attract higher flows of private investment. In addition, a deepening and expansion of Russia's relations with the World Bank and the EBRD, through both increased lending and guarantees, will support this ambitious structural reform agenda.

STRENGTHENING THE STABILITY OF THE GLOBAL FINANCIAL SYSTEM

11. International financial markets are becoming increasingly global and complex. This presents new opportunities that can lead to increased efficiencies in the functioning of the international financial system, thereby facilitating growth and prosperity. At the same time, these changes present new challenges. Beginning in Halifax and continuing through Lyon, we have encouraged financial regulators and the international financial institutions to take measures to deal effectively with possible systemic or contagion risks and foster financial stability, without stifling innovation or undermining the benefits of globalization, liberalization and competition. We welcome the concerted effort to strengthen the international financial system and endorse our Finance Ministers' report, which outlines the progress achieved in the key areas we identified in Lyon.

12. National supervisors and international regulatory bodies have put in place a network of cooperative arrangements and developed proposals to enhance the supervision of internationally-active financial institutions, on both an on-going basis and in emergency situations. These efforts should help the regulatory framework better reflect market developments. Moreover, Finance Ministers have agreed to support necessary changes in laws or regulations that facilitate and improve information exchange for supervisory purposes. Steps have been taken to strengthen risk assessment, reduce foreign exchange settlement risk, and improve market transparency to help our consumers, investors, and regulators better identify, manage, and control risks. In addition, the G-10 Working Party on Electronic Money identified a set of broad objectives and key considerations to help guide national approaches to emerging electronic payment technologies.

13. The Working Party on Financial Stability in Emerging Market Economies, which included representatives from those countries, has outlined a concrete strategy to assist emerging economies in strengthening their financial systems, and the Basle Committee on Banking Supervision has developed a set of "Core Principles" which will contribute significantly to the adoption of improved prudential standards worldwide. We urge the dissemination and endorsement of these reports and implementation of their recommendations.

14. These efforts to promote financial stability and mitigate possible financial crises are part of an important ongoing process to which we attach great importance. We urge our national supervisors to develop further and implement proposals to enhance international regulatory cooperation. We call on the international financial institutions and the international regulatory bodies to fulfill their roles in assisting emerging market economies in strengthening their financial systems and prudential standards. Our Finance Ministers will consult with the relevant supervisory and international regulatory bodies and international organizations to develop approaches for further actions, and report prior to next year's Summit on progress in implementing these initiatives.