

policies, human resource development strategies, and effective financial sector regulation are key to restoring financial stability and realizing this growth potential.

But we need to go further. We believe it is critically important that we move quickly to enhance the capacity of the international system to prevent or, if necessary, to respond to financial crises of this kind. On a global level, the role of the IMF remains central. Therefore, we welcome and strongly endorse the framework agreed to in Manila as a constructive step to enhance cooperation to promote financial stability: enhanced regional surveillance; intensified economic and technical cooperation to improve domestic financial systems and regulatory capacities; adoption of new IMF mechanisms on appropriate terms in support of strong adjustment programs; and a cooperative financing arrangement to supplement, when necessary, IMF resources. We urge rapid implementation of the Manila Framework. We also look forward to the conclusions of the IMF study already underway on the role of market participants in the recent crises.

We recognize that, as the region's most comprehensive economic forum, APEC is particularly well suited to play a pivotal role in fostering the kind of dialogue and cooperation on a range of policies and develop initiatives to support and supplement these efforts. We ask our Finance Ministers, working closely with their Central Bank colleagues, to accelerate their work launched in Cebu in April on the collaborative initiatives to promote the development of our financial and capital markets, and to support freer and stable capital flows in the region. APEC can play a particularly valuable role in exploring ways, in cooperation with the World Bank, the IMF, and the Asian Development Bank, of intensifying its economic and technical cooperation, giving priority to upgrading financial systems, enhancing cooperation among market regulators and supervisors and other measures to help improve the integrity and functioning of financial markets. A good example of private-public partnership in these areas is the recently-announced Toronto Centre for Executive Development of Financial Sector Supervisors.

We look to our Finance Ministers to report on progress on all of these initiatives early in the new year and to concrete outcomes at their next meeting.

4. APEC must play an increasing role in addressing such challenges. We are resolved to work together to achieve concrete results through dialogue and problem-solving. Recognizing the diverse interests and circumstances of its membership, APEC has given rise to entirely new approaches to international economic cooperation. Based on three mutually supportive pillars — trade and investment liberalization, business facilitation, and