

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

Document: AGFSCB 31-025 Draft: FIRST Source: AGFSCB Chair Date: 14 April 2011 Meeting: Seoul, Korea
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Second Meeting 2011

26 April 2011

14:00 – 16:00

Crystal Ballroom, Lotte Hotel
Seoul, Republic of Korea

Meeting Paper 4-A

2nd APEC Financial Inclusion Forum

Office of the Advisory Group Chair

PURPOSE	For consideration.
ISSUE	Holding of the 2nd APEC Financial Inclusion Forum
BACKGROUND	The Advisory Group agreed during its previous meeting in Guangzhou to hold the 2 nd APEC Financial Inclusion Forum.
PROPOSAL	To hold the second forum as described in the attached program
DECISION POINT	Endorse the program for the second forum.

The 2nd APEC Financial Inclusion Forum

EXPANDING THE FRONTIERS OF MICROFINANCE THROUGH REGIONAL PUBLIC-PRIVATE COOPERATION

(September or October 2011 – exact date TBD)

Tokyo, Japan

Draft as of 13 April 2011

Addressing the needs of the estimated 800 million people living in poverty across the Pacific through improved access to finance remains a major challenge. With growing constraints on public resources in the wake of the Global Financial Crisis, mobilizing private resources to serve these needs has become ever more important. Stronger, more balanced and more inclusive growth also require efforts to further expand financial access through new channels.

The first APEC Financial Inclusion Forum convened in 2010 by the APEC Business Advisory Council (ABAC), jointly with the Advisory Group on APEC Financial System Capacity Building and in cooperation with the Ministry of Finance of Japan, focused on how to provide enabling environments to extend the reach of microfinance, improve its commercial viability, and increase private investment in MFIs. In their *Kyoto Report on Growth Strategy and Finance*, APEC Finance Ministers welcomed the outcomes of this Forum and ABAC's initiative to set up subsequent discussions.

This year's Forum focuses on new channels to serve the financial needs of the unbanked, and how APEC can harness regional public-private cooperation to promote the sustainability and expansion of undertakings using these new channels. Participants will discuss and develop recommendations to APEC Finance Ministers, concentrating on three areas - consumer and micro/small enterprise lending, grassroots savings mobilization, and remittances.

PROGRAM

13:00-13:30

REGISTRATION

13:30-13:45

OPENING SESSION

13:45-15:00

SESSION ONE

CONSUMER AND MICRO-/SMALL ENTERPRISE LENDING

Multilateral Development Banks (MDBs) and official bilateral agencies like JBIC can collaborate with banks, firms and communities to offer affordable loans to low-income consumers and expand financing for micro and small enterprises in developing economies. Discussions will focus on actual experiences and identifying measures to promote sustainability and support expansion of such undertakings (e.g., measures related to credit information, financial literacy, consumer protection, among others).

15:00-16:15

SESSION TWO

GRASSROOTS SAVINGS MOBILIZATION

Deposits offer low-income households many benefits and enable MFIs to reduce their vulnerability to external shocks. There is great potential for micro-savings, which has proven to be commercially viable with the introduction of innovative approaches and technology. Discussions will focus on the roles that the private sector, government, regulators, apex institutions and technical and development assistance can effectively play in promoting micro-savings in developing economies.

16:15-16:30

COFFEE BREAK

16:30-17:45

SESSION THREE

REMITTANCES AND CROSS-BORDER MICROFINANCE

Remittances are vital to many economies, and their importance will grow as regional integration advances. Increased financial access both for migrants and remittance recipients (including services such as housing or business loans linked to remittances), measures and innovations to facilitate settlement, and technology (e.g., mobile technologies, prepaid cards) can significantly expand financial inclusion. Discussions will focus on how private sector, government and regulators can collaborate to facilitate innovative business models and address key issues (e.g., transparency, consumer protection, payment system infrastructure, legal and regulatory environment and risk management, among others).

17:45-17:55

CLOSING SESSION