



**Asia-Pacific
Economic Cooperation**

2024/SOM1/012
Session 1.2

Host Year Priorities for the Finance Ministers' Process and Workplan

Purpose: Information
Submitted by: SFOM Chair



First Senior Officials' Meeting
Lima, Peru
7-8 March 2024

Host Year Priorities for the Finance Ministers' Process (FMP) and Workplan

Mr. Franklin Thompson
SFOM Chair



Theme



Priority 1

MORE **Sustainable**

Sustainable Finance Initiative

Sustainable Infrastructure
Financing

Domestic Carbon Pricing and
Non-Pricing Measures

Sustainable Energy
Transitions



MORE

Sustainable

SUSTAINABLE FINANCE INITIATIVE

Relevance:

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.

Deliverables:

- (February) Presentations on existing international platforms for sustainable finance, and the importance of having a flexible, voluntary and non-binding mechanism for APEC economies that coordinates and promotes the development of information sharing tools and capacity building resources.
- (May) Discussions on the mandate, scope, governance, membership, tasks, outcomes and other characteristics, that this APEC mechanism could have, seeking to make it complementary to other existing international platforms.
- (October) If APEC economies agree, launch of the Sustainable Finance Initiative, as a flexible, voluntary and non-binding collaboration and coordination tool between the public sector, private sector and international organizations.



MORE

Sustainable

SUSTAINABLE INFRASTRUCTURE FINANCING

Relevance:

Financing sustainable infrastructure is taking further importance among economies, the private sector and investors, that is, to finance quality, reliable, sustainable and resilient infrastructure, which supports economic development and human well-being, while also ensuring economic, financial, social, environmental (including climate resilience) and institutional sustainability.

Deliverables:

- (May) Workshop on developments in relevant SDG and ESG practices in APEC economies for appropriate domestic frameworks for financing sustainable infrastructure projects.
- (Intersessionally before October) A short compendium of experiences and lessons learned on financing sustainable projects in the Asia-Pacific region, identified in the workshop, as well as through the completion of a survey.



MORE

Sustainable

DOMESTIC CARBON PRICING AND NON-PRICING MEASURES

Relevance:

Recognizing the importance of both carbon pricing and non-pricing measures, it is believed that well designed and calibrated domestic carbon measures that abide by UNFCCC rules and principles can be effective in implementing transition towards sustainable and low-carbon economies. By recognizing and addressing the financial dimensions of carbon measures, in the context of a rapidly changing global landscape, the Asia-Pacific region will be at the forefront of sustainable economic development.

Deliverables:

- (February) Workshop on domestic carbon pricing and non-pricing measures to support climate goals under a comprehensive economic and financial sustainable approach.
- (Intersessionally before May) A short compendium of experiences and lessons learned from domestic carbon pricing and non-pricing measures, identified in the workshop, as well as through the completion of a survey.



MORE

Sustainable

SUSTAINABLE ENERGY TRANSITIONS

Relevance:

Energy transitions hold significant implications for sustainable development, economic growth, and global competitiveness. For that purpose, the transitions will require the integration of innovative solutions such as various energy technology advancements. Therefore, it will be necessary to support sectors' energy transitions pathways by identifying financial needs, as well as overcoming barriers to take advantage of investment opportunities in alternative emerging technologies that have the potential to drive economic growth while reducing carbon emission.

Deliverables:

- (February) Workshop on the opportunities, financial challenges and approaches of alternative technologies for sound sustainable energy transitions.
- (Intersessionally before May) A short compendium of experiences and lessons learned on the adoption of alternative sustainable energy technologies, identified in the workshop, as well as through the completion of a survey.

Priority 2

MORE **Digital**

Open Finance

Digital Financial Inclusion



MORE Digital

OPEN FINANCE

Relevance:

Open Finance is transforming the financial services industry for consumers, banks, Fintech businesses, regulators and other financial sector stakeholders. It unlocks new possibilities for financial institutions to develop new business models that enable innovation, promote financial inclusion, and enhance competition, but also brings about new risks and challenges.

Deliverables:

- (May) Workshop in which speakers from selected APEC economies will share experiences and lessons learned in the Open Finance implementation process.
- (Intersessionally before October) A short compendium of experiences and lessons learned on the Open Finance implementation process, identified in the workshop, as well as through the completion of a survey.



MORE Digital

DIGITAL FINANCIAL INCLUSION

Relevance:

Nowadays, the digitalization of financial products and services (such as loans, deposits, purchase and sale of foreign currency, payment of services, use of digital wallets, among others) is a reality. In this context, APEC economies need to strengthen the digital financial education of the population. For this, it is crucial to raise awareness and sensitizing authorities in charge of policy design about the importance of its implementation.

Deliverables:

- (May) Workshop in which speakers from selected APEC economies will share experiences and lessons learned in the Open Finance implementation process.
- (Intersessionally before October) A short compendium of experiences and lessons learned on the Open Finance implementation process, identified in the workshop, as well as through the completion of a survey.

Priority 3

MORE **Resilient**

Hydrometeorological Risk
Financing



MORE

Resilient



HYDROMETEOROLOGICAL RISK FINANCING

Relevance:

Hydrometeorological hazards, such as tropical cyclones, excess rainfall, floods, drought, heatwaves etc. are increasing as a result of climate change. Insurance provides a risk financing mechanism for enabling greater financial resilience. With the increasing availability of global, regional and sectoral data and the constant improvement of techniques for risk modeling and monitoring, it is possible to successfully develop models that support the placement of risk transfer instruments at risk-informed premiums.

Deliverable:

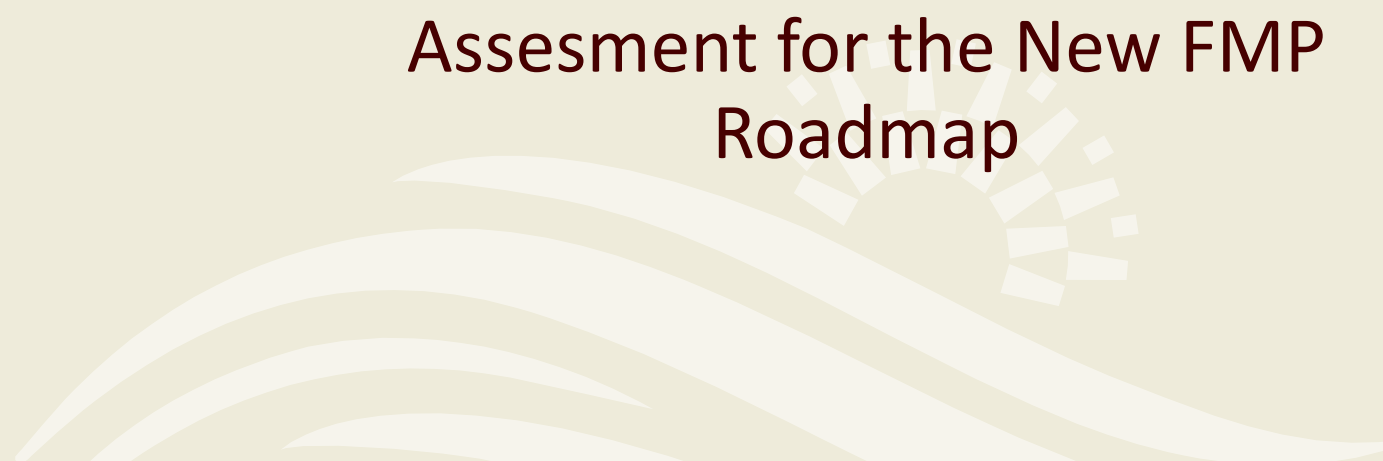
- (February) Workshop on the recent developments in disaster risk financing to increase financial resilience to hydrometeorological risk, including an overview of what currently exists in the APEC region, and the latest innovations.
- (Intersessionally before May) A short compendium of experiences and lessons learned on hydrometeorological risk financing, identified in the workshop, as well as through the completion of a survey.

Priority 4



Continuing the Modernization
of the FMP

Assesment for the New FMP
Roadmap





MORE APEC

CONTINUING THE MODERNIZATION OF FMP

Relevance:

it is important to ensure that FMP continue to be a platform agile, efficient and beneficial for all APEC economies. In that sense, during 2024, it will resume the discussions initiated in 2016 with the “Strategy for Modernization of the Finance Ministers’ Process” and look what else can be done to modernize this forum.

Deliverable:

- (February) Identification of elements/situations that may prevent or complicate the process from being more agile, efficient and beneficial for all APEC economies.
- (May) Discussions focused in the main issues identified in the previous meeting, as well as through the completion of a survey.
- (October) Presentation of the results and recommendations agreed to be implemented to modernize the FMP.



MORE APEC

ASSESSMENT FOR THE NEW FMP ROADMAP

Relevance:

As the Cebu Action Plan (CAP) comes to an end in 2025, it will be important to adopt a new FMP roadmap at the Finance Ministers' Meeting of that year. Before thinking about a new initiative, we have to identify the most and least implemented measures of the CAP, the challenges faced during the implementation periods, the gains for FMP, among others. In that sense, Peru proposes to make an assessment of what would be looked for in a new roadmap, taking into account the CAP and the new reality and interests for the APEC region.

Deliverable:

- (February) PSU is going to present a policy brief on the review of the Cebu Action Plan and propose a workplan for starting the discussions on the new roadmap for the FMP.
- (May) Discussions on the new roadmap for the FMP, which includes the pertinence of creating a new roadmap, the thematic areas of interest of APEC economies, the strategies for its implementation, among others.
- (October) Adoption of a guidance document for a new FMP roadmap.

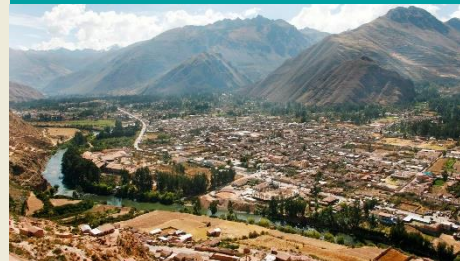
Venues and dates

Arequipa



**Finance and Central
Bank Deputies' Meeting**
February 21 - 24

Cusco - Urubamba



**Senior Finance
Officials' Meeting**
May 27 - 30

Lima



**Finance Ministers'
Meeting**
October 18 - 21



MUCHAS GRACIAS!
THANK YOU VERY MUCH!





APEC PERU

2024