



THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

2016 Report on Capacity Building Measures to Strengthen and Develop Financial Systems

Contents

I. APFF

- Public-Private Collaboration to Develop APEC Financial Markets – Achievements and Way Forward

II. Asia-Pacific Forum on Financial Inclusion

- Expanding Access to Finance

III. APIP

- Developing a Robust Pipeline of Bankable Infrastructure Projects

IV. Improving Valuation Practices in APEC

I. APFF: Public-Private Collaboration to Develop APEC Financial Markets – Achievements and Way Forward

- [Brief overview only, since full APFF Report is available as a separate document.]
- Outline of APFF Report:
 - Financial infrastructure
 - Trade and supply chain finance
 - Microinsurance and disaster risk financing and insurance (DRFI)
 - Retirement income and long-term
 - Capital markets and financial market infrastructure
 - Financial innovation
 - Linkages and structural issues

Recommendation:

Endorse the 2016 APFF Progress Report and its recommendations as described above.

II. Asia-Pacific Forum on Financial Inclusion: Expanding Access to Finance

- Based on 2016 Asia-Pacific Forum on Financial Inclusion Report
- Key Issues:
 - Credit bureaus and credit information systems
 - Microinsurance
 - Cross-border payment systems
 - Savings
 - Digital finance infrastructure
 - Financial literacy
 - Consumer protection
 - Insolvency

Recommendation:

Encourage policy makers and regulators responsible for financial inclusion and MSME finance to study the report of the 2016 Asia-Pacific Forum on Financial Inclusion and to participate in the 2017 Forum.

III. APIP: Developing a Robust Pipeline of Bankable Infrastructure Projects

Reiterates key elements of bankability from APIP work:

- Risk allocation between public and private sectors
- Institutional capacity
 - Project preparation
 - Coordination among ministries and agencies
 - Transactional capacity
 - Planning capacity
 - Communication with private sector
 - Credible public institutions
 - Ensure successful initial projects
- Legal, policy, regulatory environment

Recommendations:

- Integrate and coordinate FMP infrastructure initiatives under the FMP, using the PPP Experts Advisory Panel as coordinating center.
- Expanded cooperation with Global Infrastructure Hub (GIH) and International Infrastructure Support System (IISS).
- Continuation of APIP Dialogues
- Advance the CAP's initiative to promote urban infrastructure development - collaboration with the Urban Infrastructure Network (UIN).

IV. Improving Valuation Practices in APEC

- Impact of valuation in economy
- Focus of work program
 - Region-wide convergence of valuation practices
 - Valuation landscape in Asia Pacific economies (audit completed, document online)
 - Best practices template (completed, document online)
 - Strengths, weaknesses and impediments to improving valuation practices
 - Opportunities to enhance existing landscape and implementation challenges
 - Advice to member economies

Recommendation

APEC member economies to host discussions with ABAC, the International Valuation Standards Council (IVSC), valuation professional organizations (VPOs), experts from industry and other relevant bodies on improving the quality of valuation practices and professionals.

