

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Second Meeting 2008

14 May 2008

The Atrium, Hotel Baltschug Kempinski
Moscow, Russian Federation

ANNOTATED AGENDA

*Fourth Draft
As of 8 May 2008*

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| 09:00 | <p><u>ITEM 1: Opening and Welcome Remarks</u></p> <ul style="list-style-type: none">• Opening remarks by the Meeting Chair, Mr. Yoshihiro Watanabe, Advisory Group Co-Chair, ABAC FEWG Co-Chair and Member of the Board, Mitsubishi UFJ Financial Group• Welcome remarks on behalf of the host by Mr. Vasily Titov, ABAC Russia Alternate Member and Deputy Chairman of JSC VTB Bank | <p>Papers/Presentations:</p> <p>None</p> |
| 09:05 | <p><u>ITEM 2: Review of the First 2008 Advisory Group Meeting in Jakarta</u></p> <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 28 February 2007, Seattle, for approval.</i></p> | <p>Papers/Presentations:</p> <p>2-A: Meeting Report of the Advisory Group Meeting of 22 January 2008, Jakarta, Indonesia (<i>Office of the Advisory Group Chair</i>)</p> |
| 09:10 | <p><u>ITEM 3: Update on the preparations for the Second APEC Public-Private Sector Forum on Bond Market Development, Cusco, July 9, 2008</u></p> <ul style="list-style-type: none">• Introduction by the Advisory Group Coordinator• Comments by other participants <p><i>Preparations are currently underway for the holding of the Second APEC Public-Private Sector Forum on Bond Market Development in Cusco, Peru on July 9, 2008, which follows the successful first forum held in Melbourne last year. These preparations are being undertaken by the Advisory Group and ABAC in cooperation with the Peruvian Ministry of Economics and Finance and ProCapitales, the association of Peruvian enterprises for promoting capital markets.</i></p> | <p>Papers/Presentations:</p> <p>3-A: Paper and presentation on the Second APEC Public-Private Sector Forum on Bond Market Development (<i>Office of the Advisory Group Chair</i>)</p> |
| 09:25 | <p><u>ITEM 4: Update on work on public-private partnership for infrastructure development</u></p> <ul style="list-style-type: none">• Introduction by Mr. Kenneth Waller, ABAC Australia• Comments by other participants <p><i>During its Jakarta meeting, the Advisory Group considered the establishment of a regional infrastructure dialogue (RID) to (1) build confidence and mandate for governments to invest in infrastructure; (2) enrich the vision for a long-term infrastructure plan that will secure long-term prosperity and underpin social stability; and (3) champion a pragmatic agenda for early action based on genuine</i></p> | <p>Papers/Presentations:</p> <p>4-A: Paper on Public-Private Partnerships for Infrastructure Development (<i>ABAC Australia</i>)</p> |

partnership with business and communities. In this meeting, the Advisory Group will explore the way forward in dealing with a number of related issues, such as the primary objective of a regional infrastructure dialogue as part of the APEC agenda; how APEC could assist governments with capacity-building in infrastructure policy and planning; and what role the private sector could play in the dialogue.

09:40

ITEM 5: Update on work on regional financial stability

- Introduction by Mr. Kenneth Waller, ABAC Australia
- Comment by the Advisory Group Coordinator
- Comments by other participants

This is a continuation of discussions on a way forward to promote reliable data on financial flows, building on the work undertaken by the Advisory Group in 2006 related to data requirements to support early warning systems and ameliorate the impact of adverse volatile capital flows. The Advisory Group will consider a proposal to work together with the IMF on ways to improve data on private sector financial flows. The Advisory Group will also consider a proposal to collaborate with the Asian Development Bank Institute on a research project related to regional economies' response to the consequences of the subprime mortgage crisis.

Papers/Presentations:

5-A: Paper on Regional Financial Stability (ABAC Australia)

5-B: Executive Summary of the Paper Strengthened prudential oversight of capital, liquidity and risk management (*Financial Stability Forum*)

5-C: Chapter on Strengthening the authorities' responsiveness to risks (*Financial Stability Forum*)

5-D: Research Project: Implications of the Subprime Crisis on Asia's Growth and Asia's Response (*ADB Institute*)

10:00

ITEM 6: Report of the Workshop on Improving the Environment for Commercially Sustainable Microfinance and consideration of further actions

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

On 23 January 2008, the Advisory Group and ABAC jointly held a workshop to identify reforms and capacity-building initiatives that can be proposed for implementation by APEC economies. The workshop was attended by a number of public and private international institutions. The Advisory Group will consider the conclusions and recommendations of the workshop report and discuss next steps.

Papers/Presentations:

6-A: Draft Report of the Workshop on Promoting a Favorable Policy Environment for Sustainable Microfinance (*Office of the Advisory Group Chair*)

10:20

ITEM 7: Improving the region's credit reporting systems

- Introduction by the Advisory Group Coordinator
- Presentation on behalf of the Asia-Pacific Credit Coalition by Ms. Marlena Hurley, Advisor, TransUnion
- Comments by other participants

As part of the Advisory Group's work on strengthening banking systems, this discussion will focus on the possibility of developing proposals for APEC to help improve credit reporting systems in the region.

Papers/Presentations:

7-A: Information Sharing and Economic Outcomes (*Dr. Michael A. Turner and Dr. Robin Varghese, PERC on behalf of the Asia-Pacific Credit Coalition*)

10:40

ITEM 8: Update on preparations for the Public-Private Dialogue on Basel II Implementation and Strengthening Banking Systems

- Introduction by Mr. Kenneth Waller
- Comments by other participants

Following the successful previous 3 dialogues between the private sector and central bankers/regulators/officials jointly organized by the Southeast Asian Central Banks' (SEACEN) Research and Training Centre, ABAC, the Asian Bankers' Association and PECC, a fourth dialogue is currently being prepared to be held on August 18-19, 2008 in Kuala Lumpur, Malaysia.

Papers/Presentations:

8-A: Draft Paper on the 4th SEACEN/ABAC/ABA/PECC Public-Private Sector Dialogue on Basel II Implementation and Strengthening Banking Systems (*SEACEN Research and Training Centre*)

10:45

ITEM 9: Consideration of possible work on capacity-building issues

Papers/Presentations:

related to greenhouse gas emissions trading

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

Based on previous discussions in FEWG on the report of the April 15 Environmental Finance Symposium recently held in Tokyo, the Advisory Group will consider whether there are capacity-building issues related to greenhouse gas emissions trading that need to be included in the Advisory Group's 2008 Report.

10:50

ITEM 10: Other matters

10:53

ITEM 11: Next meeting

- Introduction by the Advisory Group Coordinator

This is a proposal to hold the next regular meeting of the Advisory Group in conjunction with the 3rd 2008 meeting of ABAC in Hangzhou, China. The exact date, time and venue will be announced to all participants as soon as they are made available.

10:55

ITEM 12: Closing Remarks

- Closing remarks by the Meeting Chair

11:00

END

9-A: Paper on Capacity-Building Issues Related to GHG Emissions Trading (*Advisory Group Coordinator*)

Papers/Presentations:

None

Papers/Presentations:

None

Papers/Presentations:

None