

**Advisory Group
Meeting III**

**PAPER 7-A
Presentation**



**Asia-Pacific
Economic Cooperation**

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The Advisory Group on APEC Financial System Capacity Building

A Public-Private Sector Initiative

2017 Report on Capacity Building Measures to Strengthen and Develop Financial Systems

Promoting structural reforms in APEC's financial systems

- Established 2003
- Platform for regional collaboration among key institutions: ABAC, industry associations, multilateral organizations (ADB, IDB, IMF, OECD, WBG), specialized institutions (FDC, IVSC, AFI, CGAP, GIH, SIF, SEACEN, ABMF, etc.), public sector institutions, ministries and regulatory authorities, individual firms
- Vehicle for ABAC oversight/management of 3 Finance Ministers' policy initiatives:
 - Asia-Pacific Forum on Financial Inclusion (est. 2010)
 - Asia-Pacific Infrastructure Partnership (APIP) (est. 2011)
 - Asia-Pacific Financial Forum (APFF) (est. 2013)

2017 Report

- Financial market development
 - Summary of APFF Progress Report
- Creating a robust pipeline of bankable infrastructure projects
- Expanding access to finance
- Improving valuation practices

Financial market development: Recommendations

- Encourage officials/regulators to collaborate with APFF capacity building in:
 - Liquid bond, repo, derivatives markets
 - Credit information, secured transactions, insolvency systems
 - Cross-border supply chain financing
 - Expand pension funds/insurance firms' role in infrastructure development
- Support regional platform for public-private dialogue on fintech
- Encourage officials/regulators to work with APFF to finalize in 2018 roadmaps for financial market infrastructure (FMI), microinsurance and disaster risk financing and insurance (DRFI)
- Encourage more participation in ARFP discussions
- Encourage authorities to collaborate with APFF in finalizing Islamic Infrastructure Investment Platform (I3P) work program

Creating a pipeline of bankable infrastructure projects: Recommendations

- Support dialogues and capacity-building activities in interested economies to leverage expertise in ADB, OECD, WBG, GIH, SIF, APIP and APFF to launch successful initial projects
 - 2017-2018: Focus on waste management PPPs in Indonesia, Philippines, Viet Nam and other interested economies
 - Collaboration with funders of capacity building activities (dialogues, seminars etc.) for line agency and local government officials in these economies

Expanding access to finance: Recommendation

- Regulators and policy makers to study, adopt, implement (as applicable) the conclusions and recommendations of the 2017 Asia-Pacific Forum on Financial Inclusion in the following areas:
 - Definition of financial inclusion
 - Agrifinance
 - Distributed ledger technology
 - Financial education
 - Enabling environment for microfinance products/services
 - Microinsurance
 - Online supply chain finance
 - Digital identity

Improving valuation practices in APEC: Recommendation

- Continue to host discussions with IVSC, valuation professional organizations, industry experts on improving the quality of valuation practices and professionals

