



THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Meeting Paper 3-A

REPORT ON 2011 ADVISORY GROUP ACTIVITIES AND INITIATIVES

Office of the Advisory Group Chair

PURPOSE For information.

ISSUE Report of the 2011 Activities and Initiatives of the Advisory Group

BACKGROUND N.A.

PROPOSAL N.A.

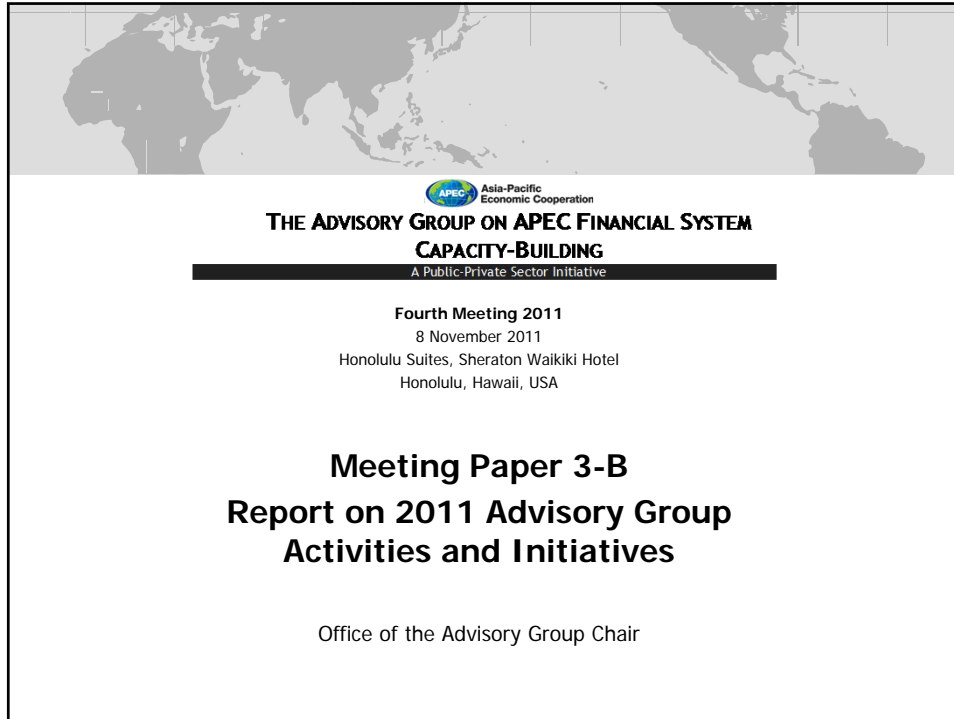
DECISION POINT Note the report.

REPORT ON 2011 ADVISORY GROUP ACTIVITIES AND INITIATIVES

Office of the Advisory Group Chair

Policy Areas	Deliverables Set Forth in the 2011 Advisory Group Work Program	Activities, Results and Achievements
<i>Infrastructure PPP</i>	The launch of the Asia-Pacific Infrastructure Partnership (APIP)	<ul style="list-style-type: none"> • APIP Private Sector Panel formed (currently 32 members) • Collaboration of ADB, IADB and WB with APIP confirmed. • <i>APIP to be endorsed by APEC Finance Ministers (10 November, Honolulu)</i>
	Successful holding of the Asian Infrastructure PPP Dialogue	<ul style="list-style-type: none"> • APIP Dialogue with the Philippines cabinet economic cluster (5 October, Manila)
	Successful holding of the Latin American Infrastructure PPP Dialogue	<ul style="list-style-type: none"> • APIP Dialogue with Mexico and Peru (24 August, Lima)
	Successful holding of the Honolulu Infrastructure PPP Forum	<ul style="list-style-type: none"> • Infrastructure Finance Forum to be held in Honolulu on 9 November in partnership with the World Bank, US Treasury and APEC Finance Deputies
<i>Financial Inclusion</i>	Successful conclusion of the 2 nd APEC Financial Inclusion Forum	<ul style="list-style-type: none"> • The Asia-Pacific Financial Inclusion Forum was held on 6-8 September in Tokyo, Japan, jointly with the Asian Development Bank Institute (ADBI), in collaboration with the Asia-Pacific Credit Coalition (APCC)/PERC, the Asia-Pacific Finance and Development Center (AFDC), the Banking with the Poor Network (BWTP), the Foundation for Development Cooperation (FDC), the Institute for International Monetary Affairs (IIMA) and the Organisation for Economic Co-operation and Development (OECD), and sponsored by Citi,. • The Forum is being proposed to be welcomed by the APEC Finance Ministers in their statement
	Collaboration on the APEC Financial Inclusion Initiative with APEC Senior Finance Officials	<ul style="list-style-type: none"> • Attended and presented at the Initial APEC Financial Inclusion Initiative Working Group Meeting, 24 February, San Francisco
	Collaboration on SMME Finance with APEC Senior Officials	<ul style="list-style-type: none"> • Included in the Asia-Pacific Financial Inclusion Forum (6-8 September, Tokyo) 2 days of capacity-building activities focused on credit information systems and legal frameworks for secured lending, with participation of APEC senior officials from Japan and Thailand.
	Collaboration on regulations to support MSME Financing with the Australian APEC Study Centre and the Association of Development Financing Institutions in the Asia-Pacific (ADFIAP)	<ul style="list-style-type: none"> • Successful holding of the symposium “Financial Inclusion: Regulations to Support MSME Financing Availability,” 27-28 June 2011, Manila.
	<i>Not anticipated as deliverable in 2011 Work Program – Collaboration with ADBI and Asia-Pacific Finance and Development Center (AFDC) on 3rd financial inclusion roundtable</i>	<ul style="list-style-type: none"> • Actively participated and organized the session on financial regulations in the 3rd Annual Roundtable on Financial Inclusion, 12-14 July 2011, Urumqi, People’s Republic of China.

Financial Market Integration	Collaboration on Asia Region Funds Management Passport (ARFMP) Initiative with APEC Senior Finance Officials	<ul style="list-style-type: none"> • Organized policy dialogue with Japan (4 March 2011) • Organized policy dialogue with Korea (27 April 2011) • Participated in the Policy and Technical Workshop on Asia Region Funds Management Passport, Hong Kong 15-16 March • <i>APEC Finance Ministers to acknowledge ABAC's support for the initiative and to endorse the continuation of work in 2012.</i>
Capacity-Building for Financial Regulatory Reforms	Successful conclusion of the 7 th Asia-Pacific public-private dialogue on strengthening financial systems	<ul style="list-style-type: none"> • The 7th Public-Private Dialogue for the Asia-Pacific Region with the theme "The Impact of Global Financial Reforms and Challenges for Asian Emerging Markets" was held on 5-6 July in Colombo, Sri Lanka
	Collaboration on a symposium on enhancing financial policy and regulatory cooperation with the Australian APEC Study Centre	<ul style="list-style-type: none"> • Successful holding of the Regional Symposium on Enhancing Financial Policy and Regulatory Cooperation, hosted by the AASC on 8-9 March 2011 in Melbourne.
Reports	2011 Report on Financial System Capacity-Building in APEC (to be submitted to the APEC Finance Ministers)	<ul style="list-style-type: none"> • Advisory Group 2011 Report on Capacity-Building Measures to Strengthen and Develop Financial Systems was completed and annexed to the ABAC 2011 Report to the APEC Finance Ministers.





Infrastructure PPP

DELIVERABLES

- ✦ Start Latin America Dialogue
- ✦ Start Asia Dialogue
- ✦ Hold Forum in Honolulu
- ✦ Launch Asia-Pacific Infrastructure Partnership

ACTIVITIES:

- ✦ Lima Dialogue with Mexico and Peru
- ✦ Manila Dialogue
- ✦ Honolulu Forum
- ✦ Finance Ministers' endorsement of APIP

We recognize that dialogue with market participants on infrastructure financing is critical to achieving the full benefit of private sector resources. We appreciated the work of ABAC and the World Bank to discuss related policy issues with our deputies, and took note of policy recommendations. We welcomed the creation of Asia-Pacific Infrastructure Partnership Dialogues to foster candid discussion between market participants and individual APEC member economies.

APEC Finance Ministers' Joint Statement (2nd Draft)



Financial Inclusion

DELIVERABLES

- ✦ 2nd Financial Inclusion Forum
- ✦ Collaboration with APEC Financial Inclusion Initiative
- ✦ Collaboration with APEC on SMME Finance
- ✦ Collaboration with various institutions

ACTIVITIES:

- ✦ Asia-Pacific Financial Inclusion Forum, 6-8 September, Tokyo
- ✦ Participated and presented at initial workshop of APEC Financial Inclusion Initiative, 24 February, San Francisco
- ✦ Held 2-day capacity-building seminars on credit information and legal frameworks for secured lending
- ✦ Manila MSME Symposium
- ✦ Urumqi Financial Inclusion Roundtable



Financial Market Integration

DELIVERABLES

- ✦ Asia Region Funds Management Passport

ACTIVITIES:

- ✦ Tokyo policy dialogue
- ✦ Seoul policy dialogue
- ✦ APEC Technical workshop – 15-16 March, Hong Kong

We also recognized the role of ABAC and the private sector in supporting finance officials' exploration of the concept of an Asia Region Funds Passport (ARFP) in order to develop the funds industry and better integrate financial markets. We welcome the further development of this work in 2012 to explore the establishment of a pilot ARFP.

APEC Finance Ministers' Joint Statement (2nd Draft)



Capacity Building for Regulatory Reforms

DELIVERABLES

- ✦ 2011 Dialogue with Regulators

ACTIVITIES:

- ✦ Colombo Dialogue



2011 Advisory Group

Participants and Collaborators

- ✦ Japan METI (on behalf of APEC SOM), MOF (on behalf of APEC FMP), BOJ, FSA, JICA
- ✦ Australian Treasury
- ✦ Philippine APEC Office
- ✦ US Department of the Treasury
- ✦ ADB
- ✦ ADB Institute
- ✦ IADB
- ✦ IFC
- ✦ IMF
- ✦ WB
- ✦ CGAP
- ✦ SEACEN
- ✦ AFDC
- ✦ OECD
- ✦ ABAC
- ✦ Alliance for Financial Inclusion
- ✦ Asia-Pacific Credit Coalition
- ✦ Asian Bankers' Association
- ✦ Banking with the Poor Network
- ✦ Citi Foundation
- ✦ Foundation for Development Cooperation
- ✦ PECC
- ✦ The Australian APEC Study Centre at RMIT University
- ✦ Institute for International Monetary Affairs
- ✦ American Chamber of Commerce in Japan
- ✦ ADFIAP
- ✦ ALIDE
- ✦ SMART Infra Facility (Australia)
- ✦ Individual private sector firms
- ✦ Universities

