



**Asia-Pacific
Economic Cooperation**

2014/SOM2/049anx6

Agenda Item: 2.1

Annex 6: APEC Strategic Plan on Capacity Building to Promote Trade and Investment

Purpose: Consideration
Submitted by: CTI Chair
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**Second Senior Officials' Meeting
Qingdao, China
14-15 May 2014**

APEC Strategic Plan on Capacity Building to Promote Trade and Investment

(Proposed by China)

Background

In 1995, APEC Leaders endorsed The Osaka Action Agenda and instructed to “pursue economic and technical cooperation in order to attain sustainable growth and equitable development in the Asia-Pacific region, while reducing economic disparities among APEC economies and improving economic and social well-being”, and acknowledged that “such efforts will also facilitate the growth of trade and investment in the region”.

In 1996, APEC Leaders endorsed the Subic Declaration and emphasized that as an essential complement to APEC’s trade and investment liberalization agenda, economic and technical cooperation helps APEC members to participate more fully in and benefit from an open global trading environment, thus ensuring that liberalized trade contributes to sustainable growth, equitable development and to a reduction in economic disparities. APEC Leaders also acknowledged that economic and technical cooperation (ECOTECH) and trade and investment liberalization and facilitation are mutually complementary and supportive.

After 20 years of economic cooperation based on the framework of free and open trade and investment, APEC could take further steps to strengthen its cooperative mode through mutually -reinforcing ECOTECH and APEC’s trade and investment agenda, based on its voluntary and non-binding principle. APEC’s comparative advantage in capacity building, due to the diversity of APEC economies, robust, high level commitments, and valuable experience in this area, could provide a significant contribution to implementing its expanded trade and investment agenda. APEC should also explore how to use capacity building in more effective ways to enable Leaders and Ministers to make ambitious commitments with regard to facilitating and liberalizing trade and investment.

APEC consists of diverse economies at different stages of development. Currently, the new trends of globalization and rapid technological change offer unprecedented opportunities for economic growth and employment. But they also pose new challenges for APEC economies, especially the developing economies, as we respond to these changing economic circumstances.

Trade and investment liberalization, supported by effective and targeted capacity building programs, can help economies achieve inclusive and sustainable growth, and advance regional integration. Therefore, it is critical for the CTI, in coordination with

the SCE and BMC, to develop a strategic plan which would identify economies' capacity building needs in the context of ambitious trade and investment commitments by Leaders and Ministers, and address these identified capacity-building needs in a more systematic and focused manner. Such a strategic Plan would contribute to more coordinated efforts and outcomes in promoting and carrying forward APEC's trade and investment agenda.

Proposed Actions

In order to view capacity building from a longer-term perspective, broaden the one-off activities to encompassing more systematic programs, and to achieve more lasting and impactful outcomes in promoting APEC's trade and investment agenda, China proposes APEC economies agree to this Strategic Plan which may include, but is not limited to the following elements:

- **Stock take and assess previous capacity building activities.** The APEC Secretariat could be tasked to provide an inventory, analysis and evaluation on previous and current capacity building activities undertaken by CTI and its sub-fora, assist in coordinating the development and implementation of various capacity building activities, and make recommendations for future actions.
- **Share best practice among APEC economies and other related agencies.** Carry out topical workshops and case studies to exchange and demonstrate successful cases and experiences on developing and implementing high-quality capacity building activities, such as the regional economic integration Capacity-Building Needs Initiative (CBNI), supply chain connectivity etc. Discuss and identify principles and ways to develop more tailor-made capacity programs to contribute to the core trade and investment agenda of APEC, especially in the priority areas such as the Bogor Goals, supply chain connectivity, global value chains, regulatory coherence, environmental goods and services, and the FTAAP.
- **Design integrated and multi-faceted programs based on the identified capacity building needs.** Strengthen cooperative efforts and provide targeted trade-related technical assistance and capacity building to increase the capacity of developing economies to participate in the regional and multilateral economic cooperation and ultimately use trade and investment friendly policies to help achieve their economic goals; develop and implement longer term capacity building projects. In order to achieve this, a comprehensive survey on the capacity building needs based on currently work

will be conducted at CTI and its sub-fora in 2014. The CTI should also emphasize the importance of monitoring and evaluation to ensure that resources are being utilized in a way that maximizes their impact.

- **Mobilize more resources to support the capacity building programs.** Encourage member economies and other interested parties to make additional contributions to existing APEC Funds. Encourage member economies to take individual actions on voluntary basis to provide any forms of assistance. Encourage international relevant international organizations and other stakeholders to contribute to this process, including with respect to implementation and evaluation of projects.

Timeline

1. Endorse this Strategic Plan at CTI2/SOM2 and submit for MRT consideration.
2. In 2014 and 2015, conduct the analysis and evaluation, as well as the needs survey after MRT.
3. AMM and AELM will endorse this Strategic Plan and the progress achieved on analysis, evaluation and the needs survey.