

Doha Draft Outcome Document

U.S. Suggested Edits – Addressing systemic issues; enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

Paragraph 47:

1st Sentence: Suggest deletion. Current text is inaccurate and outdated.

2nd Sentence: Suggest editing per the following to reflect current efforts to reach consensus on reforms to the international economic system.

“We ~~resolve~~ will continue to undertake ~~more-decisive~~ appropriate and timely steps to improve the functioning of the international economic system to promote global growth and to better support development efforts.

Paragraph 48:

1st Sentence: Suggest editing per the following to shorten and clarify text. It is not clear that globalization is accelerating:

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 demands on the global economic institutions and their coherence and governance systems.

Paragraph 49:

1st Sentence: Suggest editing per the following to better reflect the policy and institutional challenges that underpin successful economic development.

2nd Sentence: Suggest deletion. Current language is vague and does not accurately reflect systemic roles of developed countries.

3rd Sentence: Suggest replacing “coordination” with “cooperation” to more accurately reflect relations between authorities in various countries.

49. Countries should ~~continue to enhance~~ pursue sound macro and micro economic policies and structural reform, while also strengthening their financial systems and economic institutions. Improved cooperation ~~rdination~~ among the relevant ministries and institutions in both developed and developing countries, remains necessary for a coherent formulation and effective implementation of policies at all levels.

Paragraph 50:

3rd Sentence: Suggest editing per the following to more accurately reflect shared systemic responsibilities of all countries:

“It is ~~erueial, in particular,~~ that important for all countries, and those with systemically important economies in particular, to manage them in ways that contribute to global stability and economic growth.”

Paragraph 51: Suggest editing this paragraph per the following to make it more general and reflect the key importance of ongoing work in the Financial Stability Forum and other fora.

“We will further endeavor to strengthen cooperation among national regulators to strengthen international financial standards, as financial resources flow increasingly across borders. We welcome the Financial Stability Forum’s recommendation to strengthen financial systems, and the work by international standard setting bodies and by domestic bodies to implement these recommendations. We note in particular the need for enhanced transparency by financial institutions.”

Paragraphs 52 and 53: Suggest combining these two paragraphs, deleting portions of each, and making the text more general, in order to create a single paragraph focused on systemic risk. The revised, combined paragraph would read as follows:

“52. We reaffirm that the Bretton Woods Institutions should be the key pillars of a strengthened the 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. The emergence of new and highly globalized financial instruments is changing the nature of risks in the world economy, and ~~it~~ is important that regulatory agencies in cooperation with the IMF, the Financial Stability Forum (FSF) and other agencies, both public and private, examine the factors that might increase systemic risks and trigger systemic crisis.”

The focus of final sentence of the current paragraph 52 on “various unregulated activities” is both vague and an inaccurate description of current policy efforts. The third sentence of paragraph 53 implies an unacceptable commitment of resources. The final sentence of paragraph 53 is no longer under active consideration.

Paragraph 54:

2nd Sentence: Suggest editing as follows to remove the non-standard term “

“They play a vital role in the respective region’s ~~at-governance-structure~~ economic development.”

3rd Sentence: Suggest deletion. Current language implies a commitment of resources to which the U.S. can not agree.

Paragraph 55: Suggest deletion. Text as drafted is inappropriate and too detailed for this document.

Paragraph 56: Suggest editing as follows to make it consistent with ongoing practice:

“56. ~~Most~~ As efforts in the formulation of to strengthen standards and codes have taken place outside the multilateral system. It is crucial to ensure an continue, we welcome effective and equitable the participation and representation of developing countries in standards and norms-setting bodies. We encourage further broadening the participation by emerging economies in the work of such bodies. ~~While these bodies have increased consultation with some countries, more should be done to broaden the participation. We~~

~~recognize that the implementation of standards and codes in developing countries with less advanced financial systems should be flexible. We appreciate the work by standard-setting bodies to develop high level standards that can accommodate differences in implementation methodologies across countries to reflect diverse financial systems.~~

Paragraph 57: Suggest deletion of all but the first sentence, and insertion of the following new text. The current text lacks the pragmatic focus found in the Monterrey Consensus.

"We welcome efforts by the Bretton Woods Institutions and other international institutions to enhance their roles in support of sustainable economic growth, development, and financial stability. Specifically, we recognize the measures taken by the Board of Governors of the International Monetary Fund (IMF) on April 28, 2008, to reform the IMF's governance structure, providing greater representation and voice to emerging market and developing countries and creating a more flexible system that will support further changes over time as the relative positions of countries in the world economy evolve. We support the related efforts being made to enhance the voice and participation of the poorest countries in the World Bank Group, especially the creation of an additional chair in the executive board for Sub-Saharan African countries. We look forward to engaging with all our partners in taking a new look over the next few years at the basic formula for shareholding at the Bank."

Paragraph 58: Suggest deletion. Current text is out of date given recent developments.