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Informal Working Group on Trade and Gender Informal Working Group on MSMEs

PRACTICAL INTEGRATION OF INCLUSIVITY IN TRADE AND INVESTMENT POLICY: SHARING EXPERIENCES FROM APEC AND THE SAN FRANCISCO PRINCIPLES

COMMUNICATION FROM THE UNITED STATES

The following communication¹, dated 19 January 2024, is being circulated at the request of the delegation of the United States.

1 INTRODUCTION

- 1.1. The United States believes that an inclusive and equitable international trade and investment environment is critical to achieving the objectives of the WTO Agreements and to advancing sustainable and inclusive economic growth and development. The United States is pursuing reforms of the WTO that support, facilitate, and promote more inclusive trade and investment policies.
- 1.2. WTO Members have acknowledged the importance of inclusivity in a number of ways, including in the MC12 Outcome Document where Ministers resolved to strengthen the inclusiveness of the multilateral trading system with the WTO at its core. Some Members have submitted communications expressing, for example, a desire to improve the inclusiveness of trade policy development, examine the distributional effects of trade and trade policy on different peoples and their communities, and improve the WTO's ability to support fact-based deliberations through increased external engagement. The United States welcomes these communications and seeks to collaborate with other WTO Members to advance work improving the inclusivity of the multilateral trading system.

2 CONTRIBUTIONS FROM APEC 2023

- 2.1. As host economy for APEC in 2023, the United States worked alongside other economies to advance trade and investment to equitably benefit APEC economies and people, including women; micro-, small-, and medium-sized enterprises (MSMEs); and those with untapped economic potential, including Indigenous Peoples, persons with disabilities, and people from rural and remote areas.
- 2.2. In November 2023, leaders of the APEC economies recognized that, while trade and investment has contributed to rapid economic growth, increased living standards, and expanded economic opportunities for our citizens, more focus is needed on advancing policies aimed at growing economies in ways that advance sustainability and resilience to ensure that the benefits of trade and investment extend to all our peoples. APEC leaders acknowledged that trade and investment policies should be a driver of inclusive and sustainable growth in the region, and that policies that support a free, open, fair, non-discriminatory, transparent, and predicable trade and investment environment contribute to uplifting livelihoods and sustainable economic growth for the region. APEC leaders also recognized that the way to achieve economic inclusion and sustainability for each of the APEC economies may differ depending on what each economy and society looks like, reflecting a shared

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 $^{^1}$ This communication has also been issued as $\underline{\text{WT/GC/W/921}}, \, \underline{\text{G/C/W/842}}, \, \underline{\text{S/C/W/463}}, \, \underline{\text{WT/COMTD/W/288}}$ document.

desire for a balance across economic, social, and environmental dimensions in line with each economy's circumstances.

- 2.3. Through the <u>San Francisco Principles on Integrating Inclusivity and Sustainability into Trade and Investment Policy</u>, APEC leaders took an important step in recognizing that the following principles support the practical integration of inclusivity 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, specialized, 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.

3 RELEVANCE AND APPLICABILITY TO WTO WORK

- 3.1. Many of the practical steps and actions included in the San Francisco Principles have significant overlap with, or are complementary to, WTO rules and practices. Therefore, the San Francisco Principles may serve as a useful contribution to efforts WTO Members are considering to improve inclusivity in the WTO's work and to ensure that the benefits of multilateral action are more widely shared.
- 3.2. In particular, WTO rules include fundamental notice and comment obligations, which could be examined and improved from an inclusivity perspective. Members could share experiences and lessons learned on their own domestic efforts to make trade-related information and documentation more accessible, to broaden and deepen consultation mechanisms and dialogues with impacted persons or stakeholders, and to conduct outreach to underserved, marginalized, disadvantaged or under-represented communities to improve access to trade policy decision-making processes. Transparency is another fundamental pillar of WTO rules that could be strengthened and enhanced through WTO discussions, including the sharing of approaches to improving access to publicly available and government data, with a particular focus on improving the data available to better analyze and assess the social impacts of trade policies on different people and communities.

4 SHARING DOMESTIC EXPERIENCES AS A NEXT STEP

- 4.1. The United States is undertaking its own reforms to improve inclusivity in its trade and investment policy making processes. The United States is committed to thorough and thoughtful engagement in the development and implementation of its international trade policy agenda. Inclusive engagement is a key component to ensuring that resulting U.S. trade policies are durable and equitable, and to building trusted, sustained lines of communication with all communities in the United States that could be affected by trade and investment policy decisions.
- 4.2. The United States intends to contribute to ongoing discussions in the WTO on strengthening inclusivity in the multilateral trading system, including by sharing its own experiences and the practical steps taken by the United States to improve inclusiveness in its international trade and investment policy decision making process.
- 4.3. The United States believes the San Francisco Principles can be a useful and practical contribution to WTO discussions. The United States welcomes and encourages contributions from other Members on practical steps they are taking or challenges they are facing in improving inclusivity. These exchanges may enhance our understanding of how common challenges are being addressed and create opportunities to learn from other Members in an open and constructive dialogue.