

# First High-Level Follow-up Dialogue

on Financing for Development  
in Asia and the Pacific

30 and 31 March 2016  
Incheon, Republic of Korea



**PROGRAMME  
HIGH-LEVEL SPEAKERS**

# PROGRAMME

The international community adopted the Addis Ababa Action Agenda at the Third International Conference on Financing for Development, which was held in Addis Ababa on 15 and 16 July 2015. The Agenda provides a comprehensive and integrated framework for financing sustainable development and supporting the implementation of the Sustainable Development Goals. The objective of this dialogue is to discuss strategies for the implementation of the Agenda in the Asia-Pacific region, with a focus on six key issues: regional tax cooperation; capital markets; institutional investors; financial inclusion; climate finance; and South-South Cooperation and Triangular Development Cooperation. The outcome document of the dialogue will provide policy recommendations for a regional plan of action on financing for development. The Chair will introduce the panelists, explain the structure and objectives of the session and moderate the discussions. The speakers in the panel discussions will be kindly requested to limit their interventions to seven minutes.

## Day 1 | Wednesday 30 March

**08:00 - 09:00 | Registration and coffee, Sheraton Grand Incheon Hotel, 3rd floor**

**09:00 - 09:20 | Opening plenary session**

Introductory remarks

**Shamshad Akhtar**, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP

Welcome remarks

**Cho Tae Yul**, Vice Minister of Foreign Affairs, Republic of Korea

**09:20 - 09:30 | Special remarks**

**Yoo Il Ho**, Deputy Prime Minister and Minister of Strategy and Finance, Republic of Korea

**09:30 - 09:45 | Election of the Bureau and adoption of the agenda**

**09:45 - 10:00 | Group photo**

**10:00 - 12:30 | Session 1: Regional tax cooperation in Asia and the Pacific**

Governments in Asia and Pacific require more public revenue in order to provide more and better educational and public-health services, better security and justice, improved infrastructure and other public goods. The need for these public goods generally increases with economic growth and greater urbanization. The Governments of economies of the region that have low tax-to-GDP ratios face difficulties in meeting these needs. Furthermore, taxes are currently not used to reduce public bads (negative externalities) nor to increase adequately socioeconomic equality. In this context, Governments need to rationalize granting subsidies to ensure greater fiscal resources for social spending, such as on universal education and health care or to protect the environment. For that purpose, member States are discussing a proposal to set up an Asia-Pacific tax forum for sustainable development. The objective of this session is to discuss how such a forum could best help countries in the region improve the fairness, transparency, efficiency and effectiveness of their tax systems, including through learning from each other and collaboration. This, in turn, would help enable them to establish mechanisms for knowledge and technology transfer to support the implementation of the 2030 Agenda for Sustainable Development.

### Suggested questions and issues:

- How can the proposed Asia-Pacific tax forum for sustainable development support countries in the region most effectively in implementing the 2030 Agenda for Sustainable Development?
- What policy reforms are needed to mobilize additional public resources and promote the integration of the economic, social and environmental pillars of sustainable development?
- What actions should countries undertake, especially those that have single digit tax-to-GDP ratios, to enhance their collection of revenues?
- Has your country recently instituted reforms aimed at directly supporting sustainable development?
- With the growing spending needs of municipal governments to support the region's rapid urbanization, what do you think would be the best policy tools to strengthen their fiscal positions to provide essential urban infrastructure and public services?
- What is your view on the five selected areas of focus of the Asia-Pacific tax forum?
- What additional areas should the forum cover?

Chair: **Wayne Swan**, MP and former Deputy Prime Minister and Treasurer, Australia

### Panelists:

- **Gagik Khachatryan**, Minister of Finance, Armenia
- **Lyonpo Namgay Dorji**, Minister of Finance, Bhutan
- **Abdusalom Karim Qurboniyon**, Minister of Finance, Tajikistan
- **M.A. Mannan**, State Minister of Finance and State Minister of Planning, Bangladesh
- **Vito Tanzi**, Former State Secretary for Economy and Finance, Italy
- **Kim Jacinto-Henares**, Commissioner, Bureau of Internal Revenue, Philippines

Open discussion

**12:30 - 13:30 | Luncheon hosted by Yoo Jeong-Bok, Mayor of Incheon Metropolitan City**

**13:30 - 15:30 | Session 2: Capital markets, securities commissions and regulations in Asia and the Pacific**

The development of domestic capital markets with an appropriate mix of debt and equity is crucial for the provision of long-term financing for investment in social development, infrastructure projects and protecting the environment in Asia and the Pacific. A key instrument for capital market development is to coordinate national policies on financial infrastructure and develop a regional capital market.

A well-functioning financial infrastructure is essential for trades to be executed rapidly and safely, thereby contributing to the liquidity of the market. It also contributes to building confidence among issuers and investors. For that purpose, this session will present and discuss a proposal to set up an Asia-Pacific capital market development forum.

### Suggested questions and issues:

- What role should banks play in the process to develop capital markets when considering that the emerging Asia financial systems have traditionally been bank dominated?
- What are the best options for linking securities markets across countries of the region, especially for linking the countries with special needs in the emerging countries' securities markets?
- What policies should be implemented to provide incentives to investors to increase their investments in the local currency bond market?
- How do the global regulatory frameworks, such as the IOSCA and CPMI principles and Basel III rules, affect capital market development in terms of innovation of financial instruments for increased investment in sustainable development projects, especially in countries with special needs?
- What are the most effective ways to develop the secondary market for Islamic finance, including Sukuk, in the region?

Chair: **Mukesh Agarwal**, Chief Executive Officer, IISL, National Stock Exchange, India

Panelists:

- **Hyun-Cheol Lee**, Standing Commissioner, Financial Services Commission, Republic of Korea
- **Dasho Penjore**, Governor, Royal Monetary Authority, Bhutan
- **Arif Habib**, Chief Executive, Arif Habib Group, Pakistan
- **Tipsuda Thavaramara**, Deputy SG, Securities and Exchange Commission, Thailand
- **Naoyuki Yoshino**, Dean, Asian Development Bank Institute, Japan
- **Seiwoon Hwang**, Chief Economist, Korea Capital Market Institute
- **Alaattin Ecer**, Director, Research Department, Capital Markets Board of Turkey
- **Durreen Shahnaz**, Founder and Managing Director, Impact Investment Exchange Asia (IIX), Singapore
- **Obiyathulla Ismath Bacha**, Professor of Finance, INCEIF, Malaysia

Open discussion

**15:30 - 16:00 | Break**

**16:00 - 18:00 | Session 3: Financing for infrastructure development**

Infrastructure deficits across and within countries in Asia and the Pacific are holding back inclusive growth and sustainable development. A majority of the countries in the region face challenges in mobilizing additional resources for infrastructure development because of lack of access to long-term financing facilities and institutional arrangements. New regional and cross-regional multilateral infrastructure financing mechanisms could support cross-border infrastructure projects, creating benefits that extend beyond those of purely national projects of the same size. This session is intended to explore ways to encourage new multilateral infrastructure financing institutions, institutional investors and other emerging financial vehicles to enhance access to long-term finance in infrastructure development.

Suggested questions and issues:

- How can national development banks and multilateral financial institutions facilitate private domestic and cross-border infrastructure investment in the Asia and Pacific region?
- What new mechanisms can be used to improve collaboration and cooperation among different infrastructure facilitation institutions in the region?
- What policies would be most effective for encouraging greater asset allocation by domestic pension funds, insurance companies and other institutional investors for infrastructure investment?
- What institutional frameworks are most appropriate for encouraging private sector investment through PPPs, not only in emerging countries but also in countries with special needs?
- What risk mitigation mechanisms should governments provide to mobilize more long-term private investment in infrastructure?

Chair: **Shamshad Akhtar**, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP

Panelists:

- **Nodar Khaduri**, Minister of Finance, Georgia
- **Dmitry Pankin**, Chairman, Eurasian Development Bank
- **Gil S. Beltran**, Under-Secretary & Chief Economist, Department of Finance, Philippines
- **Rovshen Nuryagdyev**, Deputy Minister of Finance, Turkmenistan
- **Julian P. Vella**, AsPac Regional Head, Global Infrastructure, KPMG
- **Hans Genberg**, Executive Director, SEACEN Centre, Malaysia
- **Rajiv Biswas**, Chief Asia Economist, IHS Global Insight, Singapore

Open discussion

# Day 2 | Thursday 31 March

## 08:00 - 10:00 | Session 4: Financial inclusion

Designing financial inclusion strategies is a significant tool for ending poverty. It not only provides access to financial services and enhances the financial literacy of the poor, but it also allows micro, small and medium enterprises (MSMEs), startups and young firms, and innovative projects greater access to finance. However, the level of financial inclusion and its impact on poverty, employment and narrowing the gender gap varies widely across countries. Policies, therefore, need to be mainstreamed to improve full and equal access to financial services for all, with appropriate attention given to financial stability matters. This session covers financial inclusion strategies and policies that are most effective in allowing all citizens and firms access to financial services.

### Suggested questions and issues:

- How can formal financial institutions be incentivized to provide financial services to households and firms that have no access to such services?
- Which business models and innovations are most effective for enabling financial services providers to engage in financial inclusion?
- What is the scope for peer learning and experience-sharing among countries, including through the Alliance for Financial Inclusion and related institutions?

Chair: **Azeema Adam**, Governor, Maldives Monetary Authority

### Panelists:

- **Chiranjivi Nepal**, Governor, Nepal Rastra Bank
- **Nerses Yeritsyan**, Deputy Chairman, Central Bank of Armenia
- **Neav Chanthana**, Deputy Governor, National Bank of Cambodia
- **Riaz Riazuddin**, Deputy Governor, State Bank of Pakistan
- **P. Nandalal Weerasinghe**, Deputy Governor, Central Bank of Sri Lanka
- **Wook Sohn**, President, Economic Research Institute, Bank of Korea
- **Norbert Mumba**, Deputy Executive Director, Alliance for Financial Inclusion

Open discussion

## 10:00-10:30 | Break

## 10:30-12:30 | Session 5: Climate finance

The countries in the Asia-Pacific region are taking concrete action nationally to address the negative economic-social-environmental impact of climate change. It is necessary to take appropriate mitigation and adoption actions. However, steps to improve climate conditions are often focused on more climate-friendly infrastructure, requiring a large scaling up of existing climate finance flows. In the Paris Agreement on Climate Change, which was adopted in December 2015, the importance of making available new and additional financial resources to support the implementation of policies, strategies, regulations and action plans for climate change mitigation and adaptation was further emphasized. It was recognized earlier in the 2030 Agenda for Sustainable Development and in the Addis Agenda on financing for development. The Paris Agreement aims to enable the paradigm shift towards low-carbon and climate-resilient development by making all financial flows consistent with these goals. In this session, the discussion is focused on the opportunities and challenges of climate finance in Asia and the Pacific and other green finance options, such as cleaner production investments and resource management financing options, and their combining effect on sustainable development.

#### Suggested questions and issues:

- In what ways will the Paris Agreement engage the finance sector in scaling up climate finance in Asia and the Pacific?
- What approaches should governments take to mainstream climate change policy into their national development plans? What leverage points exist for governments?
- In which areas should governments strengthen capacity to maximize climate finance opportunities?
- What business opportunities can be generated by a low-carbon economy and from other green finance options?

Chair: **Aiyaz Sayed-Khaiyum**, Attorney-General and Minister for Finance, Fiji

#### Panelists:

- **Ruslan Beketayev**, Deputy Minister of Finance, Kazakhstan
- **Heng Sok Kung**, Vice Minister, Ministry of Industry and Handicraft, Cambodia
- **Choi Jai-chul**, Ambassador for Climate Change, Republic of Korea
- **Simeon Athy**, Governor, Reserve Bank of Vanuatu
- **Syurkani Ishak Kasim**, Vice Chairman of Fiscal Policy Agency, Ministry of Finance, Indonesia
- **Héla Cheikhrouhou**, Executive Director, Green Climate Fund
- **Yvo de Boer**, Director-General, Global Green Growth Institute
- **Tom Heller**, Executive Director, Climate Policy Initiative

Open discussion

**12:30 - 13:30 | Lunch**

### **13:30 - 15:30 | Session 6: South-South Cooperation and Triangular Cooperation, with a focus on the countries with special needs**

As the Asia-Pacific region is comprised of many low income and vulnerable economies, substantial external resources are essential for pursuing sustainable development. One of the major approaches to increase external resources is to enhance regional cooperation, for which South-South Cooperation and Triangular Cooperation can play a very important role. These approaches are not only important channels for funding development programmes but they also provide new opportunities to share best practices, skills and expertise among developing countries and regions. The objective of this session is to discuss the potential of South-South Cooperation and Triangular Cooperation, which provide a unique opportunity to support the idea that “no nation can succeed alone” in moving towards shared prosperity for all.

#### Suggested questions and issues:

- What are the key priority areas for enhancing South-South Cooperation and Triangular Cooperation in Asia and the Pacific?
- What is the scope for increasing cooperation within the existing regional bodies and instituting a regional framework to strengthen South-South Cooperation and Triangular Cooperation in Asia and the Pacific?
- What are the best approaches for supporting countries with special needs, specifically through peer learning, knowledge-sharing and capacity-building, in their efforts to implement the 2030 Agenda for Sustainable Development?
- What are the major sources of innovative global finance, in addition to present pooled global resources, available for financing priority areas to enhance South-South Cooperation and Triangular Cooperation in the Asia-Pacific region?

Chair: **Ly Thuch**, Senior Minister, Cambodia

Panelists:

- **Khalil Sediq**, Governor, Central Bank of Afghanistan
- **Denton Rarawa**, Governor, Central Bank of Solomon Islands
- **Damodar Bhandari**, State Minister of Finance, Nepal
- **Eugene Amor**, Chief Economist, Department of Finance & Administration, Micronesia (Federated States of)
- **Boonchai Charassangsomboon**, Executive Director of International Economics Policy Bureau, Ministry of Finance, Thailand

Open discussion

**15:30 - 16:00 | Break**

**16:00 - 17:00 | Presentation of the recommendations and Chair's Summary of the Dialogue**

This session is devoted to considering the recommendations of the Dialogue for a regional plan of action on financing for development.

Chair: **Cho Tae Yul**, Vice Minister of Foreign Affairs, Republic of Korea

Chair of Sessions: (TBA)

Rapporteur: **Wayne Swan**, MP and former Deputy Prime Minister and Treasurer, Australia

**17:00 - 17:30 | Official closing session**

Closing remarks

**Shamshad Akhtar**, Under-Secretary-General of the United Nations and Executive Secretary of ESCAP

**Kim Young-mok**, President, The Korea International Cooperation Agency, Republic of Korea



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