PRESENTATION OF THE DRAFT 2012 REPORT

Office of the Advisory Group Chair

PURPOSE
For information.

ISSUE
This is the presentation accompanying the draft of the 2012 Report of the Advisory Group.

BACKGROUND
The Advisory Group continues to build on its previous work focused on promoting greater financial inclusion, expanding private investment in infrastructure, and strengthening regional financial cooperation and integration. As a platform for collaboration among key international institutions, public agencies, and the private sector led by the APEC Business Advisory Council (ABAC), the Advisory Group convened and promoted discussions among key institutions and organizations this year. The results of these discussions are reflected in the following conclusions and recommendations.

PROPOSALS
- Discussions on the Asia-Pacific Financial Forum (APFF) should be held at a symposium with active participation by finance ministries and other relevant agencies from APEC economies in early 2013. We propose that the outcomes of this symposium be reported to and considered by the Finance Ministers at their meeting next year in Indonesia.

- The Advisory Group welcomes ongoing efforts to develop the Asia Region Funds Passport (ARFP) and closer collaboration with finance officials in further developing this work.

- APEC Finance Ministers should continue supporting the APIP Dialogues, to collaborate in further expanding these dialogues in 2012 and 2013, and to include in their 2012 joint statement a call for intensified public-private sector collaboration in infrastructure finance.

- APEC Finance Ministers should develop a multi-year agenda for financial inclusion, focused on financial literacy, financial identity, consumer protection, cross-border microfinance and effective and proportionate regulatory frameworks for financial inclusion.
• Model elements for an APEC code of security interest creation, perfection and enforcement should be developed. Public and private dialogues should be continued in order to validate improvements. Capacity-building should be undertaken, encouraging collaboration among relevant ministries.

• Commercial credit information in the region should be developed. Efforts should focus on availability, quality, access and reuse of public sector data; disclosure and compliance; regulatory framework for data sharing; access to bank information; and financial literacy of MSMEs.

• APEC should collaborate with ABAC and the Advisory Group to develop public-private partnership mechanisms to help governments catalyze angel and venture capital, provide enabling environments for financing business activities across various stages of innovation, and ensure the fundamental conditions for entrepreneurship and innovation.

**DECISION POINT**

Note the presentation.
Third Meeting 2012
18 July 2012
Ballroom 1&2, Sheraton Saigon Hotel & Towers
Ho Chi Minh City, Vietnam

Meeting Paper 7-B
2012 Report on Capacity-Building Measures to Strengthen and Develop Financial Systems

Office of the Advisory Group Chair

2012 Advisory Group Report

Hong Kong (Feb) Meeting Report
Melbourne Forum (March) Report
Kuala Lumpur (May) Meeting Report
Shanghai Financial Inclusion Forum (June)
Further comments, suggestions, recommendations

2012 REPORT
THEMES

- SOUND AND INTEGRATED FINANCIAL MARKETS
- PRIVATE FINANCING OF INFRASTRUCTURE
- ACCESS TO FINANCE FOR HOUSEHOLDS AND SMALL BUSINESSES
- FINANCING INNOVATION

Recommendations

SOUND AND INTEGRATED FINANCIAL MARKETS (1)

- *Asia-Pacific Financial Forum (APFF)*
  - *Framework for regional public-private collaboration*
  - *Dialogue with Finance Ministers, Moscow 2012*
  - *Symposium in early 2013*
  - *Consideration and decision by Finance Ministers in 2013*
Recommendations

SOUND AND INTEGRATED FINANCIAL MARKETS (2)

- **APEC Asia Region Funds Passport Initiative**
  - Welcome ongoing efforts by APEC FMP
  - Closer collaboration

Recommendations

PRIVATE FINANCING OF INFRASTRUCTURE

- **APEC support for Asia-Pacific Infrastructure Partnership (APIP) Dialogues**
  - Expand dialogues in 2012/2013
  - Joint Statement – call for intensified collaboration
  - Encourage economies to collaborate
Recommendations

ACCESS TO FINANCE FOR HOUSEHOLDS AND SMALL BUSINESSES (1)

- Develop multi-year agenda for financial inclusion, focus on:
  - Financial literacy
  - Financial identity
  - Consumer protection
  - Cross-border microfinance
  - Proportionate regulation

Recommendations

ACCESS TO FINANCE FOR HOUSEHOLDS AND SMALL BUSINESSES (2)

- Develop model elements for APEC code of security interest creation, perfection, enforcement
- Continued public-private dialogues
- Capacity building
  - Justice, law, information, SME ministries included
Recommendations

ACCESS TO FINANCE FOR HOUSEHOLDS AND SMALL BUSINESSES (3)

- **Develop commercial credit information, with focus on:**
  - Availability, quality, access and reuse of public sector data
  - Disclosure and compliance
  - Regulatory framework for data sharing
  - Access to loan performance data
  - Financial literacy of MSMEs

Recommendations

FINANCING INNOVATION

- **APEC-ABAC collaboration – public-private partnership mechanisms to:**
  - Catalyze angel/venture capital through support programs
  - Provide enabling environments across various stages of innovation
  - Ensure fundamental conditions for entrepreneurship and innovation