Policy Statement on Digital Infrastructure Financing Across the Asia-Pacific Region

1. We, the APEC Finance Ministers, recognize the important role of digitalization as a driver for innovation and economic growth across the Asia-Pacific region. As the cornerstone of the digital economy, digital infrastructure is vital for long-term economic growth, directly shaping the market participation of businesses, particularly for micro, small and medium-sized enterprises (MSMEs), while expanding access to digital services, supporting regional trade and economic connectivity, and enhancing economic opportunities for all.

2. We encourage member economies to develop reliable, accessible, scalable, trusted, secure and resilient digital infrastructure; enhance digital literacy and skills; promote interoperability; and cross-border digital connectivity to accelerate the digital transformation in the Asia-Pacific region. We encourage member economies to promote digital technologies and infrastructure to remain accessible.

3. We encourage continued voluntary, non-binding cooperation under the APEC Finance Ministers' Process to promote financing for digital infrastructure. We welcome enhanced collaboration among the public sector, the private sector and Multilateral Development Banks (MDBs), to foster innovation in digital infrastructure financing and mitigating related risks, consistent with the Incheon Plan.

Public Sector: Enabling Environment and Catalytic Finance

4. We recognize the importance of enabling sector-specific, risk-managed and transparent regulatory frameworks for digital infrastructure. This includes predictable policies, streamlined approval processes, legal clarity, and strong institutional and technical capacity, while respecting domestic circumstances and legal frameworks. Public funds alongside other resources, can play a significant role in facilitating the digital transformation and upgrading of traditional infrastructure, to enhance economic efficiency and resilience.

5. Public funds can serve as a substantial source of financing for digital infrastructure, and as a crucial catalyst for crowding in private investment. We encourage member economies to consider, as appropriate and consistent with their respective circumstances and capacities, practical financing tools, such as project preparation

facilities, first-loss guarantees, and risk-sharing arrangements that can address early-stage project risks, improve project bankability and unlock commercial financing.

Private Sector: Innovation and Scaling Investment

6. We encourage the private sector to develop and adopt catalytic financing approaches, such as financial leasing, asset securitization, and other instruments, to unlock investment and to lower financing barriers.

7. We encourage the private sector to scale up financing efforts that aggregate capital from diverse sources, such as pension funds, insurance companies, and sovereign wealth funds. We encourage proactive private sector engagement with the public sector and MDBs in upstream project preparation and risk assessment, to provide technical expertise and help build a pipeline of feasible, bankable projects, while promoting open, trusted, secure, and high-quality infrastructure that enhances connectivity, interoperability, and resilience.

MDBs: Project Preparation, Risk-management, and Collaboration

8. Consistent with their respective mandates and governance frameworks, we encourage MDBs to support digital infrastructure projects, including through project preparation activities, such as cybersecurity assessments, that build a pipeline of bankable projects.

9. We encourage MDBs to collaborate, as appropriate, with member economies and the private sector to catalyze, rather than crowd out, private investment, and to leverage existing regional cooperation mechanisms and principles to support capacity building, policy dialogue, and the dissemination of best practices on digital infrastructure financing. Such collaboration could align upstream diagnostics, project preparation, layered co-financing structures, and common risk-management approaches, including advanced local-currency hedging facilities and specialized guarantee funds, as appropriate and consistent with member economies' respective circumstances. By pooling expertise and resources and balancing risk appetite, MDBs can help to ensure that scarce concessional and public resources catalyze, rather than replace, private investment. This can accelerate the development of bankable projects and helping expand access to digital infrastructure.

Knowledge Sharing and Capacity Building

We encourage APEC member economies to enhance voluntary capacity building and knowledge sharing on digital infrastructure financing, including leveraging existing collaboration mechanisms to collect and share lessons learned and best practices on this topic and to support the development of secure, trusted and resilient digital systems, consistent with internationally recognized standards and sound risk management.