

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Third Meeting 2010

26 August 2010

Ballroom 1, InterContinental Hotel, Bangkok
Bangkok, Thailand

ANNOTATED AGENDA

Second Draft as of 18 August 2010

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| 14:00 | ITEM 1: <u>Opening and Welcome Remarks</u> <ul style="list-style-type: none">• Opening remarks by the Advisory Group Chair (Mr. Mark Johnson)• Welcome remarks on behalf of the host, ABAC Thailand (Dr. Twatchai Yongkittikul) | Papers/Presentations:
None |
| 14:05 | ITEM 2: <u>Review of the Second 2010 Advisory Group Meeting in Taipei</u> <ul style="list-style-type: none">• Introduction by the Advisory Group Coordinator (Dr. J.C. Parreñas) <p><i>This is a review of the Meeting Report of the Advisory Group Meeting of 20 May 2010, Taipei, Chinese Taipei, for approval.</i></p> <p><u>Recommended action:</u> Approval of the Meeting Report.</p> | Papers/Presentations:
2-A: <u>FOR REVIEW:</u> Meeting Report of the Advisory Group Meeting of 20 May 2010, Taipei, Chinese Taipei (<i>Office of the Advisory Group Chair</i>) |
| 14:10 | ITEM 3: <u>Capital Market Development</u> <ul style="list-style-type: none">• Presentation by the Advisory Group Coordinator on the results of the 4th APEC Public-Private Sector Forum on Bond Market Development, 31 May 2010, Sapporo• Update by ADB on ABMI (Ms. A. Noy Siackhachanh)• Comments by State Street (Mr. Hon Cheung) and Goldman Sachs (Mr. James Shipton)• Comments by other participants <p><i>This includes a presentation on the results and conclusions of the 4th APEC Public-Private Sector Forum on Bond Market Development held on 31 May 2010 in Sapporo, Japan. The ADB will update the participants on its work on regional bond market development. State Street will discuss further work on a proposed regional funds passporting scheme, with additional comments by Goldman Sachs. The Forum Report will be annexed to the proposed 2010 Advisory Group Report on Capacity-Building Measures to Strengthen and Develop Financial Systems.</i></p> <p><u>Recommended actions:</u> (1) Endorsement of the draft report as an annex to the Advisory Group Report. (2) Agreement on next steps. (3) Note the presentations of ADB and comments by State Street and Goldman Sachs.</p> | Papers/Presentations:
3-A: <u>FOR REVIEW:</u> Draft Report on the 4th APEC Public-Private Sector Forum on Bond Market Development (<i>Office of the Advisory Group Chair</i>)
3-B: <u>FOR INFORMATION:</u> Presentation on the 4th APEC Public-Private Sector Forum on Bond Market Development (<i>Office of the Advisory Group Chair</i>)
3-C: <u>FOR INFORMATION:</u> Asian Funds Passporting (<i>State Street Global Advisors</i>)
3-D: <u>FOR INFORMATION:</u> Presentation by ADB |
| 14:30 | ITEM 4: <u>Financial Inclusion</u> <ul style="list-style-type: none">• Presentation by the Advisory Group Coordinator on the results of the APEC Financial Inclusion Forum, 31 May 2010, Sapporo and update on the APEC Financial Inclusion Initiative• Comments by other participants | Papers/Presentations:
4-A: <u>FOR REVIEW:</u> Draft Report on the APEC Financial Inclusion Forum (<i>Office of the Advisory Group Chair</i>) |

This includes a presentation on the results and conclusions of the APEC Financial Inclusion Forum held on 31 May 2010 in Sapporo, Japan. A proposal by ADBI and AFDC for ABAC to convene a financial inclusion conference in Shanghai on 20-22 October will be discussed. With discussions under way in APEC on how to develop the agenda for a financial inclusion initiative, participants will also consider how synergies can be achieved between ongoing programs and an APEC initiative, as well as next steps to bring this matter forward. Finally, with reference to the Advisory Group's previous decision to accept the offer of ADBI to publish the report of the Tokyo Financial Inclusion Workshop, the Advisory Group will be requested to endorse the printing proof for the publication.

Recommended actions: (1) *Endorsement of the draft report as an annex to the Advisory Group Report (as the second part of the Sapporo forum report).* (2) *Endorsement of Advisory Group and ABAC participation in the Shanghai Financial Inclusion Forum.* (3) *Agreement on next steps.* (4) *Endorse the printing proof for the publication of the Tokyo Financial Inclusion Workshop report.*

14:50

ITEM 5: Report on 6th SEACEN/ABAC/ABA/PECC Public-Private Dialogue for the Asia-Pacific Region, Manila, Philippines, 15-16 June 2010; and Capacity-Building for Regulatory Reforms in APEC

- Presentation by the Advisory Group Coordinator
- Comments by Australian APEC Study Center (Mr. Kenneth Waller)
- Comments by other participants

This is a presentation on the results and conclusions of the 6th SEACEN/ABAC/ABA/PECC Public-Private Dialogue for the Asia-Pacific Region held on 15-16 June 2010 in Manila, Philippines. The Australian APEC Study Center will present an invitation to the Advisory Group to be involved in a research and capacity-building program to enhance financial policy and regulatory capacities to implement reforms in response to the global financial crisis and reducing risk in private sector investment within APEC, and report on the completed initiative previously endorsed by the Advisory Group.

Recommended actions: (1) *Note the summary of the dialogue.* (2) *Endorsement of participation by interested Advisory Group participants and ABAC members in the Programs proposed by the Australian APEC Study Center.* (3) *Note the presentation by the Australian APEC Study Center on the completed capacity-building initiative.*

15:10

ITEM 6: Infrastructure Public-Private Partnership

- Introduction by the Advisory Group Chair
- Comments by the Australian APEC Study Center (Mr. Kenneth Waller)
- Comments by ADB (Mr. Jean-Pierre Verbiest)
- Comments by other participants

During its Taipei meeting, the Advisory Group discussed the concept of a private sector group to promote dialogue with multilateral organizations and the public sector within regional frameworks to advance regional PPP in infrastructure development within the framework of an Asia-Pacific Infrastructure Partnership (APIP). In this meeting, participants will discuss next steps and activities in pursuit of this objective. The Advisory Group will also discuss a joint activity being co-organized by ADB and ABAC in Yokohama to discuss the issue of

4-B: **FOR INFORMATION:**
Presentation on the APEC Financial Inclusion Forum (Office of the Advisory Group Chair)

4-C: **FOR INFORMATION:**
Program of "Financial Inclusion Conference: Trends, Challenges and Policies for Rebalancing Growth," 20-22 October 2010, Shanghai, China (ADBI)

4-D: **FOR INFORMATION:**
Printing proof of the Tokyo Financial Inclusion Workshop report to be published by ADBI.

Papers/Presentations:

5-A: **FOR INFORMATION:**
Summary of the 6th SEACEN-ABAC-ABA-PECC Public-Private Dialogue for the Asia-Pacific Region (Office of the Advisory Group Chair)

5-B: **FOR INFORMATION:**
Presentation on 6th SEACEN-ABAC-ABA-PECC Public-Private Dialogue for the Asia-Pacific Region (Office of the Advisory Group Chair)

5-C: **FOR REVIEW:** Advice on Two Programs Being Proposed to Build APEC Capacities in Investment and Finance by the Australian APEC Study Centre at RMIT University and an Invitation to Participate (Australian APEC Study Center)

5-D: **FOR INFORMATION:**
Report on Completed Capacity Building Initiative: Shanghai, 7-11 June 2010 (Australian APEC Study Center)

Papers/Presentations:

6-A: **FOR REVIEW:** Paper on Public-Private Partnerships for Infrastructure Development (The Australian APEC Study Centre)

6-B: **FOR INFORMATION:**
ABAC-ADB-JBIC Private Infrastructure Finance Forum (ADB)

promoting infrastructure PPP.

Recommended actions: (1) *Endorsement of further proposals on APIP.* (2) *Endorsement of joint forum with ADB in Yokohama.* (3) *Agreement on next steps.*

15:25

ITEM 7: SME Finance

- Introduction by the Advisory Group Coordinator
- Presentation by Asia-Pacific Credit Coalition (Dr. Robin Varghese and Mr. Thomas Clark)
- Comments by other participants

The Asia-Pacific Credit Coalition will discuss progress and further steps in promoting measures to facilitate SME finance in APEC, through an APEC SME Finance Initiative.

Recommended actions: (1) *Endorse the concept of an APEC SME Finance Initiative.* (2) *Note the presentation by APCC.* (3) *Agreement on next steps.*

15:40

ITEM 8: 2010 Advisory Group Report on Capacity-Building Measures to Strengthen and Develop Financial Systems

- Presentation by the Advisory Group Coordinator
- Comments by other participants

This is a report based on the papers and discussions from the first and second 2010 meetings of the Advisory Group, containing recommendations on capacity-building measures for the strengthening and development of the region's financial systems. Upon approval of the Advisory Group, the report will be forwarded to ABAC through the ABAC Finance and Economic Working Group for endorsement to the APEC Finance Ministers as an annex to the ABAC Report to the Finance Ministers.

Recommended action: *Approve the 2010 Advisory Group Report and endorse its submission to APEC Finance Ministers as an annex to the ABAC Report to APEC Finance Ministers.*

15:55

ITEM 9: Other matters

15:57

ITEM 10: Closing Remarks

- Closing remarks by the Advisory Group Chair

16:00

END

Papers/Presentations:

7-A: **FOR INFORMATION:** Paper on SME Finance (*Asia-Pacific Credit Coalition*)

Papers/Presentations:

8-A: **FOR REVIEW:** Draft 2010 Report on Capacity-Building Measures to Strengthen and Develop Financial Systems (*Office of the Advisory Group Chair*)

8-B: **FOR INFORMATION:** Presentation of the Draft 2010 Report (*Office of the Advisory Group Chair*)

Papers/Presentations:

None

Papers/Presentations:

None