

Annex C

APEC Accord on Innovative Development, Economic Reform and Growth

1. The world economy is growing at a moderate pace, with uneven recovery, weak demand and the balance of risks on the downside. Some of the legacies of the international financial crisis are still with us, and trade and investment protectionism is on the rise. To achieve strong, sustainable, balanced and inclusive growth over the longer term, we need to boost demand and identify new sources of growth through innovative development and structural reform.
2. For the Asia-Pacific region to steer the world economy, member economies should remain innovation driven and maintain strong momentum for economic growth by pressing forward with innovations and identifying new sources of growth.
3. Reform is an important factor in promoting economic growth and innovative development. Deepening reform eliminates barriers to sustainable economic growth, allows the market to play a decisive role in allocating resources, improves the role of government, creates a conducive growth environment, and unleashes the full potential of productivity.
4. To this end, we believe that the Asia-Pacific region should continue to deepen structural reform, strengthen innovative growth, and promote closer cooperation in five pillars: Economic Reform, New Economy, Innovative Growth, Inclusive Support, and Urbanization. In this regard, we have reached consensus as follows:
5. Under the pillar of Economic Reform, we agree to convene a Ministerial Meeting on Structural Reform in 2015, with the objective of advancing APEC's economic reform agenda, including the review of the implementation of the APEC New Strategy on Structural Reform (ANSSR), setting the future direction of APEC structural reform work post-ANSSR, discussing how to overcome the Middle-Income Trap, and considering continuation of the Ease of Doing Business Program until 2020.
6. We resolve to encourage communication, information exchanges, and capacity building on economic policy, regulatory coherence, and good regulatory practices, and we support members' efforts to share experiences and best practices in innovation, reform, and fostering growth. We agree to incorporate the topic of overcoming the Middle-Income Trap in the work program of the Economic Committee (EC) for in-depth discussion and cooperation.
7. Under the New Economy pillar, we will promote economic transformation, and tap into the growth potential of emerging sectors, such as the Internet Economy, the Blue Economy, and the Green Economy.

8. We support cooperation in promoting the Internet Economy and welcome an Ad Hoc Steering Group to discuss issues arising from the Internet Economy, propose actions, and encourage collaboration across APEC fora. We agree to facilitate capacity building and encourage entrepreneurship and innovation.

9. We will leverage the Internet Economy to foster an enabling environment for empowering vulnerable and disadvantaged groups especially women, youth, people with disabilities, and the poor. We support the healthy development of internet finance and we will work together to develop the necessary framework for it to become a tool of growth. We commit to promote secure, efficient, low-cost and inclusive financial services to enable SMEs and individuals to share the benefits of economic development, with a view to building an open and cooperative environment for the Internet Economy. We are committed to promoting the potential benefits of the Internet of Things (IOT) to our economies.

10. We will work towards a more integrated, sustainable, inclusive and mutually favorable partnership through ocean-related cooperation in the Asia-Pacific region. We support cooperation on: coastal and marine ecosystem conservation, disaster resilience; ocean-related food security and associated trade; marine science, technology and innovation, and the Blue Economy. We acknowledge the Xiamen Declaration's statement on the Blue Economy, which is, for the purposes of APEC, an approach to advance sustainable management and conservation of ocean and coastal resources and ecosystems and sustainable development, in order to foster economic growth. We call for cooperation on the Blue Economy and encourage the implementation of related initiatives in the Asia-Pacific region.

11. In response to important energy and environmental issues, we will work to strengthen conservation efforts, and commit to cooperate on renewable energy, energy saving, green building standards, sustainable development of mining, and circular economy, among others, in pursuit of green, energy efficient, low-carbon development and of new economic growth sources. To protect our forestry resources, we will pay special attention to fighting illegal logging and associated trade, while promoting trade in legally harvested forest products. We welcome the statement of the APEC High-level Roundtable on Green Development.

12. We welcome the joint statement of the 2014 APEC Ministers Responsible for Mining. We note the establishment of a mining sub-fund to take forward the 10 APEC Mining Policy Principles with an emphasis on supporting capacity building projects involving collaboration between the public and private sectors.

13. We are committed to championing an Asia-Pacific concept of energy security featuring openness, inclusiveness, cooperation and sustainability. We share the importance of improving energy efficiency and promoting clean and renewable energy in the APEC region. We aspire to the goal of doubling the share of renewables in the APEC energy mix, including in power generation, from 2010 levels by 2030.

We encourage member economies to create favorable conditions for natural gas and LNG trade and investment in the region, including by relaxing destination clauses.

14. Since fossil fuel will continue to play significant role in the energy mix of this region in the medium to long term, we reaffirm the importance of clean and efficient use of fossil fuel. We encourage member economies, where there are difficulties to quickly deploying alternatives to coal, to enhance cooperation in developing and applying clean coal technologies such as highly efficient coal-fired power plants and Carbon Capture Utilization and Storage (CCUS). We support the safe and efficient development of nuclear power, which functions as a base load power source, in interested economies.

15. We reaffirm our commitments to reduce energy intensity by 45 percent from 2005 levels by 2035 and to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We welcome the establishment of the APEC Sustainable Energy Center, to promote advanced ideas and models of sustainable energy development across the region.

16. Under the Innovative Growth pillar, we will promote cooperation in science and innovation; facilitate voluntary transfer, dissemination and commercialization of technology on mutually agreed terms; promote the use and commercialization of intellectual property and ensure IPR protection and enforcement, while reiterating the importance of comprehensive and balanced intellectual property systems; share experience and knowledge; cultivate talents for innovation; strengthen innovation capacity; improve the environment for innovation; and pursue sustainable development.

17. We welcome the APEC Cross-Border e-Commerce Innovation and Development Initiative. We welcome efforts to create a policy environment that enables new and emerging e-Commerce technologies that drive trade, economic growth and societal benefit.

18. We support members' efforts to promote entrepreneurial innovation through fiscal and financial policy measures and other means.

19. We encourage members to strengthen support for innovative activities by SMEs, and support the establishment of an APEC SMEs database on innovative best practices. We encourage members to improve the financing environment for SME innovation. We welcome China exploring the possibility of setting up an APEC SME Center for IT Promotion. We encourage the supportive role of APEC service platforms, such as the APEC SME Service Alliance (ASSA), the APEC SME Innovation Center, and the APEC Accelerator Network (AAN), to improve the

competitiveness of SMEs.

20. We support members' cooperation in deepening innovation in e-vehicles and in promoting green growth through environmentally-friendly automobile technologies.

21. Under the pillar of Inclusive Support, we commit to strengthen cooperation on entrepreneurship and employment, health, food security, food safety, sustainable agricultural development, women's economic participation, youth, people with disabilities, disaster prevention and mitigation, social responsibility, business ethics, anti-corruption and secure trade. We recognize that promoting quality employment and developing human resources is of significance for innovative development. We support the APEC Action Plan for Promoting Quality Employment and Strengthening People-to-People Connectivity through Human Resources (2015 - 2018).

22. We encourage member economies to take measures to implement the "Healthy Asia-Pacific 2020" initiative. We commit to continue to: work on the unfinished health-related Millennium Development Goals in a manner that complements the activities of the post-2015 agenda; strengthen the prevention and control of non-communicable diseases, including injuries; strengthen health systems to support Universal Health Coverage; and improve health emergency preparedness, surveillance, response and recovery systems for public health events and disasters in the APEC region.

23. We recognize that unleashing the potential of women as economic drivers is vital to growth, both in terms of the magnitude and inclusiveness of that growth. We welcome the statement of 2014 APEC Women and the Economy Forum and encourage all economies to take relevant effective actions. We encourage and commit to build the capacity of women to make use of ICT to start and grow their businesses, and to engage in regional trade cooperation.

24. We support member economies' efforts to: boost agricultural productivity and food production and availability based on sustainable development, innovation, science and technology and an enabling economic environment; improve post-harvest management to reduce food loss; and, strengthen regional cooperation to promote food security and safety.

25. We support the establishment of the APEC Higher Education Research Center and welcome the APEC Scholarship Initiative. We encourage officials to elaborate various academic mobility schemes and mechanisms, including voluntary implementation of the APEC Virtual Academic Mobility Card Initiative.

26. Under the pillar of Urbanization, we seek to identify new drivers of economic growth by pursuing urbanization and sustainable city development. We support APEC partnership initiatives on urbanization and undertake to establish a cooperative

network of sustainable cities in APEC economies. We will organize forums, hold policy dialogues, and utilize international sister-cities programs to promote cooperation and share experiences on urbanization and sustainable city development.

27. We will facilitate the use of existing resources for research and capacity building on urbanization. We encourage member economies to support urbanization cooperation and urbanization-related projects, including by making voluntary contributions to establish a sub-fund within the APEC framework.

28. We applaud progress made in the APEC Low Carbon Model Town Project and the promotion activities under it. We underscore the importance of eco-city and smart city cooperation programs, and undertake to explore pathways to green urbanization and sustainable city development.

29. We encourage further consideration of urbanization-related topics in the Senior Officials' Meetings (SOM), the EC, the Committee on Trade and Investment (CTI), the SOM Steering Committee on Economic and Technical Cooperation (SCE) and APEC sub-fora.