

## Inputs from the Delegation of Japan

### Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

47. Despite several efforts, progress in addressing systemic issues since the Monterrey Conference has been limited. We resolve to undertake more decisive and timely steps to improve the functioning of the international economic system to promote global growth and to better support development efforts. This is crucial for an integrated implementation of the Monterrey Consensus and to help achieve **sustained and inclusive economic growth, poverty reduction, and** the internationally agreed development goals, including the Millennium Development Goals.

48. The globalization process has continued to accelerate, bringing closer economic links coupled with significant economic benefits to many countries and peoples. However, this process is leaving behind a considerable number of countries as well as individuals. This implies new challenges and **opportunities on which we should work together.** ~~demands on the global economic institutions and their coherence and governance systems.~~

50. The foundations of stable international financial markets rest on sound macroeconomic, ~~and financial and monetary~~ policies. Solid financial institutions at the country level are an essential pillar of a well-functioning international financial architecture. It is crucial, in particular, that countries with large economies manage them in ways that contribute to global stability and economic growth.

53. We reaffirm that the Bretton Woods institutions should be the key pillars of a strengthened international financial architecture. They should have the capacity to deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation. **Especially the IMF has a critical mandate to foster the multilateral cooperation needed to restore and safeguard international monetary and financial stability and should stand ready to quickly make available substantial resources to help countries cover financing needs. The World Bank can also play a role to mitigate the difficulties countries face.** We will undertake measures to ensure that the Bretton Woods institutions have the technical capacities, credit facilities and financial resources necessary to assist countries in preventing financial crises and helping them to deal with the adverse effects of large fluctuations in the price of key commodities. The need for special drawing rights allocation should be kept under review.

57. We recognize that changes in the governance regime of the global economic and financial institutions are needed. The agreement regarding the recent quota review in IMF is a step in the right direction; yet, greater efforts need to be exerted **to ensure that voice and participation in these institutions reflect members' relative positions in the world economy.** ~~increase the voice and participation of developing countries on the IMF Executive Board. It is also important to examine conditions by which only a few members can at times block key decisions.~~ The World Bank and other entities such as the Financial Stability Forum and the Basel Committee on Banking Supervision should consider taking similar steps to achieve a more equitable participation of all members of the international community; the same applies to other bodies engaged in international economic decision-making.

58. Taking note of recent proposals, we continue to encourage the IMF to review the international financial and monetary architecture and global economic governance structures. ~~we acknowledge the need to convene a major international conference to review the international financial and monetary architecture and global economic governance structures.~~ We thus invite the International Monetary and Financial Committee to include this subject in the agenda of its forthcoming meetings, and to make appropriate recommendations to the IMF Board of Governors and the international community.