

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Fourth Meeting 2012

4 September 2012

1:45 PM – 3:45 PM

Anchor Aweigh Lounge, Deck 5, Cruise Ship *Legend of the Seas*
Moored at 1 Nizhneportovaya Street, Vladivostok Sea Terminal
Vladivostok, Russian Federation

Meeting Paper 6-C

Information Brief on ADFIAP's Work and Advocacy on Financial Inclusion

Association of Development Financing Institutions in Asia and the Pacific

PURPOSE For information.

ISSUE Information on ADFIAP's work and advocacy on financial inclusion

BACKGROUND ADFIAP's four (4) key areas of work and advocacy, under its broad mission of "financing sustainable development", are: micro, small and medium enterprise (MSME) finance (economic), green finance (environment) and financial inclusion (social) with good governance at its core or, in short, its EESG "pillars". ADFIAP believes that its member-development finance institutions (DFIs) or, alternatively called development banks, are the "natural" institutions to pursue and promote national sustainable development efforts through the provision of long-term finance and technical assistance.

Under these advocacies, ADFIAP has the following programmes: the SME Finance Initiative, the Environmental Governance Standards project, the DFIs for Corporate Governance project and the ADFIAP Responsible Citizenship (ARC) Institute under which the Association's Financial Inclusion Program is a part of.

PROPOSAL N.A.

**DECISION
POINT** Note the information brief.



Information Brief on ADFIAP's Work & Advocacy on Financial Inclusion

1. ADFIAP's¹ www.adfiap.org four (4) key areas of work and advocacy, under its broad mission of “*financing sustainable development*”, are: micro, small and medium enterprise (MSME) finance (*economic*), green finance (*environment*) and financial inclusion (*social*) with good governance at its core or, in short, its EESG “pillars”. ADFIAP believes that its member-development finance institutions (DFIs) or, alternatively called development banks, are the “natural” institutions to pursue and promote national sustainable development efforts through the provision of long-term finance and technical assistance.

2. Under these advocacies, ADFIAP has the following programmes: the *SME Finance Initiative* <http://www.smefi.com/>, the *Environmental Governance Standards* project <http://www.egs-asia.com/>, the *DFIs for Corporate Governance* project <http://www.governance-asia.com/> and the *ADFIAP Responsible Citizenship (ARC) Institute* <http://www.adfiap.org/arc/> under which the Association's Financial Inclusion Program (FIP) is a part of.

3. With regard to financial inclusion, ADFIAP has co-organized two (2) events in 2011:

- An AusAid-supported regional conference on best practice regulatory principles on MSME access to finance with the Melbourne-based Australian APEC Study Centre in RMIT University on June 27-28, 2011 in Manila, Philippines, the report of which can be found in this link: <http://www.apec.org.au/docs/Supporting%20MSME%20Access%20to%20Finance%20Symposium%20Report.pdf>.
- An APEC-supported financial inclusion programme for the Philippine Department (Ministry) of Finance held on September 15, 2011 in Honolulu, Hawaii, entitled “Operational Dialogue on Innovative Financial Inclusion Policies, with the theme “*Accelerating Financial Inclusion in Asia and the Pacific*” (more information and presentation materials can be found here: <http://www.adfiap.org/news/adfiap-organizes-apec-dialogue-on-financial-inclusion/>)

¹The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) is the focal point of all development banks and other financial institutions engaged in the financing of sustainable development in the Asia-Pacific region. Founded in 1976, ADFIAP currently has 131 member-institutions in 45 countries and territories. ADFIAP is also currently the Secretariat and founding member of the 328-member, 154-country World Federation of Development Financing Institutions (WFDFI) composed of similar regional associations in Africa, Latin America, and the Middle East. ADFIAP is a non-governmental organization in consultative status with the United Nation's Economic and Social Council. ADFIAP is a non-stock, not-for-profit international organization with permanent Secretariat in Manila, Philippines.

4. On March 5-9, 2012 in Melbourne, Australia, ADFIAP participated in a capacity-building training program for APEC policymakers and financial system regulators on “*Implementing Best Practice Regulatory Principles and Proportionate Regulation to Support MSME Access to Finance*” organized by the Australian APEC Study Centre (AASC), with funding support from AUSAid and the Asian Development Bank Institute (ADBI). Forty (40) participants and speakers altogether participated in the 5-day program. A report on this seminar is at this link: <http://www.apec.org.au/docs/12-tp-finincl/SMAFTP%20Report.pdf>

5. On June 25-27, 2012, ADFIAP participated in the “*Asia-Pacific Forum on Financial Inclusion: Approaches, Regulations and Cross-Border Issues*” which attracted 73 delegates from 23 countries, mostly from APEC member-economies. The event which was held at the Shanghai National Accounting Institute located in Shanghai, China, was jointly organized by the Asian Development Bank Institute (ADBI), Asia-Pacific Finance and Development Center (AFDC) and the APEC Business Advisory Council (ABAC) in collaboration with the Banking With The Poor Network, China Association of Microfinance, Citi Foundation and The Foundation for Development Cooperation (FDC).

6. ADFIAP will continue its work and advocacy on financial inclusion as exemplified by its member-DFIs’ own financial inclusion programs and activities in India, Malaysia, Thailand, Sri Lanka and the Philippines, among others.

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