difficulties in developing remote and rural regions, including digitalized villages.
  - Raises awareness of multi-stakeholders, including governments, enterprises, academia and international organizations on digitalized villages.
  - Helps benefit the rural residence of APEC economies with ICTs, as well as facilitating implementation of the APEC Internet and Digital Economy Roadmap.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

1. **Earthquakes and Waterfloods Monitoring System with the Application of IoT (Russia), 2017**
  - Maintained the basis for a monitoring system of earthquakes and waterfloods through the application of the Internet of Things (IoT).
  - Aimed to cooperate on the data proceeding through synchronization of the data that is received from the existing monitoring systems and IoT detectors that would help to detect emergency signals on the earliest stage and considerably increase predictability of the existing systems.

### **Ongoing and Future Initiatives on Environmental Impact**

1. **Recommendations for Implementation of Smart Sustainable City (SSC) ICT Infrastructure in APEC Region (Viet Nam)**
  - Aims to 1) identify prerequisite conditions to deploy ICT SSC infrastructure in a certain city in the APEC region, 2) create a framework for analysing key elements needed to support the development of SSC ICT infrastructure in the APEC region, and 3) develop recommendations to help economies recognize and capitalize on the benefits
  - Aims to resolve problems on emitting greenhouse gases, consuming global primary energy, overloaded public health system, climate change and lack of resources (clean water, land, living space, etc.).

## **TOURISM WORKING GROUP**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. Publication on **Developing the Tourism Workforce of the Future in the APEC Region** in April 2017. Led by Australia, the report presented information on the current state of skill shortages faced by APEC tourism sector and the leading practices that can be adopted by key stakeholders to overcome these skills shortages.
2. Publication on **Developing Traveller-Friendly Airports to Improve the Passenger Experience in the APEC Region** in 2017. Led by the United States, the report contained the findings of field assessments conducted in five volunteer airports in the APEC region. Through on-the-ground assessments, a comprehensive list of traveller-friendly quality standards was developed that airports in the APEC region can use to prioritize the issues they need to address in order to improve existing services and/or develop new systems.

## Ongoing and Future Initiatives on Institution Building

In APEC Tourism Strategic Plan (TSP) 2020 – 2024, includes activities to:

1. Create a policy framework for knowledge sharing to assist economies' digital transformation processes (**Action/Activity No. 1, Priority Area 1: Digital Transformation**).
2. Establish a policy framework for best practices in integrating and regulating the accommodation sharing economy (**Action/Activity No. 6, Priority Area 1: Digital Transformation**).
3. Design and implement a communications plan to champion careers in tourism (**Action/Activity No. 5, Priority Area 2: Human Capital Development**).

## Key Accountability Area 2: Social Cohesion

### Achievements in Social Cohesion

1. **APEC Occupational Standards Framework: Test in Travel, Tourism and Hospitality Sector.** The project was proposed in the HRDWG in 2016. It encouraged the improvement of tourism skills standards and certification programs, capacity building, access to tourism training and creating long-term career pathways for young people and women across the APEC region. It was led by Peru in the TWG and Australia in the HRDWG.
2. Papua New Guinea led a project on the **Economic Study on Impact of Cruise Tourism: Fostering MSMEs' Growth and Creating Sustainable Communities.** This project promoted MSME growth contributing to tourism development, on the one hand, while ensuring that the development of sustainable communities positively impacts political, cultural, social and infrastructure development

### Ongoing and Future Initiatives on Social Cohesion

1. Malaysia proposed the project on **Developing Community Based Entrepreneurship (CBE) in Rural Tourism through Digital Empowerment** in 2019. This project will enhance the capacity of tourism-related MSMEs to develop CBE through digital empowerment and instil knowledge and understanding among target groups of participants on entrepreneurship in rural economic growth. The handbook with framework of CBE will serve as a guideline for rural tourism in APEC economies by addressing capacity-related barriers through the digital economy platform. This project also meets the KPI for Action/Activity No.9 in Priority Area 4 in APEC Tourism Strategic Plan (TSP) 2020 – 2024.

## **Key Accountability Area 3: Environmental Impact**

### **Achievements in Environmental Impact**

1. Viet Nam hosted the **APEC High Level Policy Dialogue (HLPD) on Sustainable Tourism** in Ha Long in June 2017. The Dialogue was held in conjunction with, and in support of the United Nations 2017 International Year of Sustainable Tourism for Development. The HLPD proposed TWG's future actions to include optimal use of environmental resources, maintenance of essential ecological processes and conservation of natural features and resources, and biodiversity.
2. Russia proposed a **Prospect Analysis for Sustainable Development of Tourism in Remote Areas of APEC Economies**. Originally proposed in 2017, it is scheduled to be completed in 2020. The project will produce a study on features of remote areas in developing economies and a developed economy with the view to providing recommendations on developing sustainable development in remote areas.

### **Ongoing and Future Initiatives on Environmental Impact**

In APEC Tourism Strategic Plan (TSP) 2020 – 2024, includes activities to:

1. Develop an inventory of marine conservation programs in synergy with island tourism. (Action/Activity No. 6, Priority Area 4: Sustainable Economic Tourism Growth).
2. Share best practices on the incorporation of sustainable solutions in the spatial planning of tourism in protected areas (Action/Activity No. 6, Priority Area 4: Sustainable Economic Tourism Growth).

## **TRANSPORTATION WORKING GROUP**

### **Key Accountability Area 1: Institution Building**

#### **Achievements in Institution Building**

1. **TPT 04 2017A: The Study of Best Verified Gross Mass (VGM) Practices to Maintain and Enhance the Supply Chain Connectivity in the APEC Region**
  - a. This project studies how APEC economies tackle with the issues and challenges emerged when new requirements to verify the gross mass (VGM) of a packed container enter into force under the International Convention for the Safety of Life at Sea (SOLAS). By collecting and analysing current best practices among APEC economies, Chinese Taipei tries to understand how trade costs across supply chains can be affected by a newly institutionalized regulation, and how they can be properly reduced. By sharing the best VGM practices, policies and strategy recommendations, Chinese Taipei hopes to assist in shaping novel norms of practices that better adapt to the SOLAS VGM requirements, and thereby improving supply chain reliability and connectivity in supporting the competitiveness of business in the APEC region.

2. **TPT 01 2018S: Developing Guidelines for Motorcycle Crash Data Collection and Reporting in the APEC Region**
  - a. This project aims to improve the accessibility and transferability of motorcycle crash data among different stakeholders (i.e., transportation agencies, law enforcement, and public health), not only within each APEC economy but also among APEC economies as a whole. By developing guidelines which aim to inform economies of what “minimum set” of data elements should be included when they update their crash report forms, the said project outcome aims to maximize the return on safety investment, bring forth greater uniformity of data processing, and thus better the policy making process for motorcycle safety among APEC economies.
  
3. **TPT 02 2017A, TPT 01 2016A, TPT 04 2015A: Promoting the Seven Principals on Supply Chain Resiliency**
  - a. TPTWG conducted a multi-Concept Note project from 2013 through 2018 that developed a set of seven “Principals of Supply Chain Resiliency”, conducted eight APEC-wide capacity building workshops, and supported three APEC economies (Papua New Guinea, the Philippines, and Viet Nam) in their development of economic-specific action plans to integrate these principals into economy-level policy making. This project gave APEC economies the tools to improve the resiliency of economy-level and regional supply chains by strengthening institutions, looking at human capacity development, sharing of knowledge among APEC members, adopting flexible approaches to dealing with interruptions of supply chains because of natural disasters, and more.
  
4. **TPT03 2015: Public-Private Partnerships for Transportation in the APEC Region**
  - a. From 2015-17, the TPTWG led a project to strengthen economies’ understandings of how to finance and deliver high-quality transportation infrastructure through the use of Public-Private Partnerships (PPPs). Through a best practices workshop and the publication of a report titled “Public-Private Partnerships for Transportation in the APEC Region – An Analysis and Literature Review”, the TPTWG provided APEC economies with tools to strengthen the capacity of their transportation agencies to use PPPs as a means to finance transport infrastructure. This project emphasized the importance of building high-quality proposal documents that attract international bidders and ensure that projects are well-vetted and suitable for investment.
  
5. **TPT 02 2019S- APEC SEN (Seafarers Excellence Network) Strategic Development and Management Planning for Sustainable Future**
  - a. This project aims to support all APEC economies, by establishing a comprehensive, one-stop portal and offline network serving the needs of both seafarers and users of seafarers by forming three specialized taskforces, each addressing the five phases of seafarer development from job entry to career transition aligned with future technical advancements, and establish a secretariat office to circulate reports, organize global APEC member economy meetings, transfer best practices and include future projects and report to TPTWG, HRDWG and OFWG or non-APEC fora.
  - b. The project has since successfully been endorsed by the 47th TPTWG and TPTWG-MEG in Vancouver, Canada and serves as an official body under the



TPTWG MEG to pursue goals outlined in the APEC SEN Mission statement, Terms of Reference, and 7 Year Strategic Plan.

### **Ongoing and Future Initiatives on Institution Building**

1. In 2020, TPTWG aims to fulfil its contributions as laid out in the APEC Services Competitiveness Roadmap (ASCR) Implementation Plan. Among other things, one of the task is to facilitate modernization of transport and expansion of digital connectivity with state-of-the-art ICT technology. TPTWG believes such endeavour would be beneficial in shaping the next generation of digital economy with novel and unified technological norms within APEC region as a whole. Furthermore, TPTWG would echo the aforesaid endeavour by sharing its recent achievement in developing Mobility as a Service (MaaS) application. By holding a knowledge and information sharing event, TPTWG would invite experts from other economies to discuss and provide pragmatic and state-of-the-art recommendation for the MaaS application within APEC region. Chinese Taipei looks forward to linking talented minds of experts across APEC region, and thus facilitate the next generation of technological norm in the field of MaaS application among APEC economies.
2. TPTWG and its Intelligent Transportation Systems and Intermodal Transport Experts Group (IIEG) is leading a new conversation on the role of new and innovative transportation modes, such as Transport Network Companies (ridesharing/e-hailing), micro-mobility, and integrated app-based transport platforms. These technologies will have enormous effects on the policies and planning practices for APEC cities, and the IIEG is supporting discussions and a Concept Note on how to share best practices on dealing with these new technologies so that APEC economies and their cities will have tools to better position their institutions to welcome these technologies while ensuring they align with public policy goals.
3. Through APEC SEN On-Board Training to Foster Competent Young Future Maritime Global Leaders (TPT 03 2019A), TPTWG aims to support all APEC economies, to nurture well-trained and qualified seafarers by actively co-utilizing and sharing relevant infrastructures and skilled manpower. This project reiterates the fundamentals of facilitating and sustaining global trade by encouraging and training well qualified seafarers bearing in mind the importance of building seafarers' capacity as a driving force of major international trade. The objectives of this project will also align and realize the TPTWG strategic plan 2018-2021 and Connectivity Blueprint 2015-2025 through the best co-utilization of training ships and highly skilled faculty members through a mutual collaboration among APEC member economies.

### **Key Accountability Area 2: Social Cohesion**

#### **Achievements in Social Cohesion**

1. **Women in Transportation (WiT) (TPT 01 2019S, TPT 02 2018S, TPT 07 2017S)**
  - a. The WiT initiative is a cross-cutting effort led by the TPTWG to identify best practices for how APEC economies can support more women entering into transportation careers. Since 2015, the APEC WiT Data Framework and Best Practices Initiative has fostered policies and practices that advance the

employment and engagement of women in the transportation sector. This initiative looks broadly at education and training, workplace conditions, and women in leadership positions to develop guidance for the public and private sector.

2. **TPT 03 2019A: APEC Seafarer Excellence Network (SEN) On-Board Training to Foster Competent Young Future Maritime Global Leaders**
  - a. The successful completion and outcomes of this project will include a minimum of 20% of participants from women. This has also been reiterated by the need for international community and maritime bodies such as the 2019 International Maritime Organization (IMO) theme to “Empower Women in the Maritime Community”, and the promotion of the United Nations Sustainable Development Goals (SDGs) on gender equality.
3. **TPT 02 2019S: APEC SEN (Seafarers Excellence Network) Strategic Development and Management Planning for Sustainable Future**
  - a. The activities to include all APEC member economies encompasses best practices, policies and strategy recommendations in terms of maritime education, training, certification and assessment in compliance with different conventions and response to the needs of the maritime industry.

### **Ongoing and Future Initiatives on Social Cohesion**

1. **TPT 01 2019: Disruptive Technologies and the Changing Nature of Work in the Transportation Sector**
  - a. This project aims to build the capacity of APEC economies to strategically plan for and adapt to the emergence of these new technologies by broadening knowledge on the subject, and providing high-level recommendations on how to increase opportunities for underrepresented groups (e.g., women, people with disabilities), while mitigating the negative impacts on displaced workers. Through its focus on innovation and inclusivity, this will contribute to APEC’s overall capacity building goal of improving economic and social well-being.
2. **TPT05 2019A: Promote Maritime Education and Training of Women and Girls for APEC Economies to Empower Women in the Maritime Community**
  - a. This project will benefit all economies involved in tackling the issue of MET of women and girls, and further seek to make significant contributions in nurturing well-trained and qualified female seafarers and embracing women into the maritime sector. The project will promote physical, institutional, and people-to-people connectivity under APEC, give constructive support on capacity building to the APEC MET institutions and strengthen their co-operations. Beyond that, the technical expertise of the project participants is expected to be enhanced and more women and girls are ultimately to get involved in the maritime field.
3. **Innovative and Accessible Mobility**
  - a. TPTWG and its Intelligent Transportation Systems and Intermodal Transport Experts Group (IIEG) is leading a new conversation on the role of new and

innovative transportation modes, such as Transport Network Companies (ridesharing/e-hailing), micro-mobility, and integrated app-based transport platforms. These technologies will have enormous effects on the policies and planning practices for APEC cities, and the IIEG is supporting discussions and a Concept Note on how to share best practices on dealing with these new technologies so that APEC economies and their cities can ensure that these technologies are accessible for all members of the population, including vulnerable groups that have struggled to have access to traditional public transport modes.

## 6. SURVEY QUESTIONNAIRES

### ECONOMIES

#### *Key Accountability Area 1: Institution Building*

*Please limit responses to a maximum of two pages for each Key Accountability Area.*

**Achievements in Institution Building.** Among your economy's policy actions in the past 5 years (2015-2019), please identify up to three that you think have been the most effective in Institution Building. Please explain and provide evidence of positive results.

**Remaining Challenges to Institution Building.** Considering your economy's current situation, what are the three most important challenges your economy faces in relation to Institution Building? Please explain.

**Action Plans on Institution Building.** Considering the challenges to Institution Building you have previously identified, what are the short- and medium-term plans of your economy to address these challenges? What obstacles do you foresee, if any?

**Role of Regional Cooperation in Institution Building.** What role can regional cooperation and international organisations such as APEC play in addressing the challenges to Institution Building you have previously identified?

#### *Key Accountability Area 2: Social Cohesion*

*Please limit responses to a maximum of two pages for each Key Accountability Area.*

**Achievements in Social Cohesion.** Among your economy's policy actions in the past 5 years (2015-2019), please identify up to three that you think have been the most effective in improving Social Cohesion. Please explain and provide evidence of positive results.

**Remaining Challenges to Social Cohesion.** Considering your economy's current situation, what are the three most important challenges your economy faces in relation to improving Social Cohesion? Please explain.

**Action Plans on Social Cohesion.** Considering the challenges to Social Cohesion you have previously identified, what are the short- and medium-term plans of your economy to address these challenges? What obstacles do you foresee, if any?

**Role of Regional Cooperation in Social Cohesion.** What role can regional cooperation and international organisations such as APEC play in addressing the challenges to improving Social Cohesion you have previously identified?

### ***Key Accountability Area 3: Environmental Impact***

*Please limit responses to a maximum of two pages for each Key Accountability Area.*

**Achievements in Environmental Impact.** Among your economy's policy actions in the past 5 years (2015-2019), please identify up to three that you think have been the most effective in mitigating Environmental Impact. Please explain and provide evidence of positive results.

**Remaining Challenges to Environmental Impact.** Considering your economy's current situation, what are the three most important challenges your economy faces in relation to mitigating Environmental Impact? Please explain.

**Action Plans on Environmental Impact.** Considering the challenges to Environmental Impact you have previously identified, what are the short- and medium-term plans of your economy to address these challenges? What obstacles do you foresee, if any?

**Role of Regional Cooperation in Environmental Impact.** What role can regional cooperation and international organisations such as APEC play in addressing the challenges to mitigating Environmental Impact you have previously identified?

## COMMITTEES

### ***Key Accountability Area 1: Institution Building***

*Please limit responses to a maximum of two pages for each Key Accountability Area.*

**Achievements in Institution Building.** Among your committee's completed projects or outputs in the past 5 years (2015-2019), please identify up to five that you think have been the most effective in contributing to Institution Building. Please explain and provide evidence of positive results.

**Ongoing and Future Initiatives on Institution Building.** Considering your committee's strategic plans and work agenda, are there ongoing or new (i.e., endorsed but not yet being implemented) projects or initiatives in the 2019-2020 pipeline on Institution Building?

If yes, please identify up to five that can most directly contribute to Institution Building. If no, please explain why the committee is not currently working on issues related to Institution Building.

### ***Key Accountability Area 2: Social Cohesion***

*Please limit responses to a maximum of two pages for each Key Accountability Area.*

**Achievements in Social Cohesion.** Among your committee's completed projects or outputs in the past 5 years (2015-2019), please identify up to five that you think have been the most effective in contributing to Social Cohesion. Please explain and provide evidence of positive results.

**Ongoing and Future Initiatives on Social Cohesion.** Considering your committee's strategic plans and work agenda, are there ongoing or new (i.e., endorsed but not yet being implemented) projects or initiatives in the 2019-2020 pipeline on Social Cohesion?

If yes, please identify up to five that can most directly contribute to Social Cohesion. If no, please explain why the committee is not currently working on issues related to Social Cohesion.

***Key Accountability Area 3: Environmental Impact***  
*Please limit responses to a maximum of two pages for each Key Accountability Area.*

**Achievements in Environmental Impact.** Among your committee's completed projects or outputs in the past 5 years (2015-2019), please identify up to five that you think have been the most effective in mitigating Environmental Impact. Please explain and provide evidence of positive results.

**Ongoing and Future Initiatives on Environmental Impact.** Considering your committee's strategic plans and work agenda, are there ongoing or new (i.e., endorsed but not yet being implemented) projects or initiatives in the 2019-2020 pipeline on mitigating Environmental Impact?

If yes, please identify up to five that can most directly mitigate Environmental Impact.  
If no, please explain why the committee is not currently working on issues related to Environmental Impact.

## SCE SUB-FORA

**Key Accountability Area 1: Institution Building***Please limit responses to a maximum of one page for each Key Accountability Area.*

**Achievements in Institution Building.** Among SCE or your forum's completed projects or outputs in the past 5 years (2015-2019), please identify up to three that you think have been the most effective in contributing to Institution Building. Please explain and provide evidence of positive results.

**Ongoing and Future Initiatives on Institution Building.** Considering SCE or your forum's strategic plans and work agenda, are there ongoing or new (i.e., endorsed but not yet being implemented) projects or initiatives in the 2019-2020 pipeline on Institution Building?

If yes, please identify up to three that can most directly contribute to Institution Building. If no, please explain why the forum is not currently working on issues related to Institution Building.

**Key Accountability Area 2: Social Cohesion***Please limit responses to a maximum of one page for each Key Accountability Area.*

**Achievements in Social Cohesion.** Among SCE or your forum's completed projects or outputs in the past 5 years (2015-2019), please identify up to three that you think have been the most effective in contributing to Social Cohesion. Please explain and provide evidence of positive results.

**Ongoing and Future Initiatives on Social Cohesion.** Considering SCE or your forum's strategic plans and work agenda, are there ongoing or new (i.e., endorsed but not yet being implemented) projects or initiatives in the 2019-2020 pipeline on Social Cohesion?

If yes, please identify up to three that can most directly contribute to Social Cohesion. If no, please explain why the forum is not currently working on issues related to Social Cohesion.



***Key Accountability Area 3: Environmental Impact***  
*Please limit responses to a maximum of one page for each Key Accountability Area.*

**Achievements in Environmental Impact.** Among SCE or your forum's completed projects or outputs in the past 5 years (2015-2019), please identify up to three that you think have been the most effective in mitigating Environmental Impact. Please explain and provide evidence of positive results.

**Ongoing and Future Initiatives on Environmental Impact.** Considering SCE or your forum's strategic plans and work agenda, are there ongoing or new (i.e., endorsed but not yet being implemented) projects or initiatives in the 2019-2020 pipeline on mitigating Environmental Impact?

If yes, please identify up to three that can most directly mitigate Environmental Impact.  
If no, please explain why the forum is not currently working on issues related to Environmental Impact.