

THE 21ST APEC ECONOMIC LEADERS' DECLARATION

**Bali, Indonesia,
October 8, 2013**

**Leaders' Declaration
*Resilient Asia-Pacific, Engine of Global Growth***

1. We, the APEC Leaders, gathered in Nusa Dua, Bali, Indonesia to demonstrate resolute leadership in the Asia-Pacific region under the theme of “Resilient Asia-Pacific, Engine of Global Growth”.
2. The past 19 years of determination and persistent labor towards the attainment of free and open trade under the Bogor Goals have produced an extraordinary period of prosperity in the Asia-Pacific. The rules-based multilateral trading system and our shared belief in open regionalism have lifted hundreds of millions out of poverty across the entire region and fostered open, emerging and innovative economies that are now fueling our growth.
3. We have taken a number of important policy actions that have helped to contain key tail risks, improve financial market conditions and sustain recovery. Nevertheless, global growth is too weak, risks remain tilted to the downside, global trade is weakening and the economic outlook suggests growth is likely to be slower and less balanced than desired. We share the urgency for region-wide partnership to create better quality and more productive jobs, attract private investment, reduce poverty, and improve living standards. We recognize the need to strengthen macroeconomic policies and to work together to promote sustainable and inclusive growth in the Asia-Pacific region. We will implement prudent and responsible macroeconomic policies to ensure mutually reinforcing effect of growth and to maintain economic and financial stability in the region, and prevent negative spillover effect.
4. While trade growth and investment flows within the APEC region have outperformed the rest of the world, we should nevertheless guard against the pressure to raise new trade and investment barriers. To that end, we extended our standstill commitment until the end of 2016 and reaffirmed our pledge to roll back protectionist and trade-distorting measures. We committed to take decisive actions to reinforce confidence, foster financial stability, and strengthen our medium-term growth potential, while remaining vigilant in our joint effort to strengthen global recovery and to ensure a balanced, inclusive, sustainable, innovative, and secure growth, as espoused in the Yokohama vision.
5. As our region increasingly becomes the main engine of global growth, we are called by the duty to look ahead, to adapt to our changing needs, and to reinvigorate the path toward progress in the Asia-Pacific. We will continue our collective commitment to strengthening and deepening regional economic integration and to eliminate barriers to international trade and investment in the region. We will pursue greater connectivity to break new ground, help economies to create better quality and more productive jobs and marshal purposeful partnerships for the future.

6. We reaffirm our commitment to achieve a Free Trade Area of the Asia-Pacific (FTAAP), including by continuing APEC's work to provide leadership and intellectual input into the process of regional economic integration. APEC has an important role to play in coordinating information sharing, transparency, and capacity building, and will hold a policy dialogue on regional RTAs/FTAs. We agreed to enhance communication among regional RTAs/FTAs, as well as increase the capacity of APEC economies to engage in substantive negotiations.
7. We will turn these commitments into prosperity and opportunity, and in doing so, we committed to take the following specific actions:

Supporting the Multilateral Trading System and Attaining the Bogor Goals

8. Realizing that the Doha Development Agenda negotiations are at a critical juncture, with significance for the broader multilateral system, we have issued a separate statement supporting the multilateral trading system and the 9th Ministerial Conference of the World Trade Organization.
9. Recognizing that trade and investment are critical to the creation of better quality jobs and increased prosperity of our people, we reiterated our commitment to uphold APEC's role towards achieving the Bogor Goals of free and open trade and investment by 2020.
10. In addition, in order to link our economies and markets ever closer together, we:
 - a. Will advance implementation of our commitment to reduce tariffs on the APEC List of Environmental Goods (EGs) to five percent or less by the end of 2015;
 - b. Established the APEC Public Private Partnership on Environmental Goods and Services (PPEGS) to enhance our work to address trade and investment issues relevant to this sector;
 - c. Will explore trade in products that contribute to sustainable and inclusive growth through rural development and poverty alleviation;
 - d. Acknowledged the work this year on local content requirements and welcomed the APEC Best Practices to Create Jobs and Increase Competitiveness.
 - e. Will continue to implement the APEC Investment Facilitation Action Plan, including by advancing Public Private Dialogue on Investment and encourage officials to work with the private sector to build and improve upon Corporate Social Responsibility practices and sustainable investment;
 - f. Will advance actions to address the next generation trade and investment issues as agreed in 2011 and 2012, including by finalizing the APEC Innovation and Trade Implementation Practices, as soon as possible; and

- g. Will foster broader participation of the private sector in advancing trade in services to create better quality and more productive jobs, and increase the productivity of our industries.

Promoting Connectivity

11. Recognizing the increasing need for more efficient flow of goods, services, capital and people, we will shape the strategic landscape of our region through a long-term commitment that will accelerate our physical, institutional, and people-to-people connectivity.
12. As part of our work to achieve the Bogor Goals by 2020 and the Yokohama Vision of “Bogor and Beyond”, we aspire to achieve a seamlessly and comprehensively connected and integrated Asia Pacific. We envision a blueprint that will accelerate and encourage balanced, secure and inclusive growth, as well as connect growth poles in the region, through means such as strengthening regional quality transportation networks, reducing transaction costs, and making our region more competitive and cohesive. As a way forward we will carry on specific measures as contained in Annex A.
13. Under Physical Connectivity, we commit to cooperate in developing, maintaining and renewing our physical infrastructure through a Multi-year Plan on Infrastructure Development and Investment. The Plan will assist APEC Economies to improve the investment climate, promote public-private partnerships, and enhance government capacity and coordination in preparing, planning, prioritizing, structuring and executing infrastructure projects. As a first step under this Plan, we agreed to establish an APEC Experts Advisory Panel and a pilot Public Private Partnership (PPP) Centre in Indonesia. We encourage efforts to promote efficient allocation of global capital and to explore and improve infrastructure financing, involving government, private sector and international institutions. Specific actions to promote infrastructure development and investment are laid out in Annex B. We will also:
 - a. accelerate our work to achieve a 10% improvement in supply-chain performance by 2015 in terms of time, cost, and uncertainty, while taking into consideration individual economy circumstances, including by advancing the systematic approach to improving supply chain performance;
 - b. instruct officials to develop a capacity-building plan to assist economies, particularly developing economies, in overcoming specific obstacles they face in enhancing supply chain performance; and
 - c. establish the APEC Trade and Investment Liberalization Sub-Fund on Supply Chain Connectivity and encourage contributions of necessary resources to execute this capacity-building plan.
14. Under Institutional Connectivity, we will
 - a. advance our 2010 APEC New Strategy for Structural Reform (ANSSR) including by promoting fiscal transparency and public accountability which will strengthen

our ultimate aim of fostering transparency and competition, and creating better functioning markets;

- b. take specific actions to develop, use or strengthen the implementation of the three Good Regulatory Practices we identified in 2011, and note three optional tools used by some economies to help to achieve this goal including 1) single online locations for regulatory information; 2) prospective regulatory planning; 3) periodic reviews of existing regulation;
- c. progress our 2012 commitment to promote cross-border education that create opportunities for our people, on a voluntary basis consistent with individual economies' circumstances, to access education and training services, strengthen regional ties, contribute to the creation of better quality jobs, bolster productivity growth and further promote economic growth through actionable cooperation; and
- d. promote global value chain development and cooperation in APEC region on the basis of previous work on connectivity.

15. Under People-to-people Connectivity, we will

- a. endorse the target of 1 million intra-APEC university-level students per year by 2020, as well as support further work that will enhance the mobility of students, researchers, and education providers, and the network of existing bilateral agreements;
- b. progress work on the Travel Facilitation Initiative as a way to promote tourism and facilitate business, by making travel more accessible, convenient and more efficient while also safe and secure; and
- c. develop programs that will encourage greater and regular involvement of youth in APEC, so as to foster a sense of community and shared responsibility to contribute to the growth of Asia-Pacific region.

Sustainable Growth with Equity

16. Taking into account the current condition of the global economy, we focused on an agenda that is geared to bridge the development gap and maintain our path of sustainable growth with equity. We commit to implement workable solutions that will increase resilience, sustain growth and decrease disparity, while improving the welfare of the people in the Asia-Pacific region.

17. We agreed to take further steps toward empowering, engaging and opening opportunities for our stakeholders to fully participate in our economic growth, by considering the following concrete actions:

- a. expand women's participation in the economy by creating an enabling environment such as through the development of gender related structural reform measures, improved ICT training support, as well as the development of

entrepreneurial culture, equal access to quality education and employment opportunities and greater access to market and financial services including capital, particularly for women-owned SMEs;

- b. enhance our SMEs global competitiveness by improving access to finance and markets, supporting entrepreneurship, accelerating the growth of start-ups, strengthening capacities for business continuity and empowering our SMEs to expand to international markets and to participate in global supply chains;
 - c. encourage regional collaboration to facilitate trade finance for SMEs, recognizing that trade finance instruments can help facilitate trade and can support SMEs that trade internationally;
 - d. promote responsible innovative approaches to increase financial eligibility of the poor and SMEs and improve delivery channels to extend the benefit of financial services to those who still do not have access to the financial system, thereby enhancing financial inclusion in the region;
 - e. promote the crucial role of farmers and fishers, particularly small holders and women, in the achievement of food security, by strengthening their capacities, to take an important role in the supply chain, and creating a solid partnership between government and private sector;
 - f. advance greater collaboration among law enforcement authorities, in combating corruption, bribery, money laundering, and illicit trade, through the establishment of an APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) that will strengthen informal and formal regional and cross-border cooperation; and
 - g. strengthen cooperation among government, scientists, and business sector to promote science, technology and innovation (STI) in the region, and value policy discussions among the Asia-Pacific's Chief Science Advisor (CSA) and their equivalents in addressing common STI challenges.
18. We recognized that resource scarcity presents an immense challenge that limits our ability to pursue economic growth and we were mindful of the grave economic consequences of natural and human-caused disaster, particularly to the most vulnerable members of society. In response to these challenges, we will take the following steps:
- a. address the nexus of water, energy and food security through the promotion of integrated policies and collaborative approaches;
 - b. implement the APEC Food Security Road Map Towards 2020 to enhance supply chain connectivity, achieve efficiencies, reduce post-harvest losses and waste, and improve the food system structure by 2020, to provide lasting food security to APEC economies;

- c. recognize that bans and other restrictions on the export of food may cause price volatility, especially for economies that rely on imports of staple products, and we reiterate our pledge against protectionism.
- d. pursue cross-sectoral work under the APEC Initiative on Mainstreaming Ocean-related Issues, including those in line with priorities outlined by our ocean-related Ministers, that will maintain the health and sustainability of our oceans and coastal resources for the benefit of food security, poverty eradication, preservation of traditional culture and knowledge, conservation of biodiversity and facilitation of trade and investment;
- e. continue to build regional capacity to assist APEC economies to rationalize and phase out inefficient fossil-fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services;
- f. welcome the development of a methodology for a voluntary peer review mechanism of inefficient fossil-fuel subsidies that encourage wasteful consumption, and welcome the initiation of economy-owned peer reviews by some economies;
- g. invigorate work to develop clean and renewable energy through public-private partnership, as a promising approach to ensure sustainable investment and development of new technology, and to promote energy security and efficiency and lowering of greenhouse gas emissions, with the Joint Crediting Mechanism (JCM) as a notable example of cross-border mechanisms used by several economies;
- h. combat wildlife trafficking by enhancing international cooperation through Wildlife Enforcement Networks (WENs) and other existing mechanisms, reducing the supply of and demand for illegally traded wildlife, increasing public awareness and education related to wildlife trafficking and its impacts, and treating wildlife trafficking crimes seriously;
- i. promote sustainable healthcare systems that deliver universal health coverage and emphasize promotive and preventive measures to ensure healthy and productive societies, while bearing in mind the opportunities implied in the different pace of aging among member economies;
- j. engage in capacity building efforts and effective regional and global partnerships across the public and private sectors with the aim of addressing emerging infectious diseases and strengthening public health systems;
- k. promote understanding on safe and effective use of traditional medicine, according to individual economies' needs and circumstances, as it is increasingly used as a complementary and alternative medicine in certain economies, due among others to its affordability, availability, and acceptability as a part of health beliefs of our local cultures;

- l. work on combating infectious diseases, including through efforts to meet the goals articulated in UNAIDS Getting to Zero 2011-2015 strategy, notably zero new HIV Infections, zero discrimination and zero HIV related deaths through targeted prevention and treatment measures, by scaling up investment and strengthening Public-Private Partnership, health care systems and community involvement; and
- m. progress work to ensure ease of mobility of emergency responders and their equipment to save lives in the early aftermath of disasters, while improving cooperation in disaster risk reduction, including through the involvement of the private sector in business continuity planning.

Looking Forward

- 19. Recognizing the range of development levels, experiences, and systems across our economies, we reaffirm the importance of supporting our ambitious vision for a seamless and connected regional economy through our abiding commitment to delivering effective economic and technical cooperation.
- 20. We recognized that the economic inclusion of women is critical for business performance and economic prosperity, and in acknowledging the cross-cutting nature of women's participation in the economy, we committed to promoting efforts to integrate gender considerations across APEC activities as a priority, including with greater private sector engagement.
- 21. We commend the APEC Business Advisory Council (ABAC) for enriching APEC's work by means of partnership. We recognize the importance of private sector involvement in our work and we welcome further ABAC engagement.
- 22. We call for continued cooperation and synergy with other multilateral fora, and important regional and global institutional architecture. We encourage work that will foster complementarities and better understanding between APEC and other groups that will ensure a credible approach in solving complex challenges of our times.
- 23. We recognized that fostering and deepening economic integration, and creating seamless economy will make our region more resilient against the effects of internal and economic shocks. So as to move our economies up the value chain and to deliver sustainable growth and equitable economic development as envisioned in the 1994 Bogor Declaration, we instructed officials to continue to ensure that our regional economy is resilient, that our growth is inclusive, that our economies become ever more connected and that our people share equitable benefit from our secure and sustainable growth (RICES).
- 24. We have full confidence in the prospect of Asia-Pacific's economic development and we are committed to play a leading role in the global economic recovery. With the objective of achieving robust, sustainable, balanced and inclusive growth in the Asia-Pacific region, we look forward to working together to build an open economy that is based on innovation, interconnected growth and shared interests. We underlined the importance of future work to promote action to change the region's growth model

and to advance economic restructuring, including but not limited to, structural reform, APEC growth strategy, urbanization, innovation, and food security.

25. We appreciated the offers of Viet Nam, Papua New Guinea, Chile, Malaysia, New Zealand and Thailand to host APEC in the year 2017, 2018, 2019, 2020, 2021 and 2022 respectively.

26. Our enduring commitment will underwrite the peace, stability, and prosperity of the Asia Pacific. We therefore instruct our ministers and officials to pursue the work and to strengthen the economic foundation of our shared Asia-Pacific community and we look forward to reviewing further progress when we convene again during China's hosting of APEC in 2014.

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Annex A. Promoting Connectivity

Annex B. Multi-Year Plan on Infrastructure Development and Investment

ANNEX A APEC FRAMEWORK ON CONNECTIVITY

1. Since its inception APEC has worked to promote connectivity in the Asia Pacific. In Seattle in 1993, we agreed to ensure that the people of the region share the benefits of economic growth through higher incomes, high skilled and high paying jobs, and increased mobility. We recognized that advances in telecommunications and transportation would shrink time and distance barriers in our region and link our economies so that goods and people move quickly and efficiently. We reiterated this commitment of achieving a community of Asia-Pacific economies in 1994 in Bogor, set out pathways to achieving an economically-integrated, robust, and secure APEC community in 2010 in Yokohama, and committed to taking concrete steps towards a seamless regional economy in 2011 in Honolulu.
2. Although more work needs to be done, we have made notable progress on trade, investment and travel facilitation, and structural reform in APEC.
3. Since 2009, we have advanced our agenda to improve supply-chain connectivity, and are working to achieve an APEC-wide target of a 10 percent improvement in supply-chain performance by 2015, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economies' circumstances. This is part of our comprehensive approach to working "at the border", "behind the border" and "across the border".
4. Today, we reviewed and resolved to strengthen our efforts to attain the Bogor Goals, achieve sustainable growth with equity, as well as reinforce and expand the channels that connect our economies, including by addressing the region's underdeveloped infrastructures and their networks, inefficient procedures, and hindrances to the mobility of our people and their institutional networks.
5. We share the view that seamless physical, institutional, and people-to-people connectivity are critical prerequisites in attaining our APEC community vision. By connecting the region's developed and emerging growth centers around and across the Pacific Ocean and within APEC's archipelagic and continental regions, APEC will strengthen and deepen its regional economic integration, improve the region's quality of growth, and contribute to the Asia Pacific's economic resilience.
6. As part of our work to achieve the Bogor Goals by 2020 and to achieve the 2010 Yokohama Vision of "Bogor and Beyond", we aspire to reach a seamlessly and comprehensively connected and integrated Asia Pacific by realizing:
 - Physical connectivity that improves supply chain performance, connects and integrates logistics, transport, energy, and telecommunication infrastructure in the APEC region.
 - Institutional connectivity that advances regulatory and procedural cooperation and coherence among our economies.

- People-to-people connectivity that enhances interaction, mobility and joint endeavors.
7. To achieve these goals, we agree to undertake the following actions in 2014:
- a. To develop a blueprint based on agreed benchmarks or target, detailing areas for multi-year cooperation and activities towards a seamlessly and comprehensively connected and integrated Asia Pacific, and to establish a timeframe for regular reviews of our achievements. The blueprint will include, among others:
 - On physical connectivity, to eliminate trade barriers impeding supply chain performance; help economies implement their trade facilitation and supply chain commitments through targeted, focused capacity-building; expand our trade routes and corridors, and strengthen regional quality transportation networks, including roads, railroads, ports and airports; taking into account the efforts to synergize APEC works with the existing sub-regional frameworks and plans; advance our cross border energy networks and interconnections; achieve universal and high-speed broadband access; and to develop and improve well-designed, sustainable and resilient infrastructure by implementing, at the outset, the multi-year plan on infrastructure development and investment in APEC and subsequently of broader infrastructure development.
 - On institutional connectivity, to advance our logistics and transport facilitation; enhance our regulatory coherence and cooperation and strengthen the implementation of good regulatory practices; advance APEC's agenda on structural reforms; modernize our trade-related as well as customs and border agencies, including by progressing the development of single windows in APEC economies; promote cross border financial cooperation; and expand the application of safe and trusted ICT and e-commerce environment.
 - On people-to-people connectivity, to advance our work on cross-border education, science, technology and innovation, services, as well as to expand the facilitation of movement of our people, which may include tourists, business people, professionals and workers, women and youth.
 - b. To identify economies' individual or joint projects to implement the blueprint, which enhances connectivity in the region and may benefit from economic and technical cooperation.
 - c. To mainstream this Framework into the strategic and long term planning of APEC fora.
8. We recognize the critical importance of improving synergy with other international fora, such as ASEAN, Pacific Alliance, East Asia Summit and the G20, and regional and multilateral development banks, as well as with ABAC and the private sector. We instruct our Ministers and officials to engage and cooperate with those stakeholders, taking into account mutually acceptable

international standards, before submitting the blueprint in the 22nd APEC Economic Leaders' Meeting in China.

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ANNEX B

APEC MULTI YEAR PLAN ON INFRASTRUCTURE DEVELOPMENT AND INVESTMENT

1. We are committed to supporting growth in our region through infrastructure development and investment. Well-designed, sustainable, and resilient infrastructure enhances economic growth, boosts productivity, and provides significant positive flow-on effects including improved access to markets, job creation and economic growth across sectors.
2. In the APEC Growth Strategy launched in Yokohama in 2010 we stated that APEC can use its convening power to help create a platform to develop innovative solutions, and provide technical assistance and advisory services to help member economies to raise private and public financing for infrastructure-related projects. APEC can also provide an exchange of views on best practices in public-private partnerships in infrastructure development.
3. In 2012 in Vladivostok we acknowledged the critical importance of private sector investment in regional infrastructure development, and encouraged broader work in the format of public-private partnerships. We also recognized the importance of adopting and maintaining laws, regulations and practices that facilitate investment, as well as efforts to improve the investment climate in the APEC region.
4. Delivering concrete outcomes in infrastructure development requires a multi-year commitment by APEC economies. This year we have developed the APEC Multi-Year Plan on Infrastructure Development and Investment that will be implemented through the year 2013-2016.
5. The Multi-Year Plan provides a menu of actions and reforms that economies can decide to adopt according to their own circumstances. Collectively, economies will deliver the supportive institutional environment that is needed to maximize private sector involvement in infrastructure. Areas of cooperation will include:
 - Work to foster a business friendly environment for infrastructure investment and development, through a solid regulatory framework that minimizes uncertainty and maximizes transparency and predictability.
 - Work to develop or to refine existing integrated planning mechanisms.
 - Work to develop government capacity to identify and generate a pipeline of bankable infrastructure projects.
 - Work to develop or further improve financing and funding environment to encourage long term investors.
6. As a first step under the Multi-Year Plan, we welcome to establishment of a pilot Public Private Partnership (PPP) Centre in Indonesia with the capability to assess infrastructure projects to receive private finance and guide the successful execution of PPP projects.
7. We have also agreed to establish an APEC PPP Experts Advisory Panel. The Panel will assist with the establishment of the Indonesian PPP centre. By

building up local institutions then joining them together into regional networks, APEC can help create a regional infrastructure market.

8. We also recognized the importance of planning with comprehensive and holistic considerations, such as taking into account long-lasting asset value, stability of long term cash flow and lifecycle cost.
9. We welcome the continued efforts of the ABAC's Asia Pacific Infrastructure Partnership (APIP) and the development of the ABAC's Enablers of Infrastructure Investment Checklist.
10. Under this Multi-Year Plan, we instruct Ministers and Officials to develop additional capacity building activities that will assist economies to promote sustainable and resilient infrastructure development and investment, and look forward to monitoring its implementation.

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APEC MULTI-YEAR PLAN ON INFRASTRUCTURE DEVELOPMENT AND INVESTMENT (MYPIDI)

1. APEC's work on connectivity and infrastructure development is long standing. Increased work in the area is important to ensure that the Asia-Pacific remains resilient and fulfills its role as the engine of the world's economic growth. The work will also complement APEC's core mandate to attaining the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2020.
2. Well-designed, sustainable and resilient infrastructure development and investment can enhance economic growth and increase productivity, and provide significant positive flow-on effects including improved access to markets, job creation and manufacturing growth. Infrastructure investment is likely to have a significant impact on gross domestic product (GDP). The World Bank estimates that a 10% increase in infrastructure provision raises growth by 1% in the long-term.
3. The APEC 2010 Leaders Growth Strategy acknowledged APEC's role in facilitating growth through infrastructure development. It stated that APEC can use its convening power to help create a platform to develop innovative solutions, and provide technical assistance and advisory services to help member economies in need that have different abilities in raising private and public financing for infrastructure-related projects. APEC can also provide an exchange of views on best practices in public-private partnerships in infrastructure development.
4. In 2011 Finance Ministers also underlined that accelerating infrastructure investment and improving service delivery would contribute to boosting the recovery and is critical for sustaining economic growth in the Asia-Pacific region. Finance Ministers acknowledged the efforts underway in some economies to improve the environment for investment through public-private partnerships (PPP) and minimizing regulatory risk. They recognized that dialogue with market participants on infrastructure financing is critical to achieving the full benefit of private sector resources.
5. In Vladivostok in 2012 Leaders acknowledged the critical importance of private sector investment in regional infrastructure development and encouraged broader work in the format of public-private partnerships. Related to this, Leaders also recognized the importance of adopting and maintaining laws, regulations and practices that facilitate investment, as well as efforts to improve the investment climate in the APEC region.
6. The APEC 2013 Ministers Responsible for Trade instructed Senior Officials to develop a unifying, forward-looking, and ambitious APEC Framework on Connectivity in 2013 to deepen and broaden the region's connectivity around and across the Pacific Ocean and within APEC's archipelagic and continental regions. The development of physical infrastructure is recognized as a key pillar of the connectivity framework. Addressing impediments to cross-border transport infrastructure development is also a key element of APEC's work on Supply Chain Connectivity.
7. In February 2013 SOM and Officials of the Finance Minister's Process agreed to develop a multi-year plan that aims to assist economies to execute infrastructure projects, by identifying (i) impediments faced by economies in the region, and (ii) ways to address the impediments including by adding value to ongoing work.

8. The Multi-Year Plan identifies four workstreams that will help guide future APEC work in infrastructure development and investment. In the process, the Multi-Year Plan would create common regional understanding and in turn help stakeholders in making decisions when carrying forward infrastructure projects. The workstreams, defined in Annex 1 of the Multi-Year Plan are as follows:
 - Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*
 - Workstream 2: *Development and Refinement of an Integrated planning system mechanisms*
 - Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*
 - Workstream 4: *Development or further improvement of financing and funding environment to encourage long term investors*
9. This joint SOM-FMP initiative reflects the importance of a coordinated APEC approach which will harness expertise across APEC fora. Further development of work to take place under the Multi-Year Plan will be discussed in relevant sub-fora and finalised by SOM1 and FCBD 2014.
10. Given the long-term nature of the work involved, the multi-year plan will span an initial period of 2013-2016.
11. The Multi-Year Plan is informed by the work undertaken by APEC in 2013, including a Dialogue on Infrastructure Development and Investment, a Symposium on Connectivity, an FMP Workshop on Project Readiness to Increase Infrastructure Investment, and an FMP Workshop on Infrastructure Financing, as well as work undertaken by regional and global fora such as the ASEAN and the G-20. The APEC Secretariat conducted a mapping exercise to identify current and previous APEC work in this area. Input was also received from relevant APEC fora, APEC member economies, the private sector and development banks.
12. The Multi-Year Plan builds on work already undertaken to improve the investment climate in APEC economies, enhance regulatory frameworks and support economies as they design, prioritize and implement infrastructure projects.
13. In addition, the Multi-Year Plan will support efforts underway through the APEC Supply Chain Connectivity Initiative endorsed by Leaders in 2009. Of the eight identified chokepoints in regional supply chains, Chokepoint no. 2 outlines that “inefficient or inadequate transport infrastructure and a lack of cross border physical linkages e.g. roads, bridges” act as impediments to a seamless supply chain in the Asia-Pacific region. Addressing the other Chokepoints under APEC’s Supply Chain Connectivity Initiative through targeted and focused capacity building will also facilitate the development of transport infrastructure.
14. APEC cooperation on infrastructure development and investment will take advantage of regional expertise, experience and funding sources, including from multilateral and regional development banks, and the private sector. The Asia-Pacific Infrastructure Partnership (APIP) and ABAC’s PPP checklist are particularly relevant.

15. Under the SOM process, the SCE will coordinate the work under the multi-year plan by engaging relevant APEC channels, namely EC, IEG, SFOM, and related Working Groups.
16. Significant APEC past work relevant to the 4 workstreams, including ongoing work identified in the mapping exercise is set out in Annex 2.
17. Suggestions for possible new APEC initiatives to take forward this work are contained in Annex 3.

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**APEC MULTI-YEAR PLAN ON INFRASTRUCTURE INVESTMENT AND DEVELOPMENT
WORKSTREAMS**

Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*

Workstream 2: *Development and Refinement of an Integrated planning system mechanisms*

Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*

Workstream 4: *Development or further improvement of financing and funding environment to encourage long term investors*

**APEC MULTI-YEAR PLAN ON INFRASTRUCTURE INVESTMENT AND DEVELOPMENT
RELEVANT PAST APEC WORK**

Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*

Investment Policy

- Investment Facilitation Action Plan
- APEC Non-Binding Investment Principles
- APEC Strategy on Investment of 2010

Government Procurement Policy

- Non-Binding Principles on Government Procurement

Structural Reform:

- APEC Ease of Doing Business (EoDB) Action Plan
- Good Regulatory Practice Guide
- Good Practice Guide on Public Sector Governance
- APEC-OECD Integrated Checklist on Regulatory Reform
- Handbook for the APEC Voluntary Review of Institutional Frameworks and Processes for Structural Reform
- The Impacts and Benefits of Structural Reforms in the Transport, Energy and Telecommunications Sectors

Workstream 2: *Development and Refinement of an Integrated planning system*

Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*

Workstream 4: *Development of a financing and funding environment to encourage long term investors*

APEC Publication:

1. Meeting APEC's post crisis infrastructure challenge: Towards commonality in PPP infrastructure markets (2009)
2. Breaking the PPP Logjam (2010)
3. Filling the Infrastructure Gaps in the APEC's Developing Economies (2011)

APEC MULTI-YEAR PLAN ON INFRASTRUCTURE INVESTMENT AND DEVELOPMENT POSSIBLE WORK STREAMS

Workstream 1: *Fostering a business friendly environment for infrastructure development and investment, through a solid regulatory framework, that minimizes uncertainty and maximizes transparency and predictability.*

Businesses will increase their participation in infrastructure projects if they feel confident that solid regulatory frameworks are in place to support their investment decisions. Governments can foster a business friendly environment by taking actions to ensure that their regulatory systems deliver transparency and certainty to business, and are responsive to their needs. While integration of gender considerations in infrastructure projects can also contribute to empower women to participate actively in the economy.

Areas in which APEC could engage in targeted and meaningful work:

- Good Regulatory Practices
 - Meeting Leaders' and Ministers' 2011 [and 2013] instructions on strengthening the implementation of Good Regulatory Practices, including:
 - Ensuring internal coordination of regulatory work;
 - Assessing the impact of regulations; and
 - Conducting public consultations.
 - Strengthening the implementation of Good Regulatory Practices described in the APEC-OECD Checklist on Regulatory Reform.
 - Structural Reform
 - Continuing efforts to improve the ease of doing business, particularly by reducing administrative burdens and simplifying regulation
 - Development and implementation of policies that enforce predictability and equal treatment of private sector in the market (including in relation to state owned enterprises)
 - PPP regulatory coherence and cooperation for more conducive/business friendly investment climate
 - Legal and regulatory framework that fosters an appropriate risk allocation between the public and private sector
- Contract Issues: Enforcement, Dispute Settlement and Legal Certainty
 - Sharing good practices on enforcement of contracts – strengthening of contract enforcement regimes
 - Assisting economies to establish clear and effective mechanisms for solving disputes
 - Importance of contractual guarantees regarding changes of law.
- Property rights frameworks/Land acquisition,
 - Assist economies to develop and implement good practices regarding land acquisition and environment impact assessment, including community consultation.
- Government Procurement Process

- Adopting a predictable and transparent tendering process that promotes the best procurement for value
- Encouraging to maintain a one-stop website for access to information on government procurement
- Business and Investment Climate
 - Encouraging transparency in tax regimes, preferential loans, and construction permits
 - Encouraging transparency in construction services
 - Developing a network of regional investment protection agreement
 - Supporting anti-corruption measures
- Ensuring Institutional Readiness for APEC economies through Surveys

Workstream 2: *Development and Refinement of an Integrated planning system*

Businesses will feel more confident making long term infrastructure investment decisions if they are convinced that government decisions are being guided by a well coordinated and integrated planning mechanism. Governments can develop (or refine existing) integrated planning mechanisms in a way that demonstrates serious commitment to the longer term infrastructure needs of their economies, and giving priority to projects that contributes the most to economic growth and productivity.

Also, well-designed, sustainable and resilient infrastructure development and investment can enhance economic growth and increase productivity, and provide significant positive flow-on effects including improved access to markets, job creation and manufacturing growth.

Areas in which APEC could engage in targeted and meaningful work:

- Strengthening infrastructure planning capacity, by assisting economies:
 - To develop or refine forward-looking domestic infrastructure plans.
 - To identify well-designed, sustainable, and resilient projects that generate greatest net public benefits that also fit into broader infrastructure plans and are coherent with medium-term expenditure frameworks.

Workstream 3: *Development of government capacity to identify and generate a pipeline of bankable infrastructure projects*

There is an emerging international consensus that coordination and clear allocation of responsibility at a domestic level, and project preparation and selection are the keys to successful infrastructure development. Also, well-designed, sustainable and resilient infrastructure projects can attract private investment by securing long-lasting asset value and stability of long-term revenue stream.

Governments can leverage increased private sector involvement in infrastructure by developing domestic capacity to generate a pipeline of bankable infrastructure projects that can accommodate private sector investors.

Areas in which APEC could engage in targeted and meaningful work:

- Strengthening PPP project preparation through the creation of a dedicated PPP Center in interested economies:
 - To help turn projects into bankable projects
 - To develop strategies to communicate the public infrastructure projects available for investment to the private sector.
- Convene APEC PPP Experts Panel to guide a Pilot PPP Centre
- Discuss mechanisms and share good practices on directing appropriate government support to high net public benefit projects,
 - Including through "dedicated domestic-level funds" to support strongly economic and sound infrastructure projects with private sector investment that can also help to build up a credible pipeline of bankable projects.
- Develop a mechanism and capacity to prioritize infrastructure projects to help government to prioritize between competing projects on a consistent cost-benefit basis.
- Increasing sectoral expertise to ensure the right pricing of projects
- Improving governments' expertise in planning infrastructure projects with comprehensive and holistic consideration
 - To secure long-lasting asset value and stability of long-term cash flow of infrastructure projects.
 - To improve bidding process of infrastructure projects that incorporate not only a purchase price but also key elements such as lifecycle cost including performance and durability, environmental impacts, safety and maintainability.
 - To reduce risk to infrastructure investments by incorporating disaster risk reduction, including structural and non-structural measures, into infrastructure planning and development.

Workstream 4: *Development or further improvement of financing and funding environment to encourage long term investors.*

Well functioning financial markets can facilitate the participation of long term investors in infrastructure through provision of appropriate financial products. To achieve this, governments should put in place clear and consistent financial regulatory frameworks and maintain strong financial supervision – while reducing unnecessary legal and regulatory impediments to the smooth functioning of these markets.

Areas in which APEC could engage in targeted and meaningful capacity building are:

- Strengthening of financial regulatory, monitoring and supervision capacity
- Ensuring that financing mechanism and instruments (such as local currency financial markets, including bond markets, for infrastructure projects) are in place to direct to bankable PPP project proposals.
- Providing support for long-term local currency-denominated financing
- Create capacity to develop a wide range of financial vehicles and infrastructure investment models that can efficiently promote capital markets development for infrastructure financing and foster the participation of institutional investors, such as pension funds, insurers and sovereign wealth funds, to take a longer term view on investment opportunities.