



**Asia-Pacific
Economic Cooperation**

2024/FMM/JMS

**Joint Ministerial Statement - 31st Finance Ministers'
Meeting 2024**



**31st Finance Ministers' Meeting
Lima, Peru
21 October 2024**

2024 APEC FINANCE MINISTERS JOINT STATEMENT
Lima, Peru, 21 October 2024

1. We, the APEC Finance Ministers, convened our 31st meeting in Lima, Peru on 21 October 2024, chaired by Mr. José Arista Arbildo, Minister of Economy and Finance of Peru.
2. Under the 2024 APEC Finance Ministers' Process (FMP) theme, "Sustainable + Digital + Resilient = APEC", and its priorities, we envision and encourage an Asia-Pacific region that is more sustainable, more digital, more resilient and more APEC focused, as we look towards the future of the FMP. We also reaffirm our strong commitment to the APEC Putrajaya Vision 2040, including through the implementation of the Aotearoa Plan of Action, and the Cebu Action Plan.

Global and Regional Economy

3. Despite the reduction of inflationary pressures and gradual easing of monetary policy, the medium-term outlook for global and regional economic growth remains uneven and weaker than prior to the pandemic. We also acknowledge that the likelihood of a soft landing for the global economy has increased and that we are on a path towards a gradual recovery of economic activity. However, risks, such as increased global debt challenges, the effects of high interest rates, geoeconomic tensions, disruptions in global value chains, volatility of commodity prices and extreme weather conditions due to climate change, remain.
4. We emphasize the need for a balanced mix of monetary, fiscal and other policies to address global and regional challenges, with strong multilateral cooperation in the APEC region as a critical driver for economic growth. This approach is essential for fostering an open, dynamic, resilient and peaceful Asia-Pacific community for the prosperity of all our people and future generations. Our policy efforts should emphasize leveraging our macroeconomic strengths, and prioritize policies that enhance growth and mitigate risks. We recognize the importance of implementing responsible and prudent fiscal and monetary policies, while considering their potential spillover effects. We also acknowledge the relevance of effectively addressing debt vulnerabilities, including through the joint efforts by official and private borrowers and creditors to improve debt transparency. We also reaffirm our 2021 exchange rate commitments.
5. We recognize efforts to pursue complementary initiatives that support sustainable, inclusive and resilient growth, reduce poverty and seize opportunities, such as promoting sustainable finance objectives, fostering trade and investment, boosting innovation and digitalization, expanding access to quality education and decent work and promoting more competitive markets in all sectors, as well as the transition to the formal and global economy. In line with this, we reiterate the importance of continuing to work together to support a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system, with the WTO at its core. Consequently, in 2024, we strengthened our cooperation and contributed to the global and regional discussions by sharing best practices in areas of sustainable energy transitions, domestic carbon pricing and non-pricing measures, sustainable infrastructure financing, open finance, digital financial inclusion and hydrometeorological risk financing. These insights are critical to achieving sustainability, inclusiveness and resilience of economic development, in line with specific domestic circumstances.

More Sustainable

6. We acknowledge the importance of developing an appropriate policy mix, which could consist of fiscal, market and regulatory mechanisms including, as appropriate, the use of domestic carbon pricing and non-pricing mechanisms, carbon markets and incentives, towards global net-zero greenhouse gas emissions/carbon neutrality by or around midcentury, while taking into account the latest scientific developments and in line with different domestic circumstances. Therefore, we emphasize the need for appropriate and coordinated approaches to climate action, that leverage on a diverse set of policy instruments, tailored as necessary to specific domestic circumstances. We acknowledge the relevance of the involvement of and collaboration among stakeholders, including both public and private sectors, to address the climate challenges, and that distinctive approaches can foster investments and other key elements for sustainable transitions to serve as a tool to drive innovation and sustainability with effective and efficient outcomes.
7. To achieve clean, sustainable, just, affordable, and inclusive energy transitions, we highlight the need to adopt holistic strategies encompassing various dimensions to overcome the barriers that would inhibit sectors' pathways. We recognize that each sector has its own set of challenges, and we also recognize the benefits of tailored approaches and solutions. Thus, we emphasize the importance of innovative financing mechanisms that take into account the specific needs of various sectors and the individual circumstances of each economy, such as blended finance. We also emphasize the importance of enabling tools, such as taxonomies, sectoral roadmaps and sustainability information disclosure frameworks, and developing financial products and services to support clean, sustainable, just, affordable and inclusive transitions, as well as the crucial role of transition finance". We recognize the importance of considering energy transition technologies and to promote the financing as appropriate of economic sectors. We recall our previous commitments to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services.
8. We acknowledge the importance of financing quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure projects, which should support sustainable and inclusive economic growth and human well-being, while also ensuring economic, financial, social and environmental (including climate resilience) sustainability. We emphasize the importance of cooperation can play a significant role in enabling infrastructure financing and remain committed to implementing the APEC Connectivity Blueprint (2015-2025). This year, we noted APEC economies' progress in integrating sustainability considerations into their infrastructure frameworks, as well as innovative financing mechanisms. Besides public sector financing, we underscore the need for scaling up private sector financing to bridge infrastructure gaps.
9. We launch the Sustainable Finance Initiative (Annex A) for the coordination and promotion of voluntary information sharing and capacity building on sustainable finance issues. This initiative will operate and sunset in 2027, unless it is renewed, in line with its Terms of Reference. We thank Peru for serving as the first Convenor for the 2025-2027 period.

More Digital

10. We recognize that the adoption of Open Finance schemes in our economies has the potential to enhance competition in financial markets, offer more personalized, affordable and accessible financial products and services to consumers, and foster

financial inclusion by providing access to those who have been historically excluded from the financial system. Moreover, we note that the development of these schemes can promote greater transparency and strengthen trust in financial services, but also brings about new risks and challenges that must be addressed. We encourage economies and stakeholders to make efforts to share best practices and standards, including in consumer protection area, that foster the development of competitive and responsible Open Finance ecosystems. Such approach could include both practices and standards that should mitigate risks, address the unique vulnerabilities faced by marginalized groups, prioritize consumer benefits, and ensure consumer confidence in data sharing within the APEC region.

11. We stress the importance of fully harnessing the power of digitalization for inclusive finance to reduce the digital divides between different economies and socio-economic groups. We acknowledge the crucial importance of digital financial education in building resilient, inclusive and sustainable economies. In a world where technology is constantly redefining the interaction between individuals, businesses and financial markets, we encourage economies to drive innovation, foster healthy competition, and promote digital financial education as a policy tool to support economic development. We believe that, by equipping individuals with the knowledge and tools to navigate digital financial services while strengthening awareness about the privacy of data, informed consent, and the security measures implemented, we can foster confidence in the use of financial services, reduce potential harm, ensure inclusion, and support sustainable economic growth in our economies. It is critical to tailor these educational efforts to the specific needs of vulnerable and underserved populations to help close gaps in financial literacy and inclusion. In this regard, we recognize the importance of digital infrastructure and fostering cooperation to advance digital financial inclusion and financial literacy.

More Resilient

12. In recent years, hydrometeorological events have increased in frequency, duration and magnitude due to climate change. We recognize the need to strengthen domestic financial protection, as best determined by each economy and according to its own circumstances, against such risks to support public finance sustainability. We emphasized the importance of addressing these risks due to the high social, fiscal and economic impacts potentially affecting critical sectors such as health, housing, infrastructure, agriculture, electricity, etc. We note that enhancing resilience starts with better understanding of risks, disclosing them, and developing strategies to manage them. We recognize the relevance of improving the financial management of hydrometeorological risks, having reliable information to quantify the risks, and determining the best financing strategies. At the same time, we acknowledge the importance of preventive measures to reduce the vulnerability of the economies, including the development of resilient infrastructure, and early warning systems. We encourage the involvement of the private sector and international organizations to strengthen the financial management of these risks. In this regard, we emphasize the importance of disaster risk financing and insurance to mitigate and respond to present and future events.

More APEC

13. Considering the Cebu Action Plan comes to an end in 2025, we welcome the adoption of the Guidance Document for Developing a New Finance Ministers' Process Roadmap (Annex B), which will serve as a basis for the preparation of this document next year. We appreciate the support of the Policy Support Unit (PSU) with the preliminary review of the implementation of the Cebu Action Plan and the

assessment of the potential considerations for the new voluntary and non-binding roadmap.

14. We recognize the Strategy for Modernization of the Finance Ministers' Process, adopted in Lima in 2016, is still relevant and important for FMP, and we endorse the Second Strategy for Modernization of the Finance Ministers' Process (Annex C) to ensure that the FMP remains an agile, efficient and beneficial platform for all APEC economies.
15. We acknowledge and appreciate the efforts and progress of the Working Group on Regional Disaster Risk Financing and Insurance Solutions for APEC Economies (DRFI-WG), the Asia-Pacific Financial Forum (APFF), the Asia-Pacific Infrastructure Partnership (APIP), the Asia-Pacific Financial Inclusion Forum (APFIF), Asia Region Funds Passport (ARFP) and the APEC Finance and Development Program (AFDP).
16. We acknowledge the work done by and note the completion of the workstream on Financing a Just Energy Transition (FJET), created in 2022 within the framework of the "New Strategy for Implementation of the Cebu Action Plan".

Other Issues

17. We appreciate the continuous support from the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the Organisation for Economic Cooperation and Development (OECD) and the World Bank Group to the FMP's work, as well as this year's contributions from the Development Bank of Latin America and the Caribbean (CAF) and the UNDP.
18. We welcome the private sector's active and ongoing collaboration to the Finance Ministers' Process, through the APEC Business Advisory Council (ABAC) and other private sector contributors, and acknowledge ABAC's recommendations to Finance Ministers.
19. We thank Peru for hosting the 2024 APEC FMP this year and we look forward to meeting again for our 32nd meeting in the Republic of Korea in 2025.



ANNEX A SUSTAINABLE FINANCE INITIATIVE (SFI)

1. We reaffirm our commitments to promote economic policies, cooperation and growth which support global efforts to comprehensively address all environmental challenges, including climate change, extreme weather and natural disasters, for a sustainable planet, as it is set in the APEC Putrajaya Vision 2040.
2. We recognize the development of enabling conditions for a sustainable finance approach including sustainable finance information sharing tools and capacity-building resources could be a key asset to boost APEC economies potential to foster sustainable and responsible financial practices within the region.
3. By providing comprehensive information and resources on sustainable finance, we acknowledge that an APEC initiative can enhance awareness and understanding of sustainable investment opportunities, risk management, and the long-term benefits of aligning financial activities with environmental and social goals, as well as help to integrate sustainability considerations into the financial decision-making processes.
4. Moreover, we are convinced the experience sharing and capacity-building dimension of a regional common understanding can empower financial institutions, investors, regulators and official agencies to develop expertise in sustainable finance, ultimately contributing to the promotion of green and inclusive economic growth while addressing pressing global challenges, such as climate change and social inequality.
5. Thus, we determine to create a flexible, voluntary, and non-binding initiative for collaboration between the public sector, private sector and international organizations for APEC economies to promote the development of voluntary information sharing tools and capacity building resources on sustainable finance issues. This initiative is to operate as a Policy Initiative of the Finance Ministers' Process and shall follow all APEC principles, rules and guidelines.
6. We envision the SFI to:
 - a. Promote experience sharing and capacity-building that can lead to the voluntary adoption of policies (good practices in policymaking) on sustainable finance in APEC economies that are interested in going further at a domestic level.
 - b. Complement the work of existing international initiatives on sustainable finance, such as those of international organizations, avoiding duplication of efforts.
 - c. Create voluntary and non-binding tailor-made programs/activities for APEC economies relating to the exchange of information and capacity building on sustainable finance by international organizations and private sector.
 - d. Involve the technical teams in capacity building activities, exchange of information/experiences and, in general, in the discussion of these subjects.
 - e. Encourage APEC economies to engage or deepen their efforts in sustainable finance within and beyond existing international initiatives.
 - f. Actively engage the private sector on sustainable finance issues and in SFI's activities.
 - g. Collaborate with the Host Economies in the definition and execution of its priorities and activities on sustainable finance, in case this economy requests that support.
 - h. Give continuity to the activities or topics that have been discussed during prior years.
7. The SFI is subject to Annex C (Second Strategy for Modernization of the Finance Ministers' Process), and abides by the Terms of Reference determined to by all APEC economies. It also includes automatically a sunset clause, whereby the initiative must be reviewed in 2027



and only renewed by the decision of all APEC economies on a consensus basis. If it is renewed, the same review and renewal processes will be repeated for the SFI every three (3) years.

ANNEX B

GUIDANCE DOCUMENT FOR DEVELOPING A NEW FINANCE MINISTERS' PROCESS (FMP) ROADMAP

In 2015, the APEC Finance Ministers launched the Cebu Action Plan (CAP), as a 10-year roadmap for the FMP, with the goal of building an APEC community that is more financially integrated, transparent, resilient, and connected.

Since the CAP comes to an end in 2025, we welcome the preparation of a new FMP roadmap, next year, in order to continue, strengthen and deepen the work that has been done so far, as well as to promote strong, balanced, secure, sustainable and inclusive growth, in line with the APEC Putrajaya Vision 2040.

This new FMP roadmap could take into account the following considerations:

1. Serve as a strategic guide to identify and organize economic and financial policy priorities relevant for APEC economies and the Asia-Pacific region, aligned with the APEC Putrajaya Vision 2040 and Aotearoa Plan of Action, with the aim to promote the implementation of those initiatives through experience-sharing and capacity building among/from peers and other stakeholders, under a voluntary and non-binding approach.
2. Cover a five-year timeframe, to maintain its relevance, in the face of changing domestic, regional and global circumstances.
3. Be less prescriptive and more flexible than the CAP to provide the adaptability needed for economies to focus on the FMP priorities that better align with their own domestic contexts and policy priorities, while also allowing host economies to propose annual FMP priorities that reflect their own and regional challenges and goals.
4. All initiatives included in the roadmap will require the endorsement of all economies.
5. Consider in the roadmap initiatives under a few common interested areas of work, such as: Financial Inclusion, Financial Resilience, and Sustainable Finance.
6. To facilitate the conduct of activities in a focused manner, there should be a limited number of topics under each area of work decided to be included in the roadmap.
7. Prioritize the inclusion in the roadmap of initiatives that involves the participation of all APEC membership and consider selected initiatives where a subset of APEC economies may join only if they wish.
8. Consider the progress made in the implementation of the CAP and the preferences and domestic contexts of APEC economies, as well as the regional objectives of APEC, in the process of determining the initiatives to be included in the new roadmap.
9. The FMP Policy Initiatives or any other existing FMP workstream will support the new roadmap implementation, when possible.
10. Compared to the CAP, there is no periodical reporting. Instead, all APEC economies will report their progress, on a voluntary and non-binding basis, in the final year of the roadmap in the areas in which each economy has made progress. Notwithstanding that, economies can volunteer to submit additional reports, written or oral, at any time, as part of knowledge sharing.

ANNEX C

SECOND STRATEGY FOR MODERNIZATION OF THE FINANCE MINISTERS' PROCESS

The APEC Putrajaya Vision 2040 establishes that, to maintain APEC's unique position as the premier forum for regional economic cooperation as well as a modern, efficient and effective incubator of ideas, it is necessary to embrace continuous improvement of APEC as an institution through good governance and stakeholder engagements. In that line, through the Aotearoa Plan of Action, APEC is urged to improve its governance and organisational structure, with a view to efficiently and effectively deliver upon all elements of the APEC Putrajaya Vision 2040.

In 2016, the APEC Finance Ministers adopted, in Lima, the "Strategy for Modernization of the Finance Ministers' Process", with the aim to provide the Finance Ministers' Process (FMP) with greater impetus for open and action-oriented discussion amongst members, to focus on key deliverables and to better communicate APEC's achievements to the public.

Eight years later, it is important to work to ensure that the FMP continues to be a platform that is agile, efficient and beneficial for all APEC economies. We decide on the following strategy that complements the "Strategy for Modernization of the Finance Ministers' Process" of 2016:

1. The host economy should have a balanced approach in the preparation of the FMP work program (flexibility to include new priorities while building upon past priorities), as well as limit the number of priorities to as few as possible, preferably up to three (3).
2. In order to strengthen and give continuity to the FMP agenda, a troika mechanism is formalized, which involves close collaboration and coordination between the immediate previous, the current, and the immediate future host economies. The way this mechanism is to be formalized, each year, depends on the current host economy, the immediate previous and the immediate future.
3. Regarding the policy initiatives created or to be created in the FMP framework:
 - a. The policy initiatives are to follow all APEC principles, rules and guidelines.
 - b. All outputs of every policy initiative must be in English and available to all APEC economies.
 - c. All APEC-branded activities and documents of every policy initiative, that are not exclusively for its members, must be communicated and approved in advance by all APEC economies.
 - d. The policy initiatives cannot establish new study centers, websites, platforms, substructures or other institutions without approval from all APEC economies.
 - e. From 2025, the current policy initiatives automatically include a three-year sunset clause¹ in their Terms of Reference or document that acts as such, with exception of the Asia Region Funds Passport (ARFP) and the APEC Finance and Development Program (AFDP) due to their particular natures.
 - f. New policy initiatives, to be launched, require a three-year sunset clause, a minimum of seven (7) economies as members, a consensus Terms of Reference, and the endorsement of all APEC economies.

¹ Every policy initiative must be reviewed every three (3) years and only renewed by the decision of all APEC economies on a consensus basis. The non-renewal of any policy initiative involves its ceasing to exist within APEC.

- g. The policy initiatives must report at least annually to the Senior Finance Officials on their plans, activities and progress to avoid non-functioning groups. If a policy initiative has no substantive progress or deliverables to report for two (2) consecutive years, they will be referred to the Finance and Central Bank Deputies for a consensus decision on whether to continue operating, with exception of the ARFP and the AFDP due to their particular natures.
 - h. APEC economies will review whether the sunset clause and annual reporting requirements could apply to ARFP and AFDP at a later date on a consensus basis.
 - i. The host economy should strengthen the coordination with the Chairs or Convenors of the policy initiatives, to align their work programs to the current FMP work program, where appropriate.
4. Some sessions on the global and regional economic and financial outlook could focus on a prospective approach (which address what could happen in the coming months or years in the APEC region and member economies), whenever it is considered relevant according to the economic circumstances facing the APEC region and/or the world at that moment.
 5. Regarding the seminars and workshops in the margins of the Finance and Central Bank Deputies' Meeting and the Senior Finance Officials' Meeting:
 - a. Seminars and workshops should include a hybrid format option (in-person and virtual participation), whenever technically, logistically and financially feasible for the host economy, to broaden the participation of experts from APEC economies.
 - b. Depending on the agenda of these events, according to the preference of the host economy and with no objection from other economies, multistakeholder engagement is encouraged, including by inviting members of the private sector, civil society, and academia, in accordance with relevant APEC guidelines or rules, to share their experiences.
 - c. Depending on the agenda, according to the preference of the host economy and with no objection from other economies, the seminars may be opened to the general public, in accordance with relevant APEC guidelines or rules, with the aim of publicly sharing best practices from the output of APEC initiatives.
 6. High-level thematic events² could be held at the margins of the Finance Ministers' Meeting. In addition, where appropriate, more informal unstructured discussions (breakfasts, lunches, field trips, among others) could be held for ministers, deputies or senior finance officials.
 7. Economies may consider if an effective communication strategy to better publicize the FMP outcomes should be issued, maintained, and updated, accordingly, based on the interests and needs of APEC economies, preferably in the context of the adoption of the new FMP roadmap.

² Formal discussions led by Ministers, Heads of Delegations or Business Leaders.