



**Asia-Pacific
Economic Cooperation**

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**Joint Ministerial Statement Annex C - Second
Strategy for Modernization of the Finance Ministers'
Process – 31st Finance Ministers' Meeting 2024**



**31st Finance Ministers' Meeting
Lima, Peru
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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.