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**Series of Finance Track Task Force and Working Group Meetings to Commence ASEAN
Chairmanship in 2023**

Bali, 10th February 2023 – As part of Indonesia’s ASEAN Chairmanship in 2023, Bank Indonesia and the Ministry of Finance held a series of Finance Track meetings, starting with the ASEAN+3 Task Force (TF) meeting on 2nd-3rd February 2023 in Bali, followed by the ASEAN Finance and Central Bank Deputies Meeting - Working Group (AFCDM-WG) on 6-10th February 2023, also held in Nusa Dua, Bali. At the meetings, the ASEAN Blueprint 2025 was discussed, as reflected in various working committee agendas in the ASEAN finance track in 2022 and the work plan for 2023. As a technical plenary meeting, the AFCDM-WG discussed the results of previous working committee meetings and various ASEAN financial sector cooperation agendas, including the Priority Economic Deliverables (PED) proposal of Indonesia.

The AFCDM-WG plenary meeting was officially opened by the Deputy Governor of Bank Indonesia, Dody Budi Waluyo, and the Head of Fiscal Policy Agency, Febrio Nathan Kacaribu. In his opening remarks, Dody Budi Waluyo emphasised the importance of ASEAN continuing the processes that have already had an impact on the ASEAN economy, while remaining open and agile to change when welcoming the future and confronting the challenges faced. Under Indonesia’s ASEAN Chairmanship, therefore, Indonesia will collaborate with all ASEAN member countries to review the ASEAN financial track processes and ensure ASEAN can respond to various changes and challenges. Febrio Nathan Kacaribu explained that financial cooperation in the ASEAN region needs to be managed carefully. Febrio also said that PEDs were very useful for the ASEAN region and must be delivered as the concrete output of this meeting. The particular focus of the the PEDs is health readiness, financial infrastructure, international taxation, inclusive financial digitalization for MSMEs and sustainable finance. These five agendas will strengthen ASEAN financial cooperation and integration in the 2025 blueprint and assist Southeast Asia in responding to global challenges and ensuring joint economic recovery.

Indonesia’s ASEAN Chairmanship in 2023 will continue the success of the G20 Presidency in 2022. Indonesia is once again taking on a leadership role at the regional level by holding the ASEAN Chairmanship and ASEAN+3 Co-Chairmanship. The theme adopted by Indonesia, “ASEAN Matters: Epicentrum of Growth”, continues the overarching theme of Indonesia’s G20 Presidency ‘Recover Together, Recover Stronger’. Indonesia’s Chairmanship is expected to encourage ASEAN to play an active role, offering ideas and solutions to strengthen the economic recovery and establish Southeast Asia as a locomotive of sustainable world growth.

There are three strategic thrusts that cover the Priority Economic Deliverables (PEDs) of Indonesia’s Chairmanship in the finance track. First, recovery-rebuilding, with the PED driving recovery, while ensuring economic and financial stability and resilience in the ASEAN region. Second, digital economy with the PED advancing payment connectivity and promoting digital financial literacy and inclusion to support inclusive economic growth. Third, sustainability with the PED promoting financial transition to support sustainable finance and the green economy. Various programs within the PEDs were discussed during 10 working committee meetings, supported by the Ministry of Finance, Central Bank of Indonesia and the Financial Services Authority (OJK). The outcomes of the meetings will be reported and discussed at the AFCDM-WG meeting.

Concerning the recovery-rebuilding pillar, the Working Committee on Capital Account Liberalisation discussed exploring guidelines regarding the ASEAN Local Currency Settlement (LCS) framework to support promotional efforts for Local Currency Transactions as well as other efforts required by ASEAN in response to current economic and financial dynamics. The meeting of the Working Committee on ASEAN Banking Integration Framework (ABIF) discussed the ABIF Guidelines to Incorporate Digitalisation towards ASEAN banking sector integration in the digital era. Furthermore, the Working Committee on Financial Services Liberalisation discussed the agenda to develop the issue of financial liberalisation under the ASEAN Framework Agreement on Services (AFAS) and Free Trade Agreements (FTAs), including the ASEAN-Canada FTA.

The issue related disasters were also discussed at the ASEAN Cross-Sectoral Coordination Committee on Disaster Risk Financing and Insurance (ACSCC-DRFI). Considering that Indonesia and the ASEAN region are particularly prone to natural disasters, the meeting discussed the Disaster Risk Financing initiative proposed under the Brunei Chairmanship to broaden the scope of the meeting by including the health risks. The Chairmanship was also officially handed over from Cambodia to Indonesia at the meeting. Furthermore, the Ministry of Finance also worked with the British Government to organise a seminar entitled 'Strengthening Food Security in ASEAN' given the growing global challenge relating to food security and the ongoing fertiliser crisis. ASEAN must establish a system of cooperation, collaboration, and coordination to promote affordable food for all.

In terms of the digitalisation pillar, the meeting of the Working Committee on Payments and Settlement Systems continued discussions on ASEAN Payment Connectivity, which includes expanding membership and discussing QR-based connectivity. The meeting also discussed implementation of the G20 roadmap to advance cross-border payments. Meanwhile, the Working Committee on Financial Inclusion discussed various achievements and the upcoming work program to increase digital financial literacy and inclusion, including the preparation of Guidelines to Strengthen Digital Financial Literacy as a reference for all ASEAN member countries.

In the sustainability pillar, transition financing to support sustainable finance and the green economy was discussed at the meeting of the Working Committee on Capital Market Development as well as the Joint ASEAN Capital Market Forum (ACMF) - Working Committee on Capital Market Development. The plenary meeting of the AFCDM-WG was preceded by a seminar on Energy Transition Mechanisms (ETM) and Food Security. In cooperation with ADB, the Ministry of Finance organised a seminar, entitled 'Aligning Energy Transition with Economic Development' to discuss the importance of energy transition for ASEAN members.

Follow-up discussions regarding the agendas in this series of meetings will be reported for further instruction at the ASEAN Finance and Central Bank Deputies Meeting (AFCDM) at the end of March. Cross-sector cooperation under the ASEAN economic pillar, including Indonesia's PED proposal, is expected to strengthen the economic and financial cooperation process and nurture economic recovery and resilience in the ASEAN region in the face of future uncertainty and global challenges.

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