

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 3-A REPORT ON 2012 ADVISORY GROUP ACTIVITIES AND INITIATIVES

Office of the Advisory Group Chair

PURPOSE	For information.
ISSUE	Report of the 2012 Activities and Initiatives of the Advisory Group
BACKGROUND	N.A.
PROPOSAL	N.A.
DECISION POINT	Note the report.

REPORT ON 2012 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>Regional Financial Integration</i>	The launch of the Asia-Pacific Financial Integration Project	<ul style="list-style-type: none"> • Melbourne Forum successfully held on 13 March with the recommendation to establish the Asia-Pacific Financial Forum (APFF). • Report of the Melbourne Forum completed and circulated to APEC finance ministries, central banks and financial regulatory agencies. • Active advocacy by ABAC delegations with their respective finance ministries • Preparation and circulation of briefing paper for ABAC Dialogue with APEC Finance Ministers. • Discussion on the APFF during the ABAC Dialogue with APEC Finance Ministers. • <i>APFF endorsed by APEC Finance Ministers (30 August 2012)</i>
	Promotion of the Asia Region Funds Passport (ARFP)	<ul style="list-style-type: none"> • <i>Further development of proposed model, governing arrangements and policies for a pilot ARFP encouraged by APEC Finance Ministers (30 August 2012)</i>
<i>Infrastructure PPP</i>	Asia-Pacific Infrastructure Partnership (APIP) Dialogues with interested economies	<ul style="list-style-type: none"> • APIP Dialogue with the Government of Vietnam (20 July, Hanoi). • <i>APIP Dialogue with the Government of Indonesia scheduled for 22 October in Jakarta.</i> • <i>Further expansion of the APIP Dialogues in 2013 endorsed by APEC Finance Ministers (30 August 2012).</i>
	Follow-up on the outcomes of the 2011 APIP Dialogues	<ul style="list-style-type: none"> • Completion of 3 studies funded by ABAC in response to requests for advice from government dialogue partners: (a) Comparative Study of Contractual Clauses to Provide for the Smooth Adjustment of Physical Infrastructure and Services through the Lifecycle of a Public-Private Partnership (PPP) Project; (b) Best Practice in Design of Public-Private Partnerships (PPPs) for Social Infrastructure, particularly in Health Care and Education; and (c) Comparative Study of Frameworks to protect the Long Term Interests of Pension Funds Investing in Public-Private Partnerships. • <i>Two other research projects scheduled to be completed in October 2012: (a) Evaluation of externalities of PPPs; and (b) Comparative study of taxation measures in regional economies to support PPPs.</i>
	Holding of a forum on infrastructure finance	<ul style="list-style-type: none"> • Ongoing discussions with ADB on a possible event in conjunction with one of the future APIP dialogues.
		<ul style="list-style-type: none"> • APIP made presentations to APEC officials at the Public-Private Partnership Dialog in the APEC Region held in Kazan, Russia on 27 May • APIP to make presentations to various government officials at the following

		<p>events: (a) International Conference on Scaling up Infrastructure Investment in the Asia-Pacific in Bali, Indonesia on 2 October; and (b) the 2nd Asia-Pacific Forum (Integrating Russia into the Asia-Pacific: APEC Presidency Outcomes in Moscow) in Moscow on 12-13 October.</p>
Financial Inclusion	<p>Successful conclusion of the 3rd Asia-Pacific Financial Inclusion Forum</p>	<ul style="list-style-type: none"> • The Asia-Pacific Financial Inclusion Forum was held on 25-27 June in Shanghai, China jointly with the Asian Development Bank Institute (ADBI) and the Asia-Pacific Finance and Development Center (AFDC), in collaboration with the Banking with the Poor Network (BWTP), the Foundation for Development Cooperation (FDC) and the China Association of Microfinance (CAM), and sponsored by Citi. • Conference report completed and published, for dissemination to key government officials and stakeholders. • Results of the Forum noted and continued work on APEC's financial inclusion agenda welcomed by APEC Finance Ministers.
	<p>Collaboration on the work of APEC Senior Finance Officials on Financial Literacy</p>	<ul style="list-style-type: none"> • Held session on financial literacy during the Asia-Pacific Financial Inclusion Forum. • Attended and presented at the (a) APEC Experts' Workshop on Financial Literacy Strategies in Moscow on 11-12 April; and (b) APEC Conference "Improving Efficiency of Strategies for Financial Literacy" in St. Petersburg on 26-27 June. Submitted recommendations. • Inputs from the Asia-Pacific Financial Inclusion Forum welcomed by APEC Finance Ministers in their Policy Statement on Financial Literacy and Education.
Venture Capital	<p>Successful holding of workshop on venture capital</p>	<ul style="list-style-type: none"> • The workshop <i>Financing Innovation: Promoting Venture Capital in APEC</i> was successfully held on 21 May in Kuala Lumpur, Malaysia. • Workshop report completed and incorporated in 2012 Advisory Group Report. • Joint Statement of APEC SME Ministerial Meeting echoed recommendations of the report to (a) reduce uncertainty and risks associated with financing innovative SMEs; (b) promote regional and local equity programs, business angel networks and business incubators; (c) promote availability of risk capital to innovative SMEs, for example by using public sector funds to leverage private sector financing in order to reduce the financing gap; and (d) review regulations with a view to reducing, easing or eliminating restrictions and barriers to investment in risk capital.
Reports	<p>2012 Report on Financial System Capacity-Building in APEC (submitted to the APEC Finance Ministers)</p>	<ul style="list-style-type: none"> • Advisory Group 2012 Report on Capacity-Building Measures to Strengthen and Develop Financial Systems was completed and annexed to the ABAC 2012 Report to the APEC Finance Ministers.