



**EIGHTH ANNUAL MEETING
ASIA PACIFIC PARLIAMENTARY FORUM**

**CANBERRA, AUSTRALIA
10-13 JANUARY 2000**

**Joint Communiqué
Annex III**

Resolutions adopted at the 8th Annual Meeting

Resolution on Strengthening the International Financial Architecture

(APPF/RES/15)

Submitted by the Japanese and the Philippines Delegations

Amended by Canada and Indonesia

We, the parliamentarians of the Asia Pacific Parliamentary Forum (APPF),

gathered at the 8th Annual Meeting in Canberra, Australia, in January 2000,

Aware of the adverse effects of the recent international financial crises which began with the Asian crisis in 1997, on the global economy, especially on individual economies in the emerging markets and the developing world,

Recalling that as a result of the recent crises, the need for all countries to adopt more transparent policies in corporate and fiscal accounting and show greater capacity to embrace economic reforms has become more apparent,

Taking note that the recent financial crises occurred partly due to the pattern of capital movements and insufficiency of supervision,

Considering the pertinent UN resolutions and recommendations made in several studies which emphasize the need to strengthen international, financial and monetary systems at national, regional and international level, with a view to preventing recurrence of the financial crisis and to help economies address the risk of full liberalization,

Encouraging the world financial markets to take advantage of the current environment where globalization is underway, the volume and value of world trade have increased, and capital movement is more deregulated,

Recognizing the necessity of developing a global financial and economic model that benefits of sustainable development are shared by all,

Welcoming the following international developments performed to achieve the recovery and stabilization of the economies in the Asia Pacific region:

The economies of the Asia Pacific region, including the countries and regions hit by the currency crisis, are recovering, regaining stability, and striving for new economic growth thanks to the suitable policy efforts taken by each country in the region.

At the Cologne Summit, the G7 Finance Ministers released a report which indicated a comprehensive, concrete plan of reform to strengthen the international financial architecture.

A consultative body at the level of finance ministers and central bank governors was created to facilitate dialogue among systemically important countries for the international financial architecture, sharing common awareness with our resolution last year that a consultative body should be established to promote dialogue, prevent crisis through an early warning mechanism and implement cooperative initiatives.

The Financial Stability Forum was created, sharing common awareness with our resolution last year that existing international institutions are asked to work closely together to strengthen the mechanism to monitor the short-term capital flows and activities of institutional investors.

A considerable number of countries in the Asia Pacific region are participating in the above-mentioned consultative body and the Financial Stability Forum.

The Asia Pacific region has appropriately dealt with the Y2K computer software problem by the earnest efforts of the government and private sector of each country, and international organizations.

Resolve to:

1. Seek the following in order to achieve sustainable growth in the economies of the Asia Pacific region that are recovering and regaining stability:

To encourage Asia Pacific countries to further develop the infrastructure needed to recover and regain new economic growth.

To encourage major industrialized countries to take appropriate policies so that they can achieve sustainable domestic demand-led growth.

To encourage emerging market economies to adopt sound macroeconomic policies and appropriate exchange rate regimes and to strengthen their domestic financial architecture in accordance with their own national conditions.

2. Ask Asia Pacific countries to carry out initiatives to further strengthen the APEC, the Manila Framework, and other regional cooperation activities in order to build a stronger international financial architecture and to make the capital flows stable and sustainable. Moreover, ask to promote dialogue through the Financial Stability Forum and the consultative body at the level of ministers and central bank governors which aims to facilitate dialogue among systemically important countries, and to take the following initiatives in

cooperation with international organizations and regional cooperation bodies, such as the WTO, the OECD, and the European Union, as necessary:

To call on the International Community to hasten the process of developing a New International Financial Architecture, as endorsed in Vancouver in November 1997.

To support all bilateral, regional and multilateral efforts which would hasten the process of reform of the international financial architecture.

To encourage both developed and developing countries to conduct orderly and fairly, while stressing the universal principles of honesty, transparency and accountability, with a view to promoting good governance and good corporate governance.

To develop an early warning and cooperation mechanism for crisis prevention, like the survey supervisory systems of a Financial Stability Forum identifying financial sector problems before they become crises.

To enhance the transparency of all market participants, especially to further examine policies to strengthen transparency of highly leveraged financial institutions, such as hedge funds.

In major industrialized countries, to improve risk assessment and risk management of creditors and investors.

In emerging market economies, to perform appropriate debt management in addition to strengthening monitoring of international capital movements and supervisory regime.

To call for a continuing dialogue between and among developing, emerging and industrialized economies on major economic issues.

To request all Parliamentarians to support efforts promoting full access of nations into the global market, using transparent criteria, aimed at protecting welfare of nations and citizens.

To appeal to all states to help strengthen public international financial institutions in order to countervail transnational economic power.

3.Call on the IMF to perform the following from the same viewpoint as that in 2 above:

To deliver sufficient and flexible financial assistance to adversely affected member countries during the period of a crisis.

To improve the IMF surveillance and programs so that they better reflect changes in the world economy, in particular potentially abrupt large-scale cross border capital movements.

To examine the possibility of a regional mechanism that will serve for exchanging views on economic policies, provide financial support that complement the functions of the IMF, and contribute to the stability of currencies and economies in this region.

To strengthen cooperation with the World Bank in the field of financial sector reform, and together offer appropriate advice to emerging market economies.