



Regional: Enhancing the Capacity of the Asian Financial Sector through the Asia-Pacific Economic Cooperation Financial Regulators Training Initiative

Project Name	Enhancing the Capacity of the Asian Financial Sector through the Asia-Pacific Economic Cooperation Financial Regulators Training Initiative	
Project Number	49138-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8947-REG: Enhancing the Capacity of the Asian Financial Sector through the Asia-Pacific Economic Cooperation Financial Regulators Training Initiative	
	Regional Cooperation and Integration Fund	US\$ 450,000.00
	Technical Assistance Special Fund	US\$ 225,000.00
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Knowledge solutions Partnerships	
Sector / Subsector	Finance - Finance sector development	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>To support the national commitments made by APEC economies and ADB DMCs, ADB continuously provides technical support to capacity building requirements of these economies. Considered to be one of the longest training initiatives endorsed by APEC Finance Ministers Meeting, APEC FRTI has been a relatively cost effective program through cost sharing mechanism among stakeholders. Since seminar topics are identified through surveys and meetings among the APEC FRTI member economies, (i) an APEC FRTI member institution hosts the seminar/s that is/are particularly relevant to its economy and finances seminar cost such as venue rental; (ii) participating economies, on the other hand, pay the travel expenses (airfare and accommodation and other allowances) of their staff participants; and (iii) ADB finalizes seminar programs and shoulders the cost of engaging resource speakers and some administrative costs.</p> <p>APEC FRTI has two Advisory Groups (AGs) composed of senior representatives from the banking supervisors and securities regulators, respectively, in APEC and ADB member economies. AGs meets annually and plays a vital role in deciding next year's seminar topics and host institutions, reviews the seminar evaluations from participants, as well as provides guidance and technical support to APEC FRTI. There has been a strong demand from APEC members and ADB DMCs. From 2001 to 2014, APEC FRTI conducted 123 seminars, with 5,062 participants from different economies. As host government requests the seminar, the APEC FRTI provides direct capacity building assistance to the financial regulatory agencies of the host government. These approaches, wherein AG members identify seminar topics and volunteer to host, ensure ADB that seminars conducted under APEC FRTI are demand-driven and will be supported by APEC member economies and ADB DMCs. In June 2014, the APEC FRTI secretariat conducted a survey and got 100% confirmation from AG members, indicating the need for APEC FRTI to continue.</p>	

Project Rationale and Linkage to Country/Regional Strategy	<p>Backed up with strong demand and support from APEC member economies and APEC FRTI AG members, the proposed TA aims to do the following strategies:</p> <p>(i) Establishing a mechanism to collect seminar fee from participants. During the AG meeting in August 2014, which was formalized in the May 2015 AG meeting in Manila, the ADB Secretariat brought up a suggestion to collect seminar fee from participants while participants from hosting economies and low-income economies can be waived. The seminar fees collected will all be accumulated separately in ADB's account. These collected fees will be disbursed by ADB Secretariat under the instruction and guidance of AG members for the purpose of ensuring the self-sustainability of the program.</p> <p>(ii) Incorporating cross-cutting topics into training program. While advancement of ICT can enhance the efficiency of financial market, its fast revolution brings up new type of financial product and business, such as on-line funding and regulating shadow banking business, among others, can somewhat threaten the traditional financial industries and pose unequal footing competitions since some regulations cannot keep abreast with advanced and new financial products. The APEC FRTI will accordingly incorporate these topics into training programs or annual conference.</p> <p>(iii) Expanding insurance topic (regulators) to APEC FRTI program. As some financial issues are interconnected among banks, securities, and insurances industries, there is a need for insurance regulators to join the APEC FRTI program as AG members. Moreover, with the fast changing financial sector and increasing number of investment products with insurance component, insurance sector can be considered an area that cuts across the various sectors. For this reason, including insurance topic in the APEC FRTI program will provide a more holistic discussion on financial sector development.</p> <p>(iv) Assessing the outcome and impact of seminars to participants' DMCs. To know how well the capacity of financial sector regulators and supervisors in participating DMCs enhanced, the APEC FRTI Secretariat will request feedbacks from the participants 6 months after end of the seminar.</p> <p>(v) Sharing of seminar materials. Under this proposed TA, APEC FRTI seminar materials will be uploaded to ADB internal websites, such as Finance Sector Group, for staff's reference in order to maximize the utility of seminar materials and efficacy of knowledge sharing.</p> <p>(vi) Upgrading of the APEC FRTI website. The proposed TA will upgrade the website by improving its layout and the functionality for effective dissemination of FRTI seminars and enhance user experience, such as, easier seminar registration process. It will also provide participants a secured access for the materials of specific seminar.</p>
Impact	Financial sector supervision and regulation in participating DMCs improved

Project Outcome

Description of Outcome	Capacity of financial sector regulators and supervisors in participating DMCs enhanced
Progress Toward Outcome	<p>Based on the participants' online survey held on 25 January 2017 to 3 March 2017, 97% (216 out of 223 respondents) agreed that APEC FRTI has contributed to enhance their capacity as financial supervisors and regulators.</p> <p>95% of the respondents believed that the knowledge and information gained in attending the APEC FRTI seminars have helped them in doing their work.</p>

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Partnership and collaboration among participating DMCs and regional and/or international finance-related institutions promoted 2. Knowledge-sharing activities conducted 3. Knowledge product produced and developed
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>1a. Between October 2015 and March 2017, the TA has delivered 13 training programs benefiting a total of 661 financial regulators. Consequently, 59 case studies were presented during the seminars. Note: 2015 (August _ December) _ 4 seminars, 2016 _ 7 seminars, 2017 (as of 31 March) _ 2 seminars</p> <p>1b. 11 seminars were supported by financial regulatory agencies in DMCs and regional and/or international institutions through providing resource persons. Note: 4 Regional/international institutions: International Organization of Securities Commissions (IOSCO), IMF-Singapore Training Institute, Toronto Centre, and SEACEN Centre. 12 Financial regulatory agencies: Securities and Exchange Commission of Thailand, Monetary Authority of Singapore, Federal Reserve Bank of Chicago, State Bank of Pakistan, Financial Industry Regulatory Authority, Securities Industry Development Corporation Malaysia, Bangko Sentral ng Pilipinas, Board of Governors of the Federal Reserve System, Korea Institute of Finance, Financial Supervisory Service (FSS), Federal Reserve Bank of New York, and Federal Reserve Bank of Kansas City</p> <p>2a. Overall, the participants rated the APEC FRTI seminars as 99% (excellent/good).</p> <p>2b. On the average, 43 trainees participated in each program.</p> <p>2c. 1 Advisory Group (AG) meeting was held on 6 September 2016 in Seoul, Republic of Korea. The AG members expressed their committed to continuously support the APEC FRTI by hosting the banking and securities seminars for 2017 as well as providing presenters to the seminars.</p> <p>2d. 1 conference on FinTech _ Avoiding the Pitfalls, Reaping the Benefits was held on 7 September 2016 in Seoul, Republic of Korea in partnership with the World Bank Group (WBG), FSS, and the Ministry of Strategy and Finance (MOSF) of the Republic of Korea on 7 September 2016 in Seoul, Republic of Korea. It was attended by 50 senior officials from central banks, securities commissions, insurance commissions, associated financial regulatory agencies, self-regulatory organizations, and standard-setting bodies.</p> <p>3a. In 2016, 2 summary notes on Electronic Banking and Mobile Financial Services, and Fintech in Capital Markets seminars were produced.</p> <p>3b. APEC FRTI Brochure was updated in 2015 and published in the APEC FRTI website</p> <p>3c. Continuous updating of APEC FRTI website is being done.</p>
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Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation	<p>The TA targets at expanding insurance topic (regulators) to APEC FRTI program (AG members) so as to discuss cross-sectoral topics in seminars as well as establishing a mechanism to collect seminar fee from participants to address the financial sustainability issue of APEC FRTI. Given this, the outputs will cover the following:</p> <p>(i) Output 1: Partnerships among the TA stakeholders. To conduct seminars, the APEC FRTI have partnered with different international agencies and financial regulatory authorities to invite experts as resource speakers. Going forward, to incorporate insurance related topics, APEC FRTI will partner with International Association of Insurance Supervisors (IAIS), among others, for securing resource speakers. The TA aims to deliver at least 8 seminars per year hosted by government institutions; at least 4 seminars supported by regional and/or international institutions through provision of experts.</p> <p>(ii) Output 2: Knowledge-sharing activities conducted. Seminars conducted under the APEC FRTI are conceptualized during the AG meetings and programs are being finalized together with the host institutions. This process has given APEC FRTI the assurance that the seminars provided to the economies are indeed demanded by them and ensures complementarities and not duplications from the seminars being conducted by other institutions. The TA aims to conduct at least 1 AG members meeting annually with an average attendance of 35 participants in each seminar; and</p> <p>(iii) Output 3: Knowledge products produced and developed: At least 5 summary notes of selected seminar topics produced; APEC FRTI brochure updated and finalized; and APEC FRTI website upgraded and maintained.</p>
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Business Opportunities

Consulting Services

The TA will require about 12 person-months of international consulting services, 45 person-months of national consulting services, and 10 person-months of resource persons' participation. Consultants and resource persons will be recruited individually, in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The scope of work and outline terms of reference for the consultants are in Appendix 3. To implement the TA successfully, a team of RSOD staff (one international staff member, one national officer, and one operations assistant), will coordinate and manage consultants and consolidate their individual outputs.

Procurement Purchasing of equipment (i.e., computer hardware and software) will be undertaken by ADB, in accordance with ADB's Procurement Guidelines (2013, as amended from time to time) and in coordination with ADB's Office of Information Systems and Technology and Office of Administrative Services, where applicable. After TA completion, any procured equipment will be disposed of in compliance with the project administration instructions on administering grant- financed technical assistance. Disbursements under the TA will be made in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).

Responsible Staff

Responsible ADB Officer	Kim, Woohyun
Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	Office of the Chief Economist, ERD
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

Timetable

Concept Clearance	24 Mar 2015
Fact Finding	15 Apr 2015 to 15 Apr 2015
MRM	-
Approval	25 Aug 2015
Last Review Mission	-
Last PDS Update	06 Apr 2017

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Aug 2015	-	25 Aug 2015	31 Dec 2017	-	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
675,000.00	0.00	0.00	0.00	0.00	0.00	675,000.00	25 Aug 2015	459,637.52

Project Page	https://www.adb.org/projects/49138-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49138-001
Date Generated	06 July 2017

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