



**Asia-Pacific
Economic Cooperation**

APEC Policy Support Unit (PSU) Five-Year Strategic Plan 2013-2017

(Approved by PSU Board on 15 March 2013)

I. Introduction

1. At the 2007 APEC Ministerial Meeting in Sydney, the APEC Ministers agreed to “establish a Policy Support Unit attached to the APEC Secretariat. The unit, to be funded by voluntary contributions, will provide analytical capacity, policy support and assist in coordinating related capacity building for APEC’s trade, investment and economic reform agenda and related ECOTECH activities. A governance board will oversee the Policy Support Unit and its work program will be submitted to Senior Officials for endorsement.¹”
2. The PSU became operational in 2008 with oversight from a PSU Board². In 2010, the operation of the PSU was reviewed and the APEC Ministers agreed to extend its mandate for three years until 2013³. Following a second review in 2012, the APEC Ministers agreed with the Senior Officials to extend its mandate for an additional seven years from 2014 to 2020 with a mid-term review to examine its strategic direction⁴.
3. The PSU Five-Year Strategic Plan 2013-2017 aims to provide a broad direction to the PSU’s work for the next five years until the mid-term review in 2017.

¹ [2007 APEC Ministerial Meeting, Sydney, Australia, 5-6 September 2007](#)

² [PSU Governance Arrangements](#)

³ [2010 APEC Ministerial Meeting, Yokohama, Japan, 10-11 November 2010](#)

⁴ [2012 APEC Ministerial Meeting, Vladivostok, Russia, 5-6 September 2012](#)

II. Vision, Mission and Objectives

Vision

Recognized as an integral part of the APEC architecture and highly respected source of policy research and analysis, contributing to APEC's goal of supporting sustainable economic growth and prosperity in the Asia-Pacific region.



Mission

PSU is the policy research and analysis arm of APEC comprising openly recruited professionals working together with APEC SOM, committees and fora, in improving the quality of their deliberations and decisions and promoting policies that support the achievement of APEC's goals, by providing objective and high quality research, analytical capacity and policy support capability.



Objectives

- 1) Provide robust research and analysis to support APEC fora and members so that policy development is evidence-based, internal capacities are enhanced, and implementation of policy measures can be evaluated.
- 2) Strengthen engagement and research collaboration with international and regional organizations.
- 3) Communicate policy research and analytical outcomes to key APEC stakeholders.

4. To achieve the stated objectives, the proposed actions are:

Objective 1: Provide robust research and analysis to support APEC fora and members so that policy development is evidence-based, internal capacities are enhanced, and implementation of policy measures can be evaluated.

Actions:

- a) Undertake in-house analytical work or commission research for consideration by APEC SOM, committees or fora;
- b) Prepare documents for discussion such as policy dialogue papers for APEC committees or fora;
- c) Design and implement capacity building programs;
- d) Evaluate progress in implementation of policy measures; and
- e) Identify and propose high level policy principles and best practices.

Objective 2: Strengthen engagement and research collaboration with international and regional organizations.

Actions:

- a) Identify and engage international and regional organizations whose work complement or add value to that of APEC;
- b) Establish a regular channel of communications and information exchange with these organizations; and
- c) Establish formal collaboration and working arrangements with these organizations.

Objective 3: Communicate policy research and analytical outcomes to key APEC stakeholders comprising APEC members and fora, international and regional organizations, APEC Study Centers, think-tanks, academia and private sector.

Actions:

- a) Build an extensive mailing list of APEC stakeholders for communication of the PSU's work;
- b) Publish policy research and analytical outcomes wherein permissible;
- c) Work closely with APEC Communications and Public Affairs Unit to publicize and disseminate outcomes through communications and outreach activities targeted at key stakeholders; and
- d) Participate in relevant events and meetings to increase the awareness and profile of APEC and the PSU's work.

5. In achieving its objectives, the PSU will be guided by the PSU Governance Arrangements.

III. Policy Research and Analysis Agenda

6. In order to provide a greater focus to the PSU's work, a policy research and analysis agenda is developed as part of the PSU Five-Year Strategic Plan 2013-2017. The agenda is structured into five core areas, namely:

- a) Trade and investment liberalization and facilitation
- b) Structural reform
- c) Connectivity including supply chain connectivity and global supply chains
- d) Economic and financial analysis
- e) Sustainable economic development

7. These five core areas are pertinent areas that the PSU will be focusing on over the Strategic Plan period taking into account APEC's long-term strategic goals. Notwithstanding, the list is non-exhaustive since new areas may emerge in response to APEC's priorities.

8. The ensuing paragraphs list some examples of work in each of these five core areas that the PSU can be envisaged to undertake in the five-year period between 2013 and 2017. It will be useful to bear a few points in mind when looking at these examples:

- These examples are tentative, conceived mainly by drawing on PSU's existing body of work, and based on realistic assumptions of PSU's resources.
- The examples are non-exhaustive considering the dynamics of issues relating to international trade and investment.
- The examples can be demand-driven (i.e., proposed by the APEC fora and members) or in-house (i.e., proposed by the PSU to help APEC implement its priorities) work.
- In accordance to the PSU Governance Arrangements, approval from the PSU Board is required before the PSU could embark on any work. The approved projects are then captured in the PSU work program which is updated every month and made publicly available on the PSU webpage⁵.
- For the reasons mentioned above, the agenda will be a living document and updated as necessary.

(a) Trade and Investment Liberalization and Facilitation

Trade and investment liberalization and facilitation are the cornerstones of APEC's activities. The PSU works with the Committee on Trade and Investment (CTI) which is the coordinating body for APEC's work in these areas.

Potential PSU's support in this area:

Topics	Examples
Bogor Goals	<ul style="list-style-type: none"> • Review Individual Action Plan (IAP) submissions every two years starting 2012 • Conduct 2nd term review and final assessment in 2016 and 2020, respectively • Contribute to the discussion of priorities after 2020
Investment	<ul style="list-style-type: none"> • Review implementation of Investment Facilitation Action Plan (IFAP) • Propose new areas for investment facilitation • Support investment including infrastructure investment that promotes connectivity
Services	<ul style="list-style-type: none"> • Research on liberalization of services sector and trade in services
Regional or Free Trade Agreements (RTAs/FTAs)	<ul style="list-style-type: none"> • Support efforts on Regional Economic Integration (REI) • Analyze particular areas of interest for RTA/FTAs
Next generation trade and investment issues	<ul style="list-style-type: none"> • Explore possible next generation trade and investment issues to further integrate APEC economies and expand trade and investment links throughout the region
Non-tariff measures/barriers	<ul style="list-style-type: none"> • Research on non-tariff measures/barriers in the APEC region

⁵ PSU webpage at www.apec.org/About-Us/Policy-Support-Unit/PSU-Research-Focus.aspx

(b) Structural Reform

The PSU works with the Economic Committee (EC) which focus is to remove behind-the border barriers to trade by promoting structural reform within APEC. Structural reform consists of improvements made to institutional frameworks, regulations and government policies so that the efficient functioning of markets is supported and behind-the-border barriers are reduced.

Potential PSU's support in this area:

Topics	Examples
APEC New Strategy on Structural Reform (ANSSR)	<ul style="list-style-type: none">• Provide capacity building support to APEC economies through regional residential training workshops• Assist economies in identifying possible priorities for work relating to ANSSR• Review progress of ANSSR implementation
Ease of Doing Business (EoDB)	<ul style="list-style-type: none">• Conduct yearly assessments of progress towards the 2015 goals• Conduct final assessment in 2015
Regulatory reform	<ul style="list-style-type: none">• Develop case studies to identify good regulatory practices that improve economic performance and cost-effectiveness of regulations in relevant areas• Propose methodologies to measure regulatory performance

(c) Connectivity including Supply Chain Connectivity and Global Supply Chains

Achieving an APEC-wide ten percent improvement in supply chain performance by 2015, and ensuring reliable supply chains in the region are significant priorities for APEC.⁶ The PSU works with the CTI in its efforts to improve supply chain performance and reliability in the region. The PSU also works with the CTI on issues concerning global supply chains and enhancing the SME's participation in global production chains which has been identified as one of the next generation trade and investment issues⁷.

Potential PSU's support in this area:

Topics	Examples
Supply-Chain Connectivity Framework Action Plan (SCFAP)	<ul style="list-style-type: none">• Conduct the SCFAP final assessment in 2016• Support the addressing and updating of the SCFAP chokepoints• Support CTI in organizing supply chain connectivity symposiums
Global supply chains	<ul style="list-style-type: none">• Conduct sectoral case studies on global supply chain operations

⁶ [2012 APEC Leaders' Declaration, Vladivostok, Russia, 8-9 September 2012](#)

⁷ [2012 APEC Ministerial Meeting, Vladivostok, Russia, 5-6 September 2012](#)

Topics	Examples
SMEs' participation in global production chains	<ul style="list-style-type: none"> • Conduct case studies on enhancing SMEs' participation in global production chains
Supply chain resilience	<ul style="list-style-type: none"> • Research in assessing supply chain resilience in APEC economies
Connectivity in the region	<ul style="list-style-type: none"> • Conduct study on the connectivity in the region including physical (infrastructure development and investment), institutional and people-to-people connectivity

(d) Economic and Financial Analysis

The PSU supports the work of the CTI, EC and the Finance Ministers Process (FMP) through monitoring, analyzing and reporting macro- and micro-economic, trade and investment trends and developments in the APEC region. Twice a year, the PSU produces a report that examines the key trends and developments relating to trade and investment measures in the APEC region as well as the APEC Economic Trends Analysis report which analyzes recent economic performance of APEC economies and the region. The PSU also updates StatsAPEC, APEC's online statistics portal, two times a year.

Potential PSU's support in this area:

Topics	Examples
Macro- and micro-economic trends	<ul style="list-style-type: none"> • Prepare policy briefs on a needs basis regarding recent events that may have an impact on the APEC region

(e) Sustainable Economic Development

The APEC's agenda addresses a number of key issues that support sustainable economic development and an enabling environment necessary for economic activity in the APEC region. These issues tend to be cross-cutting in nature which involves various APEC committees and fora. Food security and urbanization are such examples. In addition, cognizant of the importance of capacity building for sustainable economic development, the PSU supports the work of the SOM Steering Committee on Economic and Technical Cooperation (SCE) through improving the design and implementation of economic and technical cooperation (ECOTECH) programs in the APEC region.

Potential PSU's support in this area:

Topic	Examples
SCE	<ul style="list-style-type: none"> • Scoping study of SCE in support of Bogor Goals and REI
Food security	<ul style="list-style-type: none"> • Support the APEC Policy Partnership on Food Security (PPFS)'s long-term goal to set up a food system structure by 2020

Topics	Examples
SMEs	<ul style="list-style-type: none"> Conduct studies on improving the business environment for SMEs and facilitating SMEs' access to international market
Urbanization	<ul style="list-style-type: none"> Conduct studies on urbanization for promoting sustainable economic development

9. Annex A presents an overall view of the PSU policy research and analysis agenda. It is structured into the five core areas, and lists the completed, ongoing and long-term work of the PSU in each of these areas for the period from 2008 to 2020. It is intended to show the body of work that has been built up in the five core areas, and does not contain the examples that are mentioned in the preceding paragraphs (except for these long-term projects – Bogor Goals, EoDB and SCFAP).

IV. Institutional Building

10. While APEC Ministers in September 2012 have agreed to extend the PSU's mandate until the end of 2020, it is imperative to adopt a forward-looking approach by continuing to build up the institutional capacity of the PSU. Among the proposed initiatives are:
- (a) Increase the PSU's capacity to undertake policy research and analytical work and build up an established core body of work in the focus areas through access to good quality databases, statistical software and other research facilities (where budget permits);
 - (b) Ensure an appropriate mix of knowledge, skills and experiences among the PSU staff by employing the best person for the vacancies available regardless of nationality (Clause 48 in the PSU Governance Arrangements), and provide a learning culture where staff are encouraged to enhance their knowledge and skills through platforms such as training workshops and conferences;
 - (c) Ensure appropriate staffing levels taking into account the demands on and finances of the PSU;
 - (d) Establish links between the PSU's outputs and outcomes; and
 - (e) Study into financial sustainability models that are similar to the PSU.

V. Mid-Term Review

11. A mid-term review of the strategic direction of the PSU will be conducted in 2017. Besides assessing its body of work, the mid-term review could also review the PSU's financial position and funding arrangements. The question of seeking a permanent mandate for the PSU (and the approach to achieve this goal) may also be discussed at the mid-term review.

Annex A: Structure of PSU Policy Research & Analysis Agenda (2008-2020)									
No.	Projects/Activities by Focus Areas	Status	2008-12	2013	2014	2015	2016	2017	2018-20
1	Trade & Investment Liberalization & Facilitation			(Strategic Plan Period)					
1.1	Bogor Goals:								
	• Progressing towards the APEC Bogor Goals - Perspectives of the APEC Policy Support Unit (Nov 2010)	C	X						
	• Trade Policy Dialogue on Measuring Progress - Development of a Dashboard for the IAP 2012 (Feb 2012)	C	X						
	• Bogor Goals Progress Reports – Individual Action Plan (IAP) Peer Review Process (every 2 years)	LT	X		X		X		X
	• Bogor Goals: Second-Term Review 2016	LT					X		
	• Bogor Goals: Final Review 2020	LT							X
1.2	Trade:								
	• Trade Creation in the APEC Region: Measurement of the Magnitude of and Changes in Intra-regional Trade since APEC's Inception (Oct 2010)	C	X						
	• Study on Good Regulatory Practices for Goods and Services Necessary or Desirable for Climate Change Mitigation and Adaptation (Oct 2010)	C	X						
	• Trade in Services in the APEC Region: Patterns, Determinants, and Policy Implications (Oct 2010)	C	X						
	• Second Trade Facilitation Action Plan (TFAPII): Interim Assessment*	C	X						
	• APEC's Achievements in Trade Facilitation 2007-2010: Final Assessment of TFAP II (Jan 2012)	C	X						
	(1) Aggregate Measurement of Trade Transaction Costs Reduction in APEC 2007-2010 (Aug 2011)	C	X						
	(2) Trade Facilitation through Customs Procedures: Assessment of APEC's Progress (Oct 2011)	C	X						
	(3) Reducing Trade Transaction Costs: Harmonization of Standards and Conformity Assessments in APEC (Oct 2011)	C	X						
	(4) Enabling Electronic Commerce: The Contribution of APEC's Data Privacy Framework (Oct 2011)	C	X						
	(5) Reducing Business Travel Costs: The Success of APEC's Business Mobility Initiatives (Oct 2011)	C	X						
	(6) Facilitating Electronic Commerce in APEC: A Case Study of Electronic Certificate of Origin (Oct 2011)	C	X						
	• The Mutual Usefulness between APEC and TPP (Oct 2011)	C	X						
	• Policy Brief: A Snapshot of Current Trade Trends in Environmental Goods and Services (No. 3, 30 Apr 2012)	C	X						
	• Policy Brief: The APEC List of Environmental Goods (No. 4, 28 Nov 2012)	C	X						
1.3	Investment:								
	• Cross-border Investment Linkages among APEC Economies: The Case of Foreign Direct Investment (Oct 2009)	C	X						
	• Cross-border Investment Linkages among APEC Economies: The Case of Portfolio Investment and Bank Lending (Oct 2009)	C	X						
	• Measuring Progress in Implementing APEC's IFAP: Establishing a Methodology and Selecting Key Performance Indicators (Oct 2009)	C	X						
	• Investment Facilitation Action Plan (IFAP) Implementation: Facilitating Investment for APEC	O		X					

No.	Projects/Activities by Focus Areas	Status	2008-12	2013	2014	2015	2016	2017	2018-20
				(Strategic Plan Period)					
2	Structural Reform								
2.1	APEC's Ease of Doing Business (EoDB):								
	• EoDB – Interim Assessment 2009-2010 (Oct 2011)	C	X						
	• EoDB – Interim Assessment 2009-2011 (Oct 2012)	C	X						
	• EoDB – Interim Assessment 2009-2012	O		X					
	• EoDB – Final Assessment 2015	LT				X			
2.2	Structural Reform:								
	• The Links between Trade, Investment and Structural Reform (Aug 2008)	C	X						
	• Handbook for "The APEC Voluntary Reviews of Institutional Frameworks and Processes for Structural Reform" (Oct 2009)	C	X						
	• The Impacts and Benefits of Structural Reforms in Transport, Energy and Telecommunications Sectors (Jan 2011)	C	X						
	• APEC New Strategy on Structural Reform (ANSSR) Symposium at SOM2, Big Sky, Montana (May 2011)	C	X						
	• Residential Workshop on Structural Reform in Singapore (Aug 2011)	C	X						
	• Policy Brief: Mapping Structural Reform (No.1, Aug 2011)	C	X						
	• Policy Brief: Implementation of Structural Reforms – Challenges and Good Practices (No. 4, 16 Jul 2012)	C	X						
	• ANSSR Regional Residential Training Workshops (Bali, Jul 2012 & Lima, Aug 2012)	C	X						
	• Regulatory Reform – Case Studies on Green Investments (Feb 2013)	C		X					
3	Connectivity including Supply Chain Connectivity & Global Supply Chains								
3.1	Supply Chain Connectivity:								
	• Logistics: Connectivity for Goods and Services (Feb 2009)	C	X						
	• A Results-oriented Approach to APEC's Supply Chain Connectivity Initiative (Oct 2009)	C	X						
	• The Economic Impact of Enhanced Multimodal Connectivity in the APEC Region (Jun 2010)	C	X						
	• Symposiums on Supply-Chain Connectivity (Sendai, Sept 2010 and Singapore, Mar-Apr 2012) & Outcome Report of 2012 Symposium (N	C	X						
	• SCFAP: Interim Assessment 2013	O		X					
	• SCFAP: Final Assessment 2016	LT					X		
	• Economic Impact of Submarine Cable Disruptions (Dec 2012)	C	X						
3.2	Global Supply Chains:								
	• Issues Paper: Concepts & Trends in Global Supply, Global Value and Global Production Chains (No. 1, May 2012)	C	X						
	• Trade Policy Dialogue on Facilitating Global Supply Chains (May 2012)	C	X						
	• Global Supply Chain Operation in the APEC Region: Case Studies of the Electrical and Electronics Industry	O		X					
	• Issues Paper: SMEs' Participation in Global Production Chains (No. 3, February 2013)	C		X					
3.3	Connectivity:								
	• Study on APEC Framework on Connectivity	O		X					

No.	Projects/Activities by Focus Areas	Status	2008-12	2013	2014	2015	2016	2017	2018-20
				(Strategic Plan Period)					
4	Economic & Financial Analysis								
	• Key Trends and Developments Relating to Trade and Investment Measures and their Impact on the APEC Region (2 reports a year)	O	X	X	X	X	X	X	X
	• APEC Economic Trends Analysis (2 reports a year)	O	X	X	X	X	X	X	X
	• StatsAPEC – APEC's Online Statistics Portal (2 updates a year)	O	X	X	X	X	X	X	X
	• The Global Economic Crisis: Effective Responses and Policy Strategies to Address the Human Impact (Jul 2009)	C	X						
	• Recent FDI Trends in the APEC Region (2012)	C	X						
	• Policy Brief: Sovereign Debt Challenges in the Euro Area: Implications for APEC (No. 2, Dec 2011)	C	X						
5	Sustainable Economic Development								
5.1	Food Security:								
	• Improving Food Markets in APEC Economies: Can the Cost of Food be Lowered? (Sept 2009)	C	X						
	• Food Security Policies in APEC (Sept 2012)	C	X						
	• Issues Paper: Challenges to Achieving Food Security in APEC (No. 2, Nov 2012)	C	X						
5.2	Others:								
	• Mapping & Assessment of Efforts made by Relevant International Organizations with regard to Growth Strategies*	C	X						
	• Research into the reasons for Balanced Growth, Inclusive Growth, Sustainable Growth, and Knowledge Based Growth in the APEC Region	C	X						
	• SME Market Access and Internationalization: Medium-term KPIs for the SMEWG Strategic Plan (Jun 2010)	C	X						
	[Legend: C = Completed; O = Ongoing; LT = Long-term]								
	(*) Classified reports								
	Note: This agenda contains only the completed, ongoing and long-term projects, as at 1 March 2013.								
	It does not contain the examples listed in the PSU Five-Year Strategic Plan (2013-2017) except for these long-term projects - Bogor Goals, EoDB and SCFAP.								