



APPF7/RES/3

RESOLUTION ON THE REFORM OF THE IMF AND NATIONAL FINANCIAL SECTORS

Jointly submitted by the Canadian, Indonesian, Japanese and Philippine Delegations

We, the parliamentarians of the APPF, gathered at the Seventh Annual Meeting in Lima in January 1999,

Concerned by the current situation of the global financial turmoil since the Asian Currency crisis in 1997;

Recognizing the need for the review of the roles of the international Monetary Fund in the Asia – Pacific region to more effectively promote the stability of the financial markets and recovery of growth in response to the realities and potentials of the region;

Noting that the content of the IMF programs need to be appropriate to each country in crisis and adapted to the changing circumstances characterized by the globalization of financial markets;

Welcoming the proposals for strengthening financial sector surveillance and banking sector supervision, in particular the establishment of a peer review process at the IMF, in close cooperation with the World Bank;

Resolve to:

1. **Call for** the governance of the IMF to be strengthened by promoting openness through disclosure and other measures;
2. **Call for** the operation, policy, and procedure of the IMF to be assessed from outside;
3. **Call for** the conditionality of the IMF to be improved, especially in the area of the fiscal and financial policies in times of crisis;
4. **Call for** the appropriate measures to be established to deal with abrupt capital movements;
5. **Call for** due attention to be given to the history and culture of each member country as well as its stage of economic development in dealing with structural issues.
6. **Call for** the cooperation with the IMF, World Bank, and other international financial institutions to be pursued in order to;
 - strengthen financial sector surveillance;

- improve the transparency of their financial sector through better disclosure and accounting standards;
 - consider a process of peer review for banking sector supervisors.
1. **Call for** stronger cooperation among the governments of Asia – Pacific in the exchange of timely information and technical expertise and in the enactment of appropriate legislation and other legal measures to reform the financial architecture, to protect their respective economies from any wild swings of the financial markets, and to neutralize and mitigate the possible adverse impact of economic crisis in the future.