



**A JOINT REGIONAL SYMPOSIUM:
THE AUSTRALIAN APEC STUDY CENTRE AND THE ASSOCIATION OF DEVELOPMENT
FINANCING INSTITUTIONS IN ASIA AND THE PACIFIC (ADFIAP)**

**“Best Practice Regulatory Principles Supporting MSME Access to Finance”
Manila, Philippines, June 27th and 28th 2011**

Introduction

Measures to increase the flow of funds to MSMEs is a major development challenge identified by G20, APEC and other fora in promoting financial inclusion in the Asia Pacific region. This symposium seeks to address this challenge by promoting a regulatory environment in the APEC region’s economies conducive to supporting increased lending by development banks, the commercial banking system and through capital markets. The symposium will review existing regulatory impediments that impact on finance availability and consider the concept of proportional regulatory and supervisory frameworks conducive to increasing financial inclusion and propose best practice regulatory principles. The output of the work should contribute to broader and deeper financial inclusion, employment and investment in the region’s economies.

This symposium will bring together financial system policy makers and regulatory officials from the region, specialists from international and regional organisations and standard setting bodies, senior representatives of development, savings and commercial banks, the securities sector and non-bank financial intermediaries.

The objectives of the symposium are:

- To evaluate regulatory and policy impediments that impact on the flows of finance to micro, medium and small enterprises (MSMEs) and
- To discuss measures and best practice regulatory principles that would enhance access to finance.
- To build capacities in regional economies to increase the flow of funds to MSMEs by promoting a regulatory environment in the region’s economies to enhance banking, equity and debt capital markets.

The proposed outcomes of the symposium are:

- concrete best practice proposals for regulatory and supervisory approaches based on participant and expert experiences, international standards and identified challenges that would give banks and financial institutions as well as other capital market players a higher level of comfort in financing MSMEs whilst also addressing the challenges facing MSMEs in accessing finance;
- linkages and networking among the participants to expand synergies and activities towards the promotion of a regulatory environment conducive to increased access to finance by MSMEs
- replicability of the activity results to other economies in APEC and enhanced capacity amongst policy makers and those responsible for the supervision and regulation of MSME financial markets.

The symposium is the first part of a two part activity funded by AusAID under its Public Sector Linkages Program. The output would be proposals that will be submitted for consideration by APEC Finance Ministers and other fora as an action plan to further best practice regulatory approaches. The proposals would also be used as the basis for a subsequent 5-day capacity building training program for regional policy makers and regulators to be held in Melbourne, Australia in early 2012.

Monday 27 June 2011

Venue: Dusit Thani Hotel, Manila, Room 3, Upper Mezzanine

Day 1: Global and economy specific issues for MSME access to finance, best practice design of finance markets and the regulatory challenges and opportunities

8.00-8.30 Registration	
8.30 – 9.00 am	
SESSION 1: Welcome, Opening Remarks and Key Note Address	
<ul style="list-style-type: none">• Welcome• Opening Remarks• Key Note Address• Group Photo (5 mins)	Speakers: <ul style="list-style-type: none">• Mr Octavio Peralta, Secretary – General, Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)• Mr Ken Waller, Director, Australian APEC Study Centre at RMIT• Mr. Nestor A. Espenilla, Deputy Governor, Central Bank of the Philippines
9. 00 - 10.30 am	
SESSION 2: Principal limitations on financing MSMEs and regulatory impediments and opportunities	
Topics: <ul style="list-style-type: none">• Principal limitations on financing MSMEs• Winds of change – the regulatory backdrop• Opportunities for the growth of financial services to MSMEs• G20 and Financial Inclusion: Critique of G20 Principles for Innovative Financial Inclusion and the Global Partnership and of G20 SME Finance Challenge• Bank of International Settlements: “Microfinance Activities and the Core Principles on Effective Banking Supervision” – Analysis and critique	Moderator: Ken Waller Speakers: <ul style="list-style-type: none">• Dr. Twatchai Yongkittikul , Secretary General, Thai Bankers’ Association• Mr. R. Sean Craig, IMF Resident Representative in Hong Kong• Ms Ros Grady, Adj. Professor of Law, University of Sydney and Academic Coordinator for the Program
10.30 -11.00 am MORNING TEA	
11.00 am – 12.30 pm	
SESSION 3: Regulatory structures for efficient financial markets	
Topics: <ul style="list-style-type: none">• Design of credit markets with a	Moderator: Ms Ros Grady (Academic Coordinator)

<p>particular focus on issues relevant to MSMEs.</p> <ul style="list-style-type: none"> Challenges in empowering underserved groups in accessing finance (from both the supply and the demand (client) side) (A case study from the Maldives) 	<p>Speakers:</p> <ul style="list-style-type: none"> Professor Peter Bardsley, Economics Faculty, the University of Melbourne Mr Sanjay Saxena, Managing Director, Total Synergy Consulting Ms. Maria Lourdes S. Pineda, Senior Vice President – Head, Microfinance at RCBC
<p>12.30 – 1.30 pm LUNCH</p>	
<p>1.30 – 3.30 pm</p>	
<p>SESSION 4: Policies and reforms in the Asia Pacific region</p>	
<p>Topics:</p> <ul style="list-style-type: none"> Outline of policies and programs of ADB, ADBI and APEC to enhance access to finance for MSMEs Examples of MSME financing schemes and related regulations: the issues and the challenges Proportionate regulatory and supervisory approaches to the MSME sector Providing an enabling regulatory environment to enhance access to finance for MSMEs Capital markets for MSMEs 	<p>Moderator: Mr Ken Waller</p> <p>Speakers:</p> <ul style="list-style-type: none"> Comm. Raul Palabrica, Commissioner, Philippines Securities and Exchange Commission Mr. Gary Judd, Chairman, ASB (ABAC member New Zealand) Mr. Qifeng Zhang, Principal Financial Sector Specialist of the Asian Development Bank Ms. Mary Rose A. Contreras, Manager, Core IT Specialist Group, Philippines Central Bank Mr. Benel Lagua, President, Small Business Corporation (SBC)
<p>3.30- 4.00pm, TEA/COFFEE BREAK</p>	
<p>4.00pm– 5.00 pm</p>	
<p>SESSION 5: Economy Presentations</p>	
<p>Each economy representative is to present the key challenges that MSMEs face in obtaining access to finance in their economy and the principal regulatory or supervisory approaches that inhibit or promote such access. (15 minutes each economy)</p>	<p>Moderator: Ms Ros Grady (Academic Coordinator)</p> <ul style="list-style-type: none"> Indonesia Peru
<p>5.00 pm, CLOSE OF DAY 1</p>	

Tuesday 28 June 2011

Venue: Dusit Thani Hotel, Manila, Room 3, Upper Mezzanine

Day 2: Identification of Possible Best Regulatory Practices to Enhance Access to Finance

9.00 – 10.00 am	
SESSION 6, Economy presentations (cont.)	
Topics: Each economy representative is to present the key challenges that MSMEs face in obtaining access to finance in their economy and the principal regulatory or supervisory approaches that inhibit or promote such access (15 minutes each, followed by discussion)	Moderator: Ms Ros Grady (Academic Coordinator) <ul style="list-style-type: none">• Thailand• Vietnam• India (TBC)
10.00 am – 10.30 am, MORNING TEA	
10.30 am - 12.30 pm	
SESSION 7: Identification of sector specific issues	
(1 hour for discussion in break out groups and 1 hour for reporting back to other participants)	Moderator: Ms Ros Grady (Academic Coordinator) Technical Group Session: Banks, Development Banks and Savings Banks Facilitator: Mr. Deva de Silva, Senior Operations Officer, IFC Technical Group Session: Non-bank Credit Institutions Facilitator: Mr Octavio Peralta Technical Group Session: Capital Markets Facilitator: Mr Ken Waller Technical Group Session : Product Innovation Facilitator: Mr Sanjay Saxena
12.30 pm– 1.30 pm, LUNCH	
1.30 pm – 2.30 pm	
SESSION 8: Expert panel discussions on group reports	
To identify key regulatory challenges and possible best practices for relevant sectors	Moderator: Mr Ken Waller Experts: <ul style="list-style-type: none">• Comm. Raul Palabrica, Philippines Securities and Exchange Commission• Ms. Pia Bernadette Roman Tayag Head, Inclusive Finance Advocacy, Bangko Sentral ng Pilipinas• Mr. Deva de Silva, Senior Operations

	<p>Officer, IFC</p> <ul style="list-style-type: none"> • Professor Peter Bardsley
2.30 – 3.00 pm, AFTERNOON TEA	
3.00 pm- 5.00 pm	
SESSION 9: Proposals for best practice regulations to promote access to finance by MSMEs	
<p>Discuss recommendations from Panel of Experts and develop proposals that i) could be incorporated in a suggested Action Plan for consideration by APEC Finance Ministers and others and ii) help form the agenda for the subsequent capacity building exercise in Melbourne, Australia.</p>	<p>Moderator: Ms Ros Grady (Academic Coordinator)</p> <p>All participants are to be engaged in this discussion.</p>
5.00 – 5.15 pm	
SESSION 10: Concluding remarks	
	<p>Mr Ken Waller Mr Octavio Peralta</p>