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**31st APEC Economic Leaders' Meeting 2024 - Lima
Roadmap to Promote the Transition to the Formal
and Global Economies (2025-2040)**



**31st APEC Economic Leaders' Meeting
Lima, Peru
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Lima Roadmap to Promote the Transition to the Formal and Global Economies (2025-2040)

Introduction

1. In alignment with the Putrajaya Vision 2040 and the Aotearoa Plan of Action (APA), we reaffirm our commitment to fostering strong, balanced, secure, sustainable and inclusive growth across APEC's agenda and encouraging the transition of economic actors from the informal to the formal economy in the Asia-Pacific region and supporting their participation in the global economy, building on the APEC Leaders' Declarations in 2021, 2022 and 2023, and in support of the APEC 2024 theme "Empower. Include. Grow." and its related priorities.
2. Recognizing the important role that this transition plays in fostering inclusive economic growth, enhancing productivity, and building economic resilience, thus unlocking the potential of people and businesses, we recognize the necessity of integrating this issue into APEC with a comprehensive and cross-cutting approach, taking into account the varying levels of prevalence of the informal economy across the APEC region.

Vision and Objectives

3. The Roadmap will guide the APEC region toward a sustainable transition of relevant economic actors from the informal to the formal economy, specifically aiming to empower those facing structural barriers to achieve their economic potential, enabling their integration into Asia-Pacific markets and value chains, and participate in the global economy.
4. Through this Roadmap, we aim to embed a comprehensive approach to support the transition including through information sharing on experiences, best practices and capacity building. We encourage members to make collective and individual efforts to facilitate this transition.
5. Furthermore, this Roadmap builds on relevant APEC workstreams and will contribute to the implementation of APEC's guiding documents, and other key agendas.

Enabling factors

6. The following enablers should be accelerated, including through relevant APEC mechanisms:
 - a. Sound and agile policy and regulatory frameworks and an enabling business environment to reduce administrative burdens, lower costs of doing business, boost productivity and create jobs, consistent with APEC's structural reform agendas.
 - b. Capacity building and strengthened economic and technical cooperation to ensure upskilling and reskilling the workforce for a rapidly changing economy, which can aid informal economic actors in their transition.
 - c. Enabling an environment for innovation and digitalization, reducing barriers for people to enter and participate in markets and encouraging public-private interactions to foster entrepreneurship.
 - d. Enhancing engagement and partnerships with a broader range of stakeholders such as the private sector, academia and civil society, along with APEC stakeholders, including APEC Business Advisory Council (ABAC), the APEC Study Centers Consortium, and APEC official observers.

Key Areas and Actions

7. APEC economies are encouraged to take action in the following cross-cutting key areas:
 - A. Enhancing regulatory coherence and fostering an enabling business environment**
 - i. Progress business environment reforms to reduce regulatory and administrative burdens on transition to the formal economy, simplify and streamline business registration,

licensing and permitting procedures, improve taxation policies, and increase digitalization of these processes to facilitate easier and more efficient business operations, among others, in line with APEC's structural reform agendas.

- ii. Promote an agile and well-regulated labor market that can swiftly adapt to rapidly changing economic conditions and emerging needs, ensuring that regulations remain pertinent, fair, effective and conducive to sustainable and resilient business practices, while still prioritizing the due protection of the workforce.
- iii. Simplify taxation regimes to reduce regulatory burdens and enhance digitalization of tax administration.
- iv. Promote improvements in competition policy to support entry of businesses, in particular MSMEs, and improve the use of more detailed economic data to better recognize competitive dynamics and how they are shaped by and impact all economic actors.
- v. Strengthen targeted policies and regulations in order to better support women's economic empowerment and promote their full and equal participation and leadership in the economy, in alignment with the La Serena Roadmap for Women and Inclusive Growth.
- vi. Strengthen monitoring through conducting review through impact assessments to evaluate the effectiveness of existing and new regulations, while implementing good regulatory practices.

B. Strengthening institutions for enhancing policy coordination and multi-stakeholder collaboration

- i. Facilitate cross-sectoral policy coordination across various levels of government and foster collaboration among relevant bodies and authorities, in implementing integrated policies, increasing public sector governance and avoiding duplication.
- ii. Encourage public-private partnerships to integrate relevant economic actors, including MSMEs, into global value chains through collaboration among stakeholders, including the private sector, academia, and civil society where appropriate.
- iii. Improve trust in institutions and minimize opportunities for corruption, particularly among those delivering public services, including by implementing effective anti-corruption measures, improving compliance with such measures, and fostering cooperation and transparency.
- iv. Encourage public awareness-raising campaigns to highlight the benefits and opportunities of transitioning to, and engaging with, the formal economy.

C. Leveraging innovative and digital tools to promote inclusive economic participation

- i. Develop policies and strategies to enhance innovation and digitalization, advance sustainability, and boost productivity while addressing related challenges. This includes incentivizing the adoption of easy-to-use and cost-effective tools and solutions while enabling informal economic actors to utilize information and communication technologies for their benefit.
- ii. Integrate digitalization into diverse strategies to improve the use of digital technologies, including by engaging in actions that seek to close gaps in digital connectivity, enhancing digital government services, boosting digital literacy and digital skills development, conducting capacity building, and encouraging affordable Internet access.
- iii. Bridge the digital divides by strengthening digital infrastructure and support an enabling, open, fair, non-discriminatory, safer and more inclusive digital ecosystem, while addressing the needs of those seeking to transition from the informal to the formal sector.
- iv. Strengthen the protection and utilization of intellectual property rights (IPR) to incentivize innovation and support this transition, including by facilitating access to resources about IPR, enhancing awareness and education about IPR, and simplifying the processes for registering and enforcing IPR.

- v. Cooperate on facilitating the flow of data and strengthening consumer and business trust in digital transactions, including through recognizing consumer rights and cooperation on consumer protection, in line with APEC Internet and Digital Economy Roadmap (AIDER).

D. Developing skilled workforce through inclusive access to education, capacity building and employment

- i. Support targeted programs to assist informal economic actors by enhancing access to educational resources, including those focused on digital skills.
- ii. Promote equality and inclusivity among the workforce and advance high-quality and full employment through support for entry-level workforce, lifelong learning, technical and vocational education and training, reskilling, and upskilling.
- iii. Strengthen labor market information systems and services by enhancing public employment services, improving service quality, enhancing human resource competencies, and fostering collaborative networks.
- iv. Enhance workforce welfare and expand access to social protection coverage, including social security, healthcare and pensions.
- v. Enhance equitable access to universal health coverage, including through the development of telehealth and digital health services, while also addressing occupational safety and health in the workplace.
- vi. Promote equal access to economic opportunities for the workforce through the development of safe, accessible and sustainable transportation infrastructure and services.
- vii. Strengthen care infrastructure and services to enable home carers to participate in the formal sector.

E. Advancing inclusive trade and investment environment to broaden access to markets and global trade participation

- i. Further integrate inclusivity and sustainability into trade and investment policies to ensure that the benefits are widely shared among all economic actors, including MSMEs, women, and other groups with untapped economic potential, such as Indigenous Peoples as appropriate, youth, elders and people with disabilities and those from remote and rural communities.
- ii. Strengthen trade facilitation to promote and enhance MSMEs' participation in global markets, including by simplifying customs procedures, encouraging measures to facilitate paperless trade and enhancing customs cooperation through smart logistics and capacity building.
- iii. Encourage innovative approaches to support entrepreneurs, including the development of inclusive and sustainable business models.
- iv. Promote the development of MSMEs, including by facilitating their resilient and sustainable growth and integration into the global economy and global supply chains.

F. Facilitating quality access to credit and advancing digital financial inclusion

- i. Enhance financial sector competitiveness to widen access to affordable credit for all, including those facing structural barriers to achieve their economic potential, also by promoting the development of microfinance institutions and innovative credit models.
- ii. Address barriers that hinder equal access to financial products and services, including the gaps in access to credit and digitization faced by women in the APEC region, and support programs to enhance financial literacy, the understanding of financial management and credit utilization among informal economic actors.
- iii. Advance digital financial inclusion strategies to support informal economic actors in their transition, while exploring opportunities and sharing best practices for the use of next-generation financial tools.

Targets

8. We aim to advance progress across all Key Areas in the APEC region through:

- Policies and regulations designed to reduce economic barriers to the transition where appropriate, while encouraging measures that create incentives to make the transition more attractive.
- Increases in the number of informal economic actors and businesses, including MSMEs, that have access to markets, credit, and investment.
- Enhancements in data collection, including disaggregated data, and analysis to identify the needs of informal economic actors and implement effective policy responses.

Implementation and Evaluation

9. We stress the importance of making collective and individual efforts to facilitate this transition, including through the utilization of this Roadmap and providing capacity building. APEC fora and sub-fora should integrate and advance the Roadmap through their respective initiatives, strategies and work plans, where appropriate, and encourage cross-fora collaboration and partnerships with the ABAC, PECC, and other relevant stakeholders.

10. Senior Officials are tasked with monitoring and evaluating progress under the Roadmap across the region by 2040, with the assistance of the APEC Secretariat. The review of progress will be integrated with the APA evaluation and review process under the Senior Official track. Additionally, Senior Officials, if deemed necessary, will address the implementation of the Roadmap starting in 2025.