

ANNEX A: APEC ACTION AGENDA ON ADVANCING ECONOMIC, FINANCIAL AND SOCIAL INCLUSION IN THE APEC REGION

1. We, the Leaders of APEC, reiterate the call for effective economic, financial and social inclusion, which has become all the more necessary in the Asia-Pacific. Expanded trade and investment and digital transformation have spurred significant economic growth and employment, but the gains have been spread unevenly to different segments of our societies. Our region is faced with challenges to economic, financial and social inclusion, such as persistent inequality and unemployment, enduring multi-dimensional poverty affecting health, education and living standards, and impacts of technological progress. Moreover, significant demographic changes in some APEC economies, such as aging populations and the rise of the middle-income segment of the population, pose other challenges to inclusive growth.
2. We share the view that advancing inclusion is critical to achieving inclusive growth with far-reaching impacts on both developing and developed economies, large and small, from the Southern and Northern hemispheres and both sides of the Pacific. While many APEC initiatives already work toward supporting inclusion and aim to capture the emerging regional and global trends, significant gaps remain to be addressed. It is imperative that APEC develop a holistic set of policies and measures to promote the multiple dimensions of inclusion. This endeavor is part of our collective efforts in alignment with the 2030 Agenda on Sustainable Development.
3. This Action Agenda on Advancing Economic, Financial and Social Inclusion draws together work currently under way in APEC relating to inclusion and adds new elements to ensure that efforts are relevant and responsive to the fast-changing global and regional landscape. Our overarching goal is to achieve a more inclusive APEC community by 2030.
4. The three key pillars of the Action Agenda include:
 - a. Economic inclusion refers to equality in being informed of and having access to economic opportunity for all members of society to meaningfully participate in their economy.
 - b. Financial inclusion implies that individuals and businesses have appropriate access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.
 - c. Social inclusion is defined as the process of improving the terms of participation in society for people who are at risk of poverty and social exclusion and enhancing equity.
5. This Action Agenda aims to achieve the following APEC aspirational objectives:
 - a. Economic inclusion: Advance progress towards achieving full and productive employment and decent work for all, including young people, the elderly, and persons with disabilities, and equal pay for equal work; progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the average level in each economy as envisioned in the 2030 Agenda on Sustainable Development.
 - b. Financial inclusion: Strengthen the capacity of financial institutions to encourage and expand access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance; and
 - c. Social inclusion: Empower all members of society to take advantage of economic opportunities.

6. We identify the following priority areas of work:

a. On economic inclusion:

- Increasing equal access to new opportunities and employment by progressing structural reform in the key areas of competition policy, ease of doing business, good regulatory practices and cooperation, and public sector and corporate governance; strengthening institutional capacity, transparency and anti-corruption efforts; spurring innovation and creativity; and increasing the competitiveness of the services sector;
- Enhancing economic opportunity and labor force participation, including for underrepresented and vulnerable groups - such as youth, women, the elderly, persons with disabilities and rural communities - by taking measures to remove barriers to training and employment, strengthening active labour market policies, and supporting human capital development that bridges educational competencies with labour-market demand.
- Deepening regional integration, trade and investment, including by improving trade facilitation, access to markets, and internationalization of MSMEs.
- Accelerating investment in infrastructure in terms of both quantity and quality; improving access to energy; and enhancing physical, institutional and people-to-people connectivity, including to under-developed, remote and rural areas; and
- Promoting the internet and digital economy, start-ups and entrepreneurship; capitalizing on opportunities and overcoming challenges presented by the Fourth Industrial Revolution.

b. On financial inclusion:

- Accelerating financial infrastructure development, particularly digital infrastructure and legal frameworks to enable e-payment transactions, credit information sharing, secure transactions, valuation and insolvency ecosystems to promote broader MSMEs' access to credit; enhancing availability of microfinance and supply-chain finance for MSMEs; establishing an enabling environment for MSMEs to access financial services and providing capacity-building and technical assistance to allow them to do so;
- Promoting financial products and services appropriate for the unserved and underserved financial consumers, especially those from rural areas and the agricultural sector as a means to promote sustainable development and poverty alleviation;
- Ensuring a conducive regulatory environment that enables microfinance providers to more easily provide access to services in an efficient and cost-effective manner and secures appropriate levels of consumer protection;
- Developing and implementing APEC member economies' financial inclusion strategies, including capacity building, financial education and digital tools to improve financial literacy and human resource development in the financial sector; developing safe and well-regulated digital finance (especially, digital banking and Fintech); providing support to help financially vulnerable citizens gain access to formal financial services; and
- Promoting international cooperation, including harmonization of standards and policies; building a financial inclusion and literacy database; sharing knowledge and enhancing capacity building.

c. On social inclusion:

- Developing eco-systems for harnessing the benefits of digitalization and better understanding the impacts of technological innovation, including improving access to education, training and childcare opportunities; and strengthening human resource development policies for the digital age and the future of work, including by intensifying efforts for re-skilling and life-long learning and targeting workers displaced by structural changes;
- Enhancing the social empowerment of women, youth, the elderly, persons with disabilities, rural communities and other underrepresented and vulnerable groups, including by enabling access to digital platforms and quality social services; and promoting social investment approaches;
- Strengthening social safety nets; improving access to social protection, including by promoting floors in line with ILO Recommendation 202 on Social Protection Floors; and promoting the Fundamental Principles and Rights at Work and safe and healthy workplaces.

7. To implement the Action Agenda, we commit to the following actions:

- Encourage APEC Committees, fora and sub-fora to incorporate economic, financial and social inclusion in their work plans or strategic plans if and where relevant;
- Call on APEC fora to collectively propose in 2018 a total of at least six new initiatives, two initiatives for each of the economic, financial and social inclusion areas.
- Strengthen cross-fora coordination, particularly between SOM and SFOM, in developing and implementing initiatives to strengthen economic, financial and social inclusion;
- Enhance collaboration and synergies with important regional and global institutions, where appropriate, particularly those that are focused on fostering economic, financial and social inclusion, such as the G20, OECD, World Bank, IMF, ERIA, PECC and APEC study centers; and
- Task officials to begin implementing the Action Agenda beginning from 2018, with a mid-term report of progress in 2024, and a final review in 2030. This initiative should be coordinated through the SOM Steering Committee on Economic and Technical Cooperation.