

ANNEX: 2025 APEC NEW Finance Ministers' Process (FMP) Roadmap Incheon Plan

Background

1. We, the APEC Finance Ministers, launched the Incheon Plan on 21st October 2025 in Incheon, Republic of Korea. The Incheon Plan reflects our shared commitment to building a more connected, resilient and prosperous APEC community. It provides strategic direction for regional policy cooperation under the Finance Ministers' Process (FMP) in four areas: promoting innovation, deepening financial resilience and efficiency, encouraging fiscal frameworks with transparency, and enhancing access and opportunity. We acknowledge the implementation of the 2015 Cebu Action Plan (CAP), its 2021 mid-term review and the assessment conducted by the APEC Policy Support Unit (PSU). We reaffirm our commitment to achieving the Putrajaya Vision 2040, by implementing the Aotearoa Plan of Action 2021, consistent with members' own domestic contexts and current policy priorities. We underscore that regional cooperation through policy dialogue, knowledge sharing and capacity-building is essential to fulfilling APEC's vision of shared prosperity. We have adopted a new FMP roadmap structured around four pillars: Innovation, Finance, Fiscal Policy, and Access and Opportunity for All.

Pillar 1: Innovation

2. APEC economies are facing a number of structural changes, including demographic shifts, frequent extreme weather events and natural disasters, and rapid technological advances. Innovation, as a shared priority for the FMP, can play a pivotal role in enhancing productivity, in order to capture the opportunities in these changes. This pillar will encourage collaborative efforts among members to promote innovation, by mobilizing private capital to emerging sectors. Innovation improves the way skills, capital, and natural resources are used. Public policy can help create and streamline an enabling regulatory environment that facilitates business operations, investment and risk management while at the same time protecting users. Cooperation and knowledge sharing will support APEC members in realizing the benefits of innovation in their respective economies and help improve living standards in the region.

3. Topic One: Promoting adoption and widespread use of technologies to enhance productivity

Accelerating the adoption and widespread use of technologies is critical for productivity, competitiveness, and the development of micro, small, and medium-sized enterprises (MSMEs). This topic focuses on cooperation and knowledge sharing among APEC economies on policy frameworks that support the adoption and widespread use of technologies across all sectors, which encourages competitive environment, seizing opportunities for economic growth.

- a. Fostering the widespread use of technology and digital transformation by creating

supportive ecosystems, lowering barriers to entry, and enabling innovative business models.

- b. Accelerating digital and technological adoption across sectors through public and private sector leadership and sector-specific initiatives, to support the digital infrastructure that facilitates further innovation.
- c. Facilitating innovation by the exchange of best practices on leading technologies, while promoting incentives for digital-era talent development, upskilling, and reskilling.

4. Topic Two: Promoting policies that balance innovation and consumer protection

Emerging technologies present significant opportunities alongside evolving risks. This topic focuses on supporting knowledge sharing on fit-for-purpose regulatory frameworks that promote innovation while protecting consumers and workers, advancing higher living standards for all. Economies are encouraged to avoid unnecessary or outdated regulatory burdens that could hinder productivity and economic growth.

- a. Facilitating collaboration and the sharing of best practices to build regulatory capability, and to improve understanding of the use of advanced technologies, supporting agile, innovation-ready policymaking and regulatory settings in emerging technology areas.
- b. Promoting open and active engagement between the public and private sector to support practical policy development that fosters economic growth and innovation.
- c. Promoting knowledge sharing on how to address potential risks and challenges that rapid technological change may pose to consumers and the wider economy.

5. Topic Three: Creating an enabling environment for capital investment in emerging sectors

Mobilizing private investment in high-growth, technology-driven sectors is essential to scale up innovation and to support economic transformation across APEC. This topic aims to foster dialogue on strategies to attract private sector capital and increase capital intensity in emerging industries.

- a. Providing an enabling environment for innovation that encourages private investment in productive assets and emerging sectors.
- b. Establishing right-sized, clear and predictable regulatory frameworks to enhance investor confidence and support the growth of emerging sectors.
- c. Developing an innovation investment ecosystem that strengthens linkages and collaboration between public Research and Development (R&D), private capital, and commercialization infrastructure.

Pillar 2: Finance

- 6. This pillar focuses on promoting strategies and instruments that enable efficient mobilization and utilization of financial resources to support economic development and financial resilience across the APEC region. Enhanced cooperation among economies is essential to address shared challenges. APEC economies are encouraged to advance dialogue and cooperation on capital market development, Disaster Risk Financing and Insurance (DRFI), and innovative infrastructure financing, including Public-Private Partnerships (PPPs), on a

voluntary basis.

7. Topic One: Enhancing financial system efficiency and capital market competitiveness

Capital markets mobilize domestic savings and attract foreign capital for productive long-term investment, enhance financial stability through market-based financing that complements corporate lending, and broaden participation by issuers and investors.

- a. Promoting right-sized, effective and stable legal and regulatory frameworks, including market transparency and information flows for investors.
- b. Developing and strengthening robust, resilient and transparent government bond and local currency bond markets to better promote market efficiency and integrity.
- c. Encouraging equity market participation and domestic capital market development, expanding the pool of institutional investors, and exploring regional cooperation and connectivity to boost cross-border capital flows.
- d. Exploring innovative technologies, to enhance financial system efficiency.

8. Topic Two: Bridging infrastructure gaps through innovative financing

Bridging infrastructure gaps remains a key priority for APEC economies, requiring innovative financing models and tools, including stronger PPPs and enhanced multilateral financial cooperation. PPPs can improve infrastructure quality by attracting private capital, technical and management expertise, with careful attention to efficiency, risk allocation, and financing balance. With support from Multilateral Development Banks (MDBs), APEC member economies can develop innovative financing models tailored to regional contexts, mobilize patient capital, and strengthen long-term financing frameworks.

- a. Establishing sound legal and institutional frameworks or approaches for PPPs, including efficient governance structures, clear project procedures, and reporting systems.
- b. Leveraging project preparation support to deliver technical assistance, conduct feasibility studies, and mitigate risks to enhance project bankability and sustainability.
- c. Promoting infrastructure investment in key sectors such as transport, energy, and digital infrastructure, while encouraging MDB participation to help mobilize financing.

9. Topic Three: Building resilience through Disaster Risk Finance and Insurance

The geographic location of many APEC economies increases their exposure to natural disasters. Economies can account for the associated uncertainty and potential fiscal impacts of natural disasters by modelling likely disaster losses and integrating disaster risk information into public financial management policies and strategies.

- a. Designing and implementing DRFI strategies, including risk retention and transfer and other financial solutions to mobilize resources and protect public finances.
- b. Exploring ways to expand DRFI financing sources, such as bonds, blended and contingent finance, and post-disaster risk-transfer tools, including reinsurance.

- c. Enhancing regional disaster risk response by drawing lessons from risk pools and exploring opportunities for regional cooperation.

Pillar 3: Fiscal policy

10. Sound fiscal policy is critical for economic resilience, sustainable and broad-based long-term growth, as well as for managing short-term economic fluctuations. Since COVID-19, public debt and interest payment burdens have risen across the APEC region. Fiscal pressures can be compounded by challenges such as demographic shifts, slow productivity growth, and frequent extreme weather events and natural disasters. This pillar supports economies in strengthening fiscal frameworks, enhancing the quality of expenditure and taxation, and improving transparency; while respecting member economies' diverse institutional contexts and policy approaches. A sound approach to fiscal policy can help economies maintain sustainable debt levels, create fiscal space for future challenges, and reinforce public trust. Sharing fiscal policy knowledge and experiences can help all economies as they face fiscal challenges in coming years.

11. Topic One: Enhancing fiscal frameworks

Fiscal frameworks can play a key role in promoting high-quality economic growth. Such growth also strengthens public finances, making the economy more resilient to fiscal pressures and debt challenges. Fiscal frameworks further can support medium and long-term fiscal sustainability and contribute to building resilience against structural changes such as demographic shifts. By identifying clear fiscal goals, fiscal frameworks can anchor expectations and support disciplined decision making. Effective frameworks can help preserve the sustainability of public finances, and enable macroeconomic stabilization through countercyclical fiscal policy; and they should be simple and transparent to facilitate accountability to the public. In practice, trade-offs may arise among different fiscal objectives, requiring a balanced approach suited to each economy's context.

- a. Calibrating the role of fiscal policy in supporting economic growth and structural reforms.
- b. Developing fiscal frameworks aligned with each economy's institutional and legal structures, while reflecting both fiscal conditions and medium and long-term objectives.
- c. Balancing fiscal discipline with flexibility to enable appropriate responses to economic shocks.
- d. Sharing best practices voluntarily on effective fiscal frameworks that provide operational guidance to policymakers and are robust to changes in conditions.

12. Topic Two: Ensuring quality expenditure and taxation

All economies face constraints in collecting revenues and allocating expenditures. Strong public financial management, including through quality taxation and spending, is critical to maximize the impact of public resources. Expenditure and taxation decision-making involves intertemporal trade-offs. Economies may need to balance present spending needs with long-

term needs. Effective public expenditure can enhance current wellbeing and support quality investment in infrastructure and human capital, to foster quality growth.

- a. Developing a clear understanding of the government's priorities or policy problems being addressed.
- b. Enhancing informed decision-making utilizing fiscal performance information.
- c. Conducting regular reviews of fiscal spending and tax measures.
- d. Maximizing value-for-money public procurement by considering quality, life-cycle costs, and broader benefits beyond price.
- e. Applying well-established principles—such as efficiency, fairness and revenue stability— to guide sound taxation policy decisions and improve tax administration.

13. Topic Three: Improving fiscal transparency

Being transparent and clear about how an economy collects its revenues and allocates its expenditures is essential for building trust in public financial management. Transparency supports the credibility of fiscal estimates, enables informed public debate and strengthens accountability by enabling more effective oversight. It improves decision quality by grounding policies in accurate data and helps identify and address potential fiscal risks early.

- a. Promoting consistent, timely, and comprehensive government reporting throughout the budget cycle, supported by legislation.
- b. Providing for institutional scrutiny of budget documents, adapted to each economy's legislative and governance structures.
- c. Strengthening audit and oversight functions to enhance accountability and encourage civic engagement.

Pillar 4: Access and Opportunity for All

14. This pillar aims to ensure that the benefits of economic growth are broadly shared, providing opportunities and empowering all to achieve their full economic potential. It promotes participation of all individuals, enabling them to engage in, contribute to, and benefit from shaping economic and financial systems. This pillar continues our efforts from the Putrajaya Vision 2040, which emphasized strong, secure, sustainable, balanced, and inclusive growth.

15. Topic One: Fostering access to finance for businesses

Access to finance remains a barrier to growth for MSMEs. Diversifying funding sources and fostering trust among financial stakeholders can help address financing gaps and affordability, unlock capital flows, and support economic participation for all.

- a. Expanding MSMEs' access to finance including through risk-sharing mechanisms, such as credit guarantee schemes (CGS) and blended public-private finance, as well as access to capital markets broadly.

- b. Supporting the development of alternative credit data for MSMEs with limited traditional financial transaction records.
- c. Creating a conducive environment for fintech platforms to provide fast and affordable services to MSMEs.
- d. Adopting trade finance instruments, such as supply chain finance to ease liquidity and enable export participation.
- e. Promoting MSMEs' participation in public procurement to expand market access and foster business growth.

16. Topic Two: Promoting universal access to financial services

This topic seeks to broaden access to financial services by promoting digital access, improving the accessibility and coverage of financial infrastructure, and enhancing financial literacy. It also emphasizes developing financial products responsive to changes such as demographic shifts, to help ensure that all members of society have the opportunity to engage with, and benefit from the financial system.

- a. Mobilizing investment and fostering public-private collaboration to expand digital infrastructure and financial services channels across the APEC region, including in rural and remote areas.
- b. Advancing digital financial services through strategies that improve access for all.
- c. Promoting financial education, including digital financial capabilities, to support resilient economies and bridge financial literacy gaps.
- d. Promoting the design of financial products that respond to demographic trends by offering flexibility and relevance across the life cycle.

17. Topic Three: Fostering economic opportunity

This topic highlights the importance of supporting comprehensive economic engagement and strengthening long-term growth potential, while ensuring participation by all. Through strategic resource planning and balanced policy implementation, economies can expand opportunities for productive engagement, accelerate regional economic cooperation and build more resilient and adaptable economic systems.

- a. Refining policy instruments to enhance the effectiveness of fiscal systems in supporting strong and broad-based growth.
- b. Allocating public resources to ensure stable access to essential services while responding to changing needs.
- c. Expanding the formal economic base to enable broader economic participation and strengthen fiscal sustainability.

Conclusion

- 18. The new roadmap was developed based on discussions and guidance from the 2024 Finance Ministers' Meeting and reflects the collective views of APEC members. While the

Cebu Action Plan served as a 10-year roadmap (2016–2025), the new roadmap spans five years (2026–2030) to better respond to accelerating technological change, and a rapidly evolving global economic environment. It operates on a flexible, non-binding basis. Recognizing the diverse policy priorities and domestic circumstances of member economies, we acknowledge that not all topics in this roadmap may be appropriate for all APEC members. Economies are encouraged, on a voluntary and non-binding basis, to implement topics consistent with their respective circumstances. Members may, at their discretion, submit reports, organize events or provide updates to support knowledge sharing and capacity building during the roadmap period. The roadmap serves as an umbrella framework to shape future policy priorities proposed by host economies and supported by APEC members.