

ASIAN DEVELOPMENT BANK

TAR: REG 34240

TECHNICAL ASSISTANCE
(Financed from the Japan Special Fund)

FOR CAPACITY BUILDING FOR FINANCIAL REGULATION

AND SUPERVISION

December 2000

ABBREVIATIONS

ADB	–	Asian Development Bank
ADB I	–	Asian Development Bank Institute
APEC	–	Asia Pacific Economic Cooperation
APRC	–	Asia Pacific Regional Committee (of IOSCO)
AusAID	–	Australian Agency for International Development
DMC	–	developing member country
IAIS	–	International Association of Insurance Supervisors
IOSCO	–	International Organization of Securities Commissions
PRC	–	People's Republic of China
TA	–	technical assistance
TWG	–	Technical Working Group

NOTES

In this report, "\$" refers to US dollars.

I. INTRODUCTION

1. In May 1998, the finance ministers of the Asia Pacific Economic Cooperation (APEC) member economies¹ endorsed the Financial Regulators Training Initiative (APEC Initiative) to develop regulators' capacities in the region. At APEC's request, the Asian Development Bank (ADB) assisted in the preparation of action plans that established a broad direction and approach for sustainable training programs for banking supervisors and securities market regulators. Under these plans, two advisory groups² and a secretariat for managing day-to-day operations were set up at ADB headquarters to implement the APEC Initiative. Phase I was completed in October 2000, and a progress report was submitted to the APEC finance ministers. At their meeting held in September 2000 in Brunei, the APEC finance ministers recommended an extension of the initiative and requested a continuation of ADB's advisory and financial support.

2. Following the successful implementation of phase 1 of the APEC Initiative, ADB received requests from the Australian APEC Study Centre and the Asian Development Bank Institute (ADBI) to support additional capacity building programs for financial regulators in the region. There are strong interlinkages and potential synergies between the APEC Initiative and these new programs. The technical assistance (TA) will finance three programs: (i) the APEC Initiative, phase II; (ii) the Australian APEC Study Centre's three-year capacity building program for insurance and pension regulators; and (iii) an ADBI capacity building workshop for the pension subsector. By working on a collaborative basis, the TA will provide a more efficient utilization of resources and coordinated regional training across the banking, securities, insurance, and pension subsectors. The TA framework is in Appendix 1.³

II. BACKGROUND AND RATIONALE

3. The APEC finance ministers have placed high priority on strengthening financial systems through development and enforcement of standards, codes, capacities, and expertise of regulatory and supervisory staff in the financial sector. To develop sustainable training programs, the APEC Initiative emphasizes improvements in training processes and programs to enhance the quality, implementation, and enforcement of regulation. The APEC Initiative also helps financial regulatory authorities in APEC economies implement the Basle Core Principles for Effective Banking Supervision and the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO), which require regular training to ensure that staff have the capacity to carry out their responsibilities. To date, key outputs of the APEC Initiative include:

- (i) two regional seminars for national training managers to disseminate guidelines and best practices for management of training;
- (ii) development of entry and intermediate level model curricula for banking supervisors and securities market regulators;

¹ Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Taipei, China; Thailand; United States; and Viet Nam.

² One advisory group is for the banking supervisors program and the other is for the securities market regulators program. Both advisory groups have representatives from international financial institutions including ADB, the World Bank, and the International Monetary Fund.

³ The TA first appeared in *ADB Business Opportunities* in May 2000.

- (iii) two regional seminars for skills building for securities market regulators in priority technical areas such as enforcement and supervision of market intermediaries; and
- (iv) establishment of a web site for the APEC Initiative to facilitate and strengthen coordination among regional and international training providers.

4. The regional seminars for securities market regulators and training managers have involved almost 200 participants from APEC and ADB member economies. For example, participants in the July 2000 Regional Seminar came from People's Republic of China; India; Indonesia; Republic of Korea; Kyrgyz Republic; Malaysia; Nepal; Pakistan; Papua New Guinea; Philippines; Singapore; Sri Lanka; Taipei, China; and Thailand. Presenters included Australia; Hong Kong, China; Malaysia; United Kingdom; and United States. The activities have addressed gaps in current procedures and practices for training financial regulators in the APEC region. Phase II will build on the regional network of training managers and the curriculum tools developed in phase I, to help national regulatory agencies further strengthen their training programs and promote the adoption of sound training practices. Intensive work is needed to build the training capacity and resources in regulatory agencies so that they become more self-sufficient in training their staff.

5. Financial supervision is becoming increasingly risk-based, and regulators need to develop sophisticated risk assessment skills for effective implementation and enforcement. This also means changes to the regulatory and supervisory frameworks in line with the international prudential norms and internal governance policies. Sector reforms focus on moving financial institutions away from a closed, relationship-based system to a much more transparent, market-disciplined set of practices. Implementing these reforms requires upgrading technical capabilities of regulators.

6. While standard-setting bodies are making major efforts to strengthen standards and codes for financial regulation and supervision, regulators and supervisors often lack the knowledge and skills to effectively enforce the regulations. Further, some regulators and supervisors lack understanding of the linkages between the banking, securities markets, and other segments of the financial sector. In view of the trend in many countries toward financial conglomerates, governments are planning to address regulatory and supervisory issues in an integrated and comprehensive manner. The capacity building programs will need to focus on:

- (i) improving knowledge and skills of regulators and supervisors to support long-term financial stability in the Asia and Pacific region;
- (ii) promoting sound supervision and regulation to improve sector performance;
- (iii) effective implementation and compliance with international best practices⁴; and
- (iv) promoting protection of stakeholder interests through better supervision and preservation of assets to meet obligations to stakeholders and retirees.

7. The APEC Initiative has launched a systematic and comprehensive training program for banking supervisors and securities market regulators in the region. However, there have been virtually no regional efforts to coordinate capacity building in the insurance and pension subsectors. For both economic and regulatory reasons, most developing countries have underdeveloped social security systems, and their insurance and pension subsectors face many financial and organizational problems. While a number of countries have initiated reforms in the

⁴ Covering eligibility for licenses, minimum paid-up capital, solvency and capital adequacy, governance, consumer protection, supervision, enforcement, and regulatory intervention.

insurance and pension subsectors, progress in strengthening standards, codes, governance, transparency, and disclosure has been limited. Wide-ranging reforms will deepen financial markets, improve compliance with regulation and supervision, and bring about considerable economic and social benefits. The development of insurance companies and pension funds can generate long-term financial resources that augment liquidity and depth of capital markets and provide adequate and affordable long-term benefits to members and policyholders.

8. Through its loans and TA programs, ADB has sought to improve regulatory oversight and prudential supervision of financial markets. Adopting a holistic approach, ADB has supported reforms of banking, securities markets, and the insurance and pension subsectors. ADB has assisted in reforms of insurance regulations and supervision in Bangladesh, Bhutan, Indonesia, Pakistan, and Philippines, and of pension and provident funds in Bangladesh, Bhutan, People's Republic of China, Indonesia, Kazakhstan, Kyrgyz Republic, Lao People's Democratic Republic, Thailand, Tonga, and Uzbekistan.

9. The TA will carry forward the APEC Initiative to broaden and deepen the training process and programs, building on the regional network of training managers and curriculum tools developed in phase I. The work with national regulatory agencies will be intensified to promote the implementation of stronger training programs. The secretariat at ADB will collaborate with and support programs of the Bank for International Settlements, IOSCO, International Association of Insurance Supervisors, and other international organizations such as the Financial Stability Institute, Financial Stability Forum, and World Bank to develop regional training programs in the pension and insurance subsectors. Such collaboration and integration on a regional basis will result in a more comprehensive and sustainable assistance for these subsectors.

III. THE TECHNICAL ASSISTANCE

A. Objective

10. The TA's primary objective is capacity building in financial regulation and supervision to promote the development of sound financial systems, effective implementation of regulation and supervision, and compliance with international best practices. Regional and country-specific training programs, seminars, and workshops will be staged over a three-year period to ensure comprehensive coverage and to provide the necessary support for a sustainable capacity strengthening. The TA will carry on the APEC Initiative sponsored in 1998 by the finance ministers for capacity building in banking supervision and securities markets regulation, and broaden the coverage to include the insurance and pension subsectors. It also will develop synergies with international agencies engaged in capacity building and standard setting.

B. Scope

11. The training programs will provide specialized skills and knowledge for 150-200 of the region's senior and middle-level supervisors and regulators. The TA will support three collaborative initiatives (Appendix 2):

- (i) APEC Initiative, phase II (2001),
- (ii) the Australian APEC Study Centre's capacity building program for the pension and insurance subsectors (three-year program 2001-2003), and
- (iii) an ADBI workshop and policy conference for the pension subsector (2001).

12. The training will be provided to ADB's developing member countries through regional and country-focused programs as needed and within TA resource limitations. Institutions that will benefit from training include regulatory and supervisory agencies and self-regulatory organizations. The training programs for item (i) above will be developed in line with the principles, guidelines, and training processes developed under phase I of the APEC Initiative, and will be tailored to the level of the regulatory framework. The training programs will address regulatory and systemic weaknesses in banking, securities markets, and the insurance and pension subsectors through high-level, regulator-to-regulator and regulator-to-industry dialogues and interrelated specialized lectures.

13. The regulators will provide direct input into the structure and content of the training programs, in which their regulatory officials will participate. The programs and workshops will support training programs to strengthen capacity for:

- (i) enhancement of financial strength and stability of the various subsectors,
- (ii) improving compliance, enforcement, and implementing standards and codes for financial regulation and supervision,
- (iii) protection of stakeholder interests,
- (iv) adequate disclosure of benefit structures and risks,
- (v) preservation of assets to meet obligations to policyholders and retirees,
- (vi) fulfillment of fiduciary obligations,
- (vii) independence and impartiality,
- (viii) undertaking reporting and investigative activities,
- (ix) due processes, equitable appeal, and redress systems,
- (x) use of timely and corrective actions to uphold prudential standards, and
- (xi) information technology issues in regulation.

C. Cost Estimates and Financing Plan

14. The total cost of the TA is estimated at \$1,756,000 equivalent consisting entirely of foreign exchange. ADB will finance \$800,000 of the TA cost on a grant basis from the Japan Special Fund, funded by the Government of Japan. The balance of \$956,000 will be cofinanced. The Australian Agency for International Development (AusAID), the Australian APEC Study Centre and some private sector firms will finance the APEC Study Centre program. APEC will finance phase II of the APEC Initiative and ADBI will finance the pension workshop and policy conference. The TA will require about 22 person-months of consulting services from international financial regulation and supervision experts for capacity building. The cost estimates and financing plan are detailed in Appendix 3.

D. Implementation Arrangements

15. ADB will be the Executing Agency for the TA. An APEC unit was established in 1998 in the Financial Sector and Industry Division (East) to administer and supervise related TA activities⁵ and participate in APEC meetings. The TA will be administered and supervised by that unit for continued coordination across programs.⁶ Capacity building activities will be jointly developed with the Australian APEC Study Centre and ADBI. All consultants will be recruited on an individual basis and in accordance with ADB's *Guidelines on the Use of Consultants*. Terms

⁵ 5847-REG: *APEC Growth Recovery Initiatives, for \$2,150,000 approved on 2 June 1999.*

⁶ The day-to-day management of the APEC Initiative is handled by consultants specializing in capacity building under the direction of the two advisory groups.

of reference for consultants are provided in Appendix 4. The TA will commence in January 2001 and is expected to be completed by December 2003.

IV. THE PRESIDENT'S DECISION

16. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, in an amount not exceeding the equivalent of \$800,000 for the purpose of Capacity Building for Financial Regulation and Supervision, and hereby reports such action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions & Risks
<p>Overall Goals</p> <ul style="list-style-type: none"> • Assist developing member countries (DMCs) in the development of sound financial regulatory and supervisory systems to further economic growth and stability in the region. • Promote effective implementation and compliance with international best practices through capacity building for insurance, pensions, banking supervisors, and securities market regulators. • Increase consumer protection and improve preservation of assets through strengthened regulatory and supervisory systems. 	<ul style="list-style-type: none"> • Strengthened regulatory and supervisory systems. • Acceptance of and compliance with international best practices. • Improvements in reporting, disclosure, and transparency. • Improved performance in insurance, pensions, banking and securities. Performance indicators could include: (a) short-term —increase in early warning interventions where required; (b) medium-term— improvement in capital adequacy; and (c) long-term —reduced number of insolvencies and further improvement in capital adequacy. 	<ul style="list-style-type: none"> • Progress reports of supervisors and regulators in the participating economies. • Progress reports of the Asia Pacific Economic Cooperation (APEC) Technical Working Group (TWG) and communiques of APEC finance ministers and APEC leaders' meetings. • Interim and annual reports of the collaborative initiatives. 	<ul style="list-style-type: none"> • Economic and political stability. • Commitment to capacity building and reforms by economies. • Adequate financial resources and staffing for sustainable development. • Infrastructure to support reforms including adequate information technology and computer systems. • Access to reliable, timely information in insurance, pensions, banking, and securities sectors. • Containment of related party transactions and interests. • Independence from political authorities in the daily execution of supervisory tasks
<p>Objectives</p> <ul style="list-style-type: none"> • Support multiple regional collaborative initiatives for capacity building in insurance, pensions, banking, and securities in targeted DMCs. • Identify core strategic issues and training needs to be addressed in programs and workshops over the 3-year technical assistance. • Facilitate ongoing discussions and exchange of information 	<ul style="list-style-type: none"> • Satisfactory completion of and participation in training sessions, workshops and conferences in initiatives identified in "Outputs" section. • Sustainable informal interaction among supervisors and 	<ul style="list-style-type: none"> • Interim and annual reports of the collaborative initiatives • Reports by the affected APEC economies on their performance at the meetings during the annual APEC cycle. • Periodic survey of regulators and supervisors to 	<ul style="list-style-type: none"> • Commitment to development and implementation of training as it applies to the respective economy. • Coordination within and among institutions and ministries. • Mutual interest in exchange of information and

(Reference in text: page 1, para. 2)

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions & Risks
<p>among supervisors and regulators on like issues in economies.</p> <ul style="list-style-type: none"> • Create sustainable mechanisms for ensuring continuing training development at the country level. <p>Outputs¹</p> <ul style="list-style-type: none"> • Adoption of measures to strengthen financial regulation and supervision within individual economies. • Enhanced capacity of supervisors and regulators to improve their oversight functions. • Improved policy and regulatory frameworks for insurance, pension, banking and securities sectors. • Modalities for improving consumer protection and preservation of assets. 	<p>regulators subsequent to events.</p> <ul style="list-style-type: none"> • National regulatory organizations are self sufficient in developing their training programs to an intermediate level. Estimated time frame is 5-7 years or more based on continued regional training efforts. Intensive country programs could accelerate this period. • A critical assessment of the development of regulatory and supervisory frameworks in the participating economies in a comparative framework. • Based on this review, preparation of a comprehensive report on the development of sound systems and training impacts and requirements. • Coordination of training needs assessments and training programs in the region. • Formulation of voluntary country action plans. • A critical examination of the existing policies and regulatory framework with regard to consumer protection. 	<p>determine level of continued interaction among parties.</p> <ul style="list-style-type: none"> • Annual reports of national regulatory organizations. • Evaluations at end of events and 2- 4 months after events to determine effectiveness and utilization of information, contacts, and training. • Reports by the affected APEC economies on their performance at the meetings during the annual APEC cycle. • Annual reports of collaborative initiatives. 	<p>maintenance of confidentiality.</p> <ul style="list-style-type: none"> • Sufficient financial resources and staff at the country level for ongoing effective training. • Commitment within the insurance, pension, banking, and securities sectors in the participating economies to undertake effective reform measures. • Commitment to implement the recommendations and training. • Adequate responses from participating supervisors and regulators in evaluations and periodic surveys. • Competent consultants.

¹ See Appendix 2 for outputs from collaborative initiatives.

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions & Risks
<ul style="list-style-type: none"> • Initiatives included are (i) phase II expansion of APEC Initiative to support training for insurance and pension subsectors; (ii) capacity building in insurance and pension sectors managed by the Australian APEC Study Centre (Australia); and (iii) Asian Development Bank Institute (ADBI) pension workshop and policy conference for transition economies. • Dissemination of information on regional training, workshops, and seminars and exchange of industry papers. • Establish informal regional network of supervisors and regulators. 	<ul style="list-style-type: none"> • Formulation of recommendations based on international best practices taking into account country-specific issues. • Expand APEC Initiative web site (www.adb.org/Work/Projects/Initiative) to include insurance and pension information. • Establish links with other associations web sites such as the International Association of Insurance Supervisors (IAIS) site (www.laisweb.org). 	<ul style="list-style-type: none"> • Progress reports by the secretariat for the APEC Initiative for finance ministers and advisory groups. • Periodic survey by APEC Initiative Secretariat of regulators and supervisors to determine level of continued interaction among parties. 	
<p>Activities</p> <ul style="list-style-type: none"> • Recruitment of international consultants including (i) secretariat manager for APEC Financial Regulators Training Initiative; (ii) insurance and pension regulatory expert(s); and (iii) securities market regulatory expert(s). • APEC Initiative, phase II: dedicated country-specific training programs, regional seminar for financial regulators, and regional training programs. • Australian APEC Study Centre program for 	<ul style="list-style-type: none"> • 22 person-months of international consulting services • Target includes APEC members and Asian Development Bank (ADB) DMCs. Projected 12-14 participating economies per year with an average of 35 participants per training session. • Participating economies for year one include: 	<ul style="list-style-type: none"> • Progress reports by the secretariat for the APEC Initiative for finance ministers and advisory groups. • Periodic survey of regulators and supervisors. • Periodic reports from the Australian APEC 	<ul style="list-style-type: none"> • Continued commitment and interest on the part of participating economies. • Continued commitment and

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions & Risks
<p>insurance and pensions: two 6-week training programs and one international symposium per year. The program is open to review on an annual basis to determine possible changes in program design. Years 2 and 3 may have some changes in format to allow for in-country training and training the trainers programs.</p> <ul style="list-style-type: none"> • ADBI workshop and policy conference on pensions. 	<p>People's Republic of China (PRC), Fiji, India, Indonesia, Malaysia, Papua New Guinea, Philippines, Thailand and Viet Nam. Country targets may vary in years 2 and 3. Projected average participation of 60 persons per international symposium and 27 participants per training session.</p> <ul style="list-style-type: none"> • Target economies include Cambodia, selected Central Asian republics, PRC, and Viet Nam. 	<p>Study Centre and monthly advisory committee meetings (includes ADB)</p> <ul style="list-style-type: none"> • Workshop and conference report prepared by ADBI. 	<p>interest on the part of participating economies.</p>
<p>Inputs</p> <ul style="list-style-type: none"> • Inputs by the concerned participating economies. • Inputs by consultants. • Inputs by ADB, ADBI, Australian APEC Study Centre, AusAID, IAIS, IOSCO and selected private companies in industry sectors. • Inputs by other TWG economies under APEC Initiative. 	<ul style="list-style-type: none"> • Development of strategic training modalities to maximize capacity building and transfer of best practices. 	<ul style="list-style-type: none"> • Interim and annual reports of supervisors, regulators, working groups, and collaborative initiatives. • Periodic action plans of collaborative initiatives. • Inception, interim, and progress reports of consultants. 	<ul style="list-style-type: none"> • Continued commitment on the part of participating economies. • Consultants provide satisfactory inputs.

SUMMARY OF COLLABORATIVE INITIATIVES

Initiative	ADB Funding	Targeted Economies ¹	Outputs
APEC Financial Regulators Initiative: Phase II²	\$405,000	APEC economies and Asian Development Bank (ADB) developing member countries	Year 1: <ul style="list-style-type: none"> • Dedicated country-specific training programs proposed for Indonesia and Philippines • One regional seminar for training managers • Five regional training programs
Australian APEC Study Centre Program for Managing Regulatory Change in Pension and Insurance Sectors	\$250,000	APEC Study Centre targeted countries: PRC, Fiji, India, Indonesia, Malaysia, Papua New Guinea, Philippines, Thailand, and Viet Nam	Year 1: <ul style="list-style-type: none"> • Two 6-week training programs. • One annual international symposium (Manila) Year 2: <ul style="list-style-type: none"> • Two 6-week training programs. • One annual international symposium (Shanghai or Beijing) Year 3: <ul style="list-style-type: none"> • Two 6-week training programs. • One annual international symposium (New Delhi)
ADB Capacity Building Workshop for Pension Sector	\$50,000	ADB targeted economies: Cambodia, selected Central Asian republics, PRC, and Viet Nam	<ul style="list-style-type: none"> • One training workshop (Beijing) and one policy conference (Tokyo)
Contingency	\$95,000		
Total ADB Funding	\$800,000		

¹ Resources permitting, additional developing member countries may be invited to selected programs.

² Phase I, a two-year program launched in 1998, was completed in October 2000. Phase II is designed as a two-year program. This TA includes funding for the Secretariat Manager for 12 person-months, as well as provision for sector regulatory experts of total of 10 person-months. Additional cofinancing or funding from ADB will be needed for the second year of phase II.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost^a
A. Asian Development Bank Financing (Japan Special Fund)	
1. Consultants	
a. Remuneration and Per Diem	291.0
b. International Travel	29.0
c. Reports	10.0
2. Training, Seminars, Conferences and Workshops	
a. APEC Initiative Dedicated Training Programs	95.0
b. Resource Persons/Speakers	110.0
c. Facilitators	100.0
d. Other costs	40.0
3. Miscellaneous Administration and Support (including translation services)	30.0
4. Contingencies	95.0
Subtotal (A)	800.0
B. Other Donors^b	956.0
Subtotal (B)	956.0
Total	1,756.0

^a All costs are foreign exchange.

^b AusAID, ADBI, APEC, the Australian APEC Study Centre, and some private sector firms.
Source: Staff estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Secretariat Manager, APEC Financial Regulators Training Initiative (12 person-months)

1. **Qualifications.** International financial sector expert with experience in appraising training needs, developing, coordinating and managing training programs and courses, and assessing impacts. The candidate will be working in a multicultural training environment and should have understanding of financial sector regulation and supervision.

2. **Tasks.** The consultant will be the Secretariat Manager, supporting the day-to-day operations of the secretariat for phase II of the Asia Pacific Economic Cooperation (APEC) Financial Regulators Training Initiative. The secretariat office will continue to be at Asian Development Bank headquarters. Phase II will expand upon efforts undertaken in phase I for the securities and banking sectors, and develop capacity building for the insurance and pension subsectors. The Secretariat Manager will be primarily responsible for

- (i) working with international and domestic providers of regulatory training to develop a series of self-study materials in generic topics both in banking and securities market regulation and supervision that will be provided in electronic format on the APEC Initiative web site;
- (ii) arranging and facilitating regional seminars for bank supervisory practitioners and training instructors;
- (iii) enhancing model curricula for financial supervisors and regulators developed in phase I by continuing to add links to international-quality training materials;
- (iv) encouraging financial regulatory organizations to implement certification programs that will help measure the effectiveness of training and other professional development activities;
- (v) organizing periodic regional capacity building seminars for national training managers, human resource personnel, and senior regulatory and supervisory staff to facilitate upgrading domestic training programs;
- (vi) providing direct assistance to regulatory organizations to (a) improve training program management, (b) upgrade national training activities, (c) employ model curricula, and (d) implement certification programs;
- (vii) maintaining and expanding the APEC Initiative web site to facilitate coordination among member economies and information exchange including training calendars, model curricula, links to training materials and selected databases of training providers;
- (viii) working with international training providers to improve and develop programs at the senior and executive levels in the APEC region, including advanced technical training and managerial and strategic policy issues; and

(Reference in text: page 5, para. 15)

- (ix) collaborating with international groups and initiatives involved in the insurance and pension sectors to determine the most effective means for the APEC Initiative to provide support and assistance in developing regional training programs.

**B. Securities Market Regulatory Expert(s)
(4 person-months)**

3. **Qualifications.** International securities market regulatory expert(s) with experience in institutional capacity building, management, and training. The consultant will be familiar with the best international practices and standards for regulation.

4. **Tasks.** The consultant(s) will be responsible for

- (i) developing a strategic plan for the APEC Initiative for the securities markets under phase II, including coordination and cooperation with programs in the region;
- (ii) developing a work program to facilitate implementation of this strategic plan during 2001-2002;
- (iii) preparing a discussion paper for the APEC Advisory Groups on key development and capacity building issues;
- (iv) arranging and facilitating high priority regional courses for securities regulators in key technical areas such as enforcement of laws and regulation, regulation and supervision of market intermediaries, regulation of trading platforms and exchanges, risk management, regulation of new products, and other areas; and
- (v) developing a series of self-study materials in generic topics in securities market regulation and supervision that will be provided in electronic format on the APEC Initiative web site.

**C. Insurance and Pension Regulatory Expert(s)
(6 person-months)**

5. **Qualifications.** International insurance and pensions regulatory expert with experience in institutional capacity building, management, and training. The consultant will be familiar with the best international practices and standards for the regulation and supervision of the insurance and pensions sectors.

6. **Tasks.** The consultant(s) will be responsible for

- (i) developing a strategic plan for expanding the APEC Initiative to the insurance and pension sectors under phase II, including coordination and cooperation with programs in the region;
- (ii) developing a work program to facilitate implementation of this strategic plan during 2001-2002; and
- (iii) preparing a discussion paper for the APEC Advisory Groups on key development and capacity building issues in the insurance and pension sectors.