

San Francisco Principles
on
Integrating Inclusivity and Sustainability into Trade and Investment Policy

Over the last decades, trade and investment have contributed to rapid economic growth in the Asia-Pacific region, fueling its reputation as an engine of global economic growth. For many, this has resulted in increased standards of living and expanded economic opportunities. However, more focus is needed on advancing policies aimed at growing our economies in ways that advance sustainability and resilience and being intentional in ensuring the benefits of trade and investment extend to all our peoples and all our economies. Trade and investment policies should be a driver of inclusive and sustainable growth in the Asia-Pacific region and contributed to efforts to foster quality growth that brings palpable benefits and greater health and wellbeing to all, including MSMEs, women and others with untapped economic potential, including Indigenous Peoples as appropriate, persons with disabilities and people from rural and remote areas.

The Bangkok Goals on the Bio-Circular Green Economy reiterated APEC's commitment to pursuing inclusive trade and investment while ensuring that they are mutually supportive of environmentally sustainable policies. Making choices in the development of trade policy that value sustainability and inclusivity is critical to creating opportunities where all can benefit from international trade, while addressing environmental challenges, including climate change. Supporting inclusive and sustainable outcomes through trade policy also aligns with the increased acknowledgement of the impacts of climate change and other environmental challenges on our efforts to advance gender equality and with the objectives of the APEC La Serena Roadmap for Women and Inclusive Growth, which calls on economies to take concrete actions to realize the full potential of women.

As a voluntary, non-binding and consensus-based organization, APEC has developed a well-deserved reputation as an incubator of ideas and as a catalyst for cooperation. Given its nature, APEC is uniquely positioned to explore approaches that foster sustainability and inclusivity, and, in doing so, support the APEC vision of an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations. Policies that support a free, open, fair, non-discriminatory, transparent and predictable trade and investment environment can contribute positively to uplifting livelihoods and advancing sustainable economic growth for all of our peoples and our economies, and by doing so, further advance economic integration in the region. The way to achieve economic inclusion and sustainability for each economy may differ depending on what our societies and what our economies look like. Measures should consider economic, social and environmental dimensions in a balanced way, in line with economies' circumstances, and should not exacerbate inequalities.

Building on APEC's ongoing work and the May 2023 Ministers Responsible for Trade meeting and in support of our commitment towards the achievement of the APEC Putrajaya Vision 2040, including through the implementation of the Aotearoa Plan of Action, we recognize that the following principles support the practical integration of inclusion and sustainability into trade and investment policy.

- Recognize the important roles of inclusivity and sustainability in the development and application of trade and investment policies that support strong, balanced, secure, sustainable and inclusive economic growth, positive environmental outcomes, and social well-being of all our peoples;
- Incorporate environmental sustainability and inclusion as important, complementary criteria, to amplify the benefits of economic initiatives and improve opportunities for all.

- Recognize that valuing inclusion in trade policy, and fostering cooperation on this in APEC, can maximize available talent and innovation to overcome shared challenges, including climate change and other challenges to the region;
- Foster the use of open, transparent, predictable, and participatory processes for the development and implementation of trade and investment policies and consideration of proposed policy actions, including publishing proposals or plans, public consultations, with a particular focus on inclusion of those who face barriers to economic participation. In accordance with economies' laws and regulations, this may include:
 - Making information available on (1) public consultation and engagement opportunities and (2) the issue under consideration, in a manner that is timely, clear, accessible and freely available online and in other media accessible to a range of interested and affected persons and groups;
 - Conducting public consultations and engagement on trade policies and proposed trade policy actions in a transparent and inclusive manner; allow adequate time for interested persons to submit comments, accounting for the complexity or possible impact of the policy proposal; and consider comments received;
 - Ensuring consideration of particular perspectives and interests which can include MSMEs, working people, consumers, women, persons with disabilities, rural and remote populations, and Indigenous Peoples as appropriate, in the development, implementation, and monitoring of trade policies and trade policy actions.
- Strengthen cooperation within APEC to support circular economy approaches and to underscore the importance of facilitating trade and investment in environmental goods and services, as a means to support our clean energy transitions, improve our environmental and economic performance, halt and reverse biodiversity loss, contribute to green growth and decent work, and better address global and regional environmental challenges while collaborating to improve opportunities for MSMEs to be competitive, specialised, innovative and expand into international markets;
- Deepen understanding of the challenges and barriers facing groups with untapped economic potential, including those related to accessing international trade and investment opportunities;
- Recognize the importance of improving the quality, scope, timeliness, disaggregation, availability and sharing of qualitative and quantitative open and publicly available data to understand and monitor the economic, environmental, and social impacts of trade policy on different peoples and their communities; identify data gaps and endeavor to develop and strengthen data collection, research, and analysis;
- Explore opportunities to utilize economy-specific analyses, experiences and best practices regarding the distributional effects of trade and trade policies, including by disaggregated population groups;

Next Steps

The Committee on Trade and Investment will be responsible for advancing work in support of these principles. Possible activities include voluntary capacity-building programmes, information sharing, and dialogues. Close collaboration is encouraged with relevant APEC Fora, ABAC, and other economic and trade stakeholders as appropriate.

For the period 2024 through 2028, the Committee on Trade and Investment will include a specific agenda item during CTI3 on Integrating Sustainability and Inclusivity into Trade and Investment Policies. The specific focus of the agenda item will be determined by the CTI Chair and the host economy. Possible topics may include information sharing by volunteer economies on specific practices they are utilizing, presentations by experts, and private sector speakers.

Work done in support of advancing these principles will be included in the CTI report to AMM from 2024 through 2028.