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**EMERGING ISSUES AND DEVELOPMENTS AT THE REGIONAL LEVEL:
REGIONAL ECONOMIC COOPERATION**

(Item 7 (a) of the provisional agenda)

**REPORT ON THE IMPLEMENTATION OF COMMISSION RESOLUTION 55/2
ON ECONOMIC AND FINANCIAL MONITORING AND SURVEILLANCE
IN THE ESCAP REGION**

SUMMARY

In resolution 55/2, the Commission made a number of requests to the Executive Secretary of ESCAP related to the area of economic and financial monitoring and surveillance. Section I of this report contains a brief summary of the action taken to implement these various requests since the fifty-fifth session of the Commission. Section II contains a summary of the recommendations made in the study on economic and financial monitoring and surveillance requested in paragraph 2(d) of the resolution. The study is included in the *Economic and Social Survey of Asia and the Pacific 2000* as part two, and a summary of the main issues may be found in the document "Report on the current economic situation in the region and related policy issues" (E/ESCAP/1157) under agenda item 5(a).

The recommendations focus on various modalities to complement and support national- and global-level monitoring and surveillance activities through subregional and regional cooperation, ranging from informal exchanges of experience to more formalized surveillance processes such as those being developed by the Association of Southeast Asian Nations. They also cover the types of activities which the ESCAP secretariat could undertake to support national, subregional and regional initiatives and complement global mechanisms. These include convening and backstopping exchanges of experience among countries; organizing training and providing policy advice on different aspects of monitoring, such as leading indicators, financial system developments and international surveillance modalities; providing an independent regional perspective on Asia and the Pacific for use by countries or global bodies; undertaking analyses on emerging issues or problems for members of the Commission; and more systematic monitoring of selected indicators in the *Survey*.

The Commission may wish to endorse these recommendations for further action.

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1. The Commission, in resolution 55/2 of 28 April 1999 on economic and financial monitoring and surveillance in the ESCAP region, made a number of requests to the Executive Secretary of ESCAP related to the area of economic and financial monitoring and surveillance. These requests arose from the perceived need to find ways and means to assist all countries of the region in dealing with the financial volatility that seems to accompany financial liberalization and globalization. This became apparent from the widespread contagion effects of the recent economic and financial crisis in East and South-East Asian countries. The Executive Secretary's intentions in regard to the implementation of the resolution were presented to the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission in the document "Plan of implementation of resolutions and major decisions of the Commission at its fifty-fifth session".¹ As requested in paragraph 3 of the resolution, the present report contains a brief summary of the action taken to implement the various requests, including a separate section reporting on the recommendations made in the study requested in paragraph 2(d). The Commission may wish to endorse these recommendations for further action.

I. IMPLEMENTATION OF THE ELEMENTS OF PARAGRAPH 2 OF RESOLUTION 55/2

2. In paragraph 2(a) of resolution 55/2, the Executive Secretary was requested to continue to undertake detailed analyses of the financial and economic crisis, paying particular attention to the role of financial markets, and to present options to members and associate members to use at the national level with a view to ensuring a steady inflow of private capital. Two publications, *Financial Sector Reform, Liberalization and Management for Growth and Stability in the Asian and Pacific Region: Issues and Experiences* (ST/ESCAP/1940) and *Asian Economic Crisis: Causes, Consequences and Policy Lessons* (ST/ESCAP/1973), issued in 1999, constituted an effort in this direction. In addition, chapter II of the *Economic and Social Survey of Asia and the Pacific 2000* contains a discussion of relevant issues with a particular focus on debt structuring in selected crisis-affected countries. The chapter also identifies areas requiring the attention of governments and policy options for them to consider. The first part of document E/ESCAP/1157, "Report on the current economic situation in the region and related policy issues", provides a summary of the secretariat analysis of recent developments and emerging issues.

3. The secretariat has initiated action to provide substantive support, including the preparation of a background report, for a high-level regional meeting on financing for development proposed to be hosted by the Government of Indonesia. Part two of the *Survey 2001* will contain a more in-depth study on this issue for the Asian and Pacific region. Both of these activities are also in line with General Assembly resolution 54/196 of 22 December 1999, in which the active involvement of

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¹ OES/ACPR/1186.

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the regional commissions is requested in the preparatory work for the high-level intergovernmental consideration of financing for development in 2001. While in-house analyses of various sorts in response to critical emerging issues will continue, no new extrabudgetary resources have been received to date to support technical assistance and the exchange of experience, despite requests to that end.

4. In paragraph 2(b) of resolution 55/2, the Executive Secretary was requested to continue to study the social and economic consequences of the crisis. Recognizing that the inadequacy of existing social security and safety-net mechanisms aggravated the impact of the Asian crisis on the disadvantaged groups, chapter III of the *Survey 2000* contains an analysis of the issue of social security and safety nets, and suggests options for countries to consider in their efforts to extend coverage and enhance effectiveness. In addition, more focused work has continued in the context of various technical assistance projects, including one on growth with equity. The conclusions and recommendations of this work were made available to the Committee on Socio-economic Measures to Alleviate Poverty in Rural and Urban Areas, held in December 1999, and selected country studies and the overall analysis have been published in *Growth with Equity: Policy Lessons from the Experiences of Selected Asian Countries* (ST/ESCAP/2007). Another project, on developing a manual to evaluate poverty alleviation programmes, has been completed and it is intended to make the manual operational in selected countries through workshops to apply the methodology at the district level.

5. In paragraph 2(c) of the resolution, the Executive Secretary was requested to enhance the exchange of information among members and associate members on policies adopted to address the impact of the crisis. In this regard, the secretariat is currently executing an extrabudgetary project on evaluation of income/employment-generating programmes to alleviate the socio-economic impacts of the economic crisis. The recommendations emerging from the small surveys of programmes, beneficiaries and those who did not receive benefits being conducted in three countries that suffered from the crisis, the analysis of the performance of programmes drawn from various reports available and the survey results, and the conclusions drawn will be discussed at a seminar among 13 countries and with the major donor agencies, with the intention of formulating and agreeing on operational recommendations for the use of governments and donors.

6. The study requested in paragraph 2(d) of the resolution is contained in part two of the *Survey 2000*. A summary of the research undertaken is available in document E/ESCAP/1157. As requested, the report contains an examination of related mechanisms in place or under consideration; an analysis of the content, quality and frequency of the information required; and recommendations for future activities, including ways and means of making regional contributions which complement global mechanisms. To assist with these ideas, the secretariat convened an expert group meeting in

December 1999 involving some 13 countries of the region to review the draft of the substantive analysis and the recommendations.

7. The request in paragraph 2(e) of the resolution to pay special attention to the implications of the crisis for developing countries, particularly the least developed countries, Pacific island countries and economies in transition, through the provision of advisory services and technical assistance, has been partially met, and will continue to be met, if specifically so requested by the concerned countries, subject to the availability of the required resources. A study visit for central bank officials of six least developed countries was conducted with the Bank of Thailand, and a seminar was held for policy makers of the Central Asian republics on managing stabilization and economic growth. The staff of the Development Research and Policy Analysis Division have themselves been providing substantive advice on managing the implications of the crisis in response to ad hoc requests (at least six over the past year). However, the post of the regional adviser on macroeconomic policies in ESCAP concentrating on the disadvantaged groups of countries was abolished at the end of 1999. Further, no new technical assistance funding for projects in support of these groups of countries has been forthcoming.

8. The cooperation with the Bretton Woods institutions and other relevant international and regional organizations, requested in paragraph 2(f) of the resolution, has been an ongoing feature of the work in the macroeconomic area. In the specific context of the resolution, fact-finding missions were undertaken to the United Nations Conference on Trade and Development (UNCTAD), the Department of Economic and Social Affairs at United Nations Headquarters, the International Monetary Fund (IMF), the Asian Development Bank (ADB), the Association of Southeast Asian Nations (ASEAN), the Bank for International Settlements (BIS) and the Commonwealth Secretariat, as well as the Commonwealth Fund for Technical Cooperation (CFTC), the Financial Stability Institute, the Financial Services Authority (United Kingdom of Great Britain and Northern Ireland), Fitch IBCA, the International Institute of Finance (IIF), Reuters and Standard & Poor's. The ASEAN secretariat attended the expert group meeting on monitoring and surveillance (see para. 6 above) at its own expense. Several of these institutions, in particular ASEAN, BIS and IMF, voluntarily provided factual and substantive comments on the relevant parts of the draft study. In the context of the forthcoming work on financing for development, contacts are being established with ADB, UNCTAD and the Department of Economic and Social Affairs at United Nations Headquarters, as well as other regional commissions.

9. As the paragraphs of this resolution, except for paragraph 2(d), refer to activities that are not time-bound, those which are the subject of the requests to the Executive Secretary will continue to be undertaken. In regard to paragraph 2(d), any further work will depend on the action taken by the Commission on the various recommendations which are reported below.

II. RECOMMENDATIONS OF THE STUDY ON POSSIBLE REGIONAL MECHANISMS FOR EXCHANGE OF EXPERIENCE AND EARLY WARNING IN RELATION TO THE FINANCIAL AND ECONOMIC SITUATION OF THE COUNTRIES OF THE REGION

10. The recent crisis in several Asian and other countries has sparked worldwide interest in reform of the international financial system, with the intention of ensuring that both the potential benefits of the globalization of markets are realized and the risks inherent in the process are mitigated. The ideas behind reforms are multifaceted; as the new architecture means different things to different people, the diverse and sometimes contradictory proposals for reform are still under debate. The call for improved surveillance (defined to include international cooperation in monitoring and exchange of information as well as the application of peer pressure on policy matters) is an integral part of the overall response and one on which there is considerable agreement, and significant progress on new or improved approaches has been made.² The objective of the study requested in resolution 55/2 was to make recommendations for future activities, including ways and means of making regional contributions to the global monitoring and surveillance programmes of IMF and other multilateral entities, while complementing but not duplicating efforts already undertaken by multilateral financial institutions. These recommendations, as summarized below, are placed before the Commission for consideration and endorsement.

11. As the Asian crisis exposed gaps of varying degrees of seriousness in the existing national and global surveillance mechanisms, there is clearly a need for new initiatives, including efforts to include explicitly a regional dimension in measures to pre-empt crises. Precisely because spillover effects are very insidious at the regional level, there is a pressing need to engage in enhanced regional and subregional cooperation. It is clear that there is very little in the area of economic and financial surveillance that an international organization can do by itself beyond conducting its own analysis of indicators and emerging issues. Most of the actions require the active initiative of national governments, individually or collectively, to request support. Thus the recommended actions outlined below are at two levels: at the level of members and at the level of ESCAP as an international organization.

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² At the national level, the link between early warning and corrective policy measures is quite direct and under the control of the authorities. At the international level, there are complications owing to sovereignty issues. In this regard, international cooperation is central to effect the necessary policy changes needed to avert or minimize the severity of crises and their contagion effects.

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A. Action agenda for ESCAP members and associate members

12. Based on the analysis in part two of the *Survey*, the actions which it is proposed that developing members of ESCAP could pursue fall under three categories: engaging in consultative activities involving subregional cooperation; strengthening the technical aspects of surveillance at the national level; and becoming actively engaged in the ongoing process of developing the new international financial architecture. Individual member countries or groups of members in the region can pursue these initiatives themselves, either through their existing subregional arrangements or through organizing meetings of like-minded countries on an ad hoc basis.

1. Consultative activities

13. Four modalities for subregional cooperation of increasing degrees of formality are proposed for the consideration of governments. These modalities are not mutually exclusive but rather form a continuum of degrees of cooperation in which countries may wish to engage, depending on their past experience with economic cooperation and their degree of involvement in the regional and global economies.³ As most subregional cooperation to date has not focused on the financial sector, such modalities can be viewed as evolutionary; as countries gain experience and confidence in their exchanges, they can formalize the style and content of their cooperation progressively.

(a) *Informal exchanges of experience: request, help organize, sponsor and actively participate in informal meetings among groups of relevant parties on selected topics, including financial sector development, leading indicators and data requirements, or regulatory and supervisory problems.* These are envisaged as exchange-of-experience workshops among a small group of countries facing similar problems, and do not involve any peer review or policy coordination. Such subregional informal meetings could provide a good medium for in-depth discussions on the selection of indicators, data collection methods and issues, so that countries can acquire a feel for how to develop their national early warning systems better, taking into account the structure and peculiarities of their own situation, while being alert to the relevant international and regional dimensions. Or they could be a vehicle for national capacity-building by highlighting, for the benefit of policy makers, problems, measures and lessons learned in regard to managing financial sector liberalization and help avoid policy mistakes. They could explore new ways of dealing with developments and turmoil in financial markets; policy makers could work towards an analytical framework for assessing the international impact of policies. Such regional or subregional workshops could provide the opportunity for countries which are not systemically important and so outside of the main forums (of which there are quite a number in the ESCAP

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³ There are four forms of cooperation among countries: adopting common standards or definitions; using a structured exchange of information backed up by an institutional mechanism; agreeing on a rules-based framework where the decisions are made at the national level but follow the same rules; and joint decision-making.

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region) to have their voices heard, specifically on the impact of policies pursued by their more influential neighbours.

(b) *Meetings under the aegis of multilateral institutions: participate actively in meetings in cooperation with one or more of institutions, including ADB, BIS, IMF and the World Bank in collaboration with ESCAP, to review recent developments of concern to the countries.* Holding monitoring or review meetings under the aegis of global surveillance institutions such as BIS, IMF and the World Bank could assist countries, as these institutions have taken the lead in devising new instruments, processes, codes and standards, policy analysis and options geared to minimizing the risk of new crises as a part of the broader framework of the new financial architecture. The format of disseminating the findings, studies and new processes through small meetings presents opportunities for facilitating enhanced interaction between these institutions and the target audience in emerging markets in terms of problems, constraints, feedback etc. They could also be used as a vehicle for learning about the conduct of surveillance at the global level, as takes place in the Basle-based committees, without increasing the number of participants in such discussions at any one time beyond that which is efficient for a frank exchange of views. The danger of developing countries not being involved is that they may have a weak sense of ownership; while developing countries with underdeveloped financial markets are likely to be more crisis-prone, they are not adequately represented in decision-making processes and this may compromise the quality of their cooperation. Such meetings held in the region could thus be an intermediate solution and provide a transition to gaining more familiarity with, providing inputs to and implementing global transparency requirements. In addition, requesting inputs to meetings among groups of countries in the region on monitoring matters from global and regional agencies, as is currently done in the Framework for Enhanced Asian Regional Cooperation to Promote Financial Stability (“the Manila Framework”) and G-7 meetings, is an efficient way of using the research and policy analysis capacity of these institutions to supplement the capacity in countries.

(c) *Exchanges based on country assessment exercises: request, help organize, sponsor and participate in meetings to consider issues of mutual concern on the basis of Public Information Notice (PIN) reports or other assessment reports.* PINs and other Article IV consultation reports (prepared by IMF), financial sector stability assessments (IMF and the World Bank) and transparency assessments (IMF) could form very good background material for regular consultations among groups of interested countries to enhance understanding of the constraints and difficulties that they and their neighbours face, and on the spillover effects of their own policies. These exercises could be very helpful in building confidence as well as enhancing the capacity of national authorities in surveillance work. Such meetings could also help discussions focus on the problems that concern international investors and could therefore affect investor perception of the region.

(d) **Formal regional surveillance processes: participate in setting up more formal arrangements similar to the ASEAN surveillance process within subregional groups as a complement to global surveillance mechanisms.** There is a Surveillance Coordinating Unit in the ASEAN secretariat to provide technical and coordination support and to draft the surveillance report. For the initial two years, ADB is providing technical assistance in capacity-building and is housing the ASEAN Surveillance Technical Support Unit. ADB and IMF are also providing inputs into the review process. The main mode of crisis prevention and containment of contagion in this case is the peer review and policy consultation component among central bank governors and ministers of finance. It is envisaged that the surveillance meetings will take place twice a year. The full template of information to be provided by members is still under discussion; the provision of timely, reliable and comparable data is absolutely critical if the exchange of information and policy dialogues are going to be useful. Such an arrangement could be envisaged for other subregional country groupings, such as the Economic Cooperation Organization (ECO), the South Pacific Forum, North-East Asia and the South Asian Association for Regional Cooperation (SAARC), if the members so desired. If any of these subregional groupings did decide to pursue the ASEAN-style approach, they would need to consider the implications for their secretariats. At a minimum, a technical support unit would be needed to develop the indicators and produce surveillance reports. Some external substantive assistance would also probably be necessary.

2. Strengthening the technical aspects of surveillance at the national level

14. For many countries in the region, particularly those that are not participants in the ASEAN process, there is a need to develop a national list of leading indicators and to collect data for the calculation of these indicators on a regular basis. This is different from participation in international databases such as the Special Data Dissemination Standard or the General Data Dissemination Standard, where information on a wide range of variables is to be reported. While several ideas are being proposed on the best set of signals for assessing vulnerability to an economic and financial crisis, one interesting approach suggested is to classify the variables according to the locus of stress originating in an economy: domestic macroeconomic stress (stress originating from imbalances that affect an economy as a whole); external stress (stress arising from imbalances in the sectors of an economy involved in foreign trade and investment); financial stress (stress related to financial markets at home and abroad) and institutional stress (stress related to problems with the functioning of institutions or practices). It is recognized that collecting and analysing data is costly in both financial and human terms and therefore countries participating in monitoring exercises ultimately have to select a manageable number of the indicators they require depending upon their own peculiar characteristics. In this regard, members and associate members could:

(a) Request technical assistance for this activity as required, using as a basis the indicators outlined in table VI.2 of the *Survey 2000*;

(b) Developing the requisite human resources through in-house training or participating in training courses offered by ADB, BIS, IMF or ESCAP;

(c) Participate in exchange of experience in indicators with other countries having similar characteristics.

3. Active engagement in the ongoing process of developing the new financial architecture

15. The experience of the last few years has highlighted the need to step up the level of financial regulation at both the national and international levels for prudential purposes. In fact, there is little choice for countries that wish to participate in the international financial system but to adopt or abide by international regulatory and supervisory rules and practices. It is thus in the interests of all members to monitor progress in the new financial architecture and to participate actively in its development. To this end, they could:

(a) Participate in the development or revision of codes and standards for financial systems and apply them at the domestic level;

(b) Participate actively in the assessment of compliance with codes and standards, in preparing transparency reports and in undertaking financial sector stability assessments periodically;

(c) Seek membership in BIS or other relevant global bodies—especially in the case of countries that are active in the international financial markets.

16. The above recommendations for actions by ESCAP members and associate members clearly relate to actions that one or more countries can take in order to improve their understanding of and participation in the international financial system. The motivation to take any one of the actions will vary with the perception of risks the country faces in the interaction between its own financial sector and the international one. However, all countries need to take a proactive stance if their desire to influence the new architecture is to be translated into visible results.

B. Action agenda for ESCAP

17. The role of the ESCAP secretariat in contributing to, complementing or supporting national and global surveillance mechanisms depends critically on its comparative advantage and the value added it could potentially bring to the surveillance processes. One of the comparative advantages of ESCAP is that with over 50 developing countries or territories as members or associate members, it has a truly regional perspective. It also has a formal relationship with subregional groupings, including ASEAN, ECO, SAARC and South Pacific Forum. ESCAP has a long tradition of convening and providing substantive backstopping for workshops and seminars to enable groups of countries to exchange experience and draw policy lessons from each other. Often these are among groups of countries of differing levels of development and are a vehicle for involving the less advanced countries (the least developed countries, the economies in transition and the Pacific island

countries). By virtue of the breadth of its country coverage and its network with subregional groupings, ESCAP is in a favourable position to take the lead in convening exchange-of-experience seminars. More concretely, ESCAP could do the following, upon request by its members:

(a) Convening and providing substantive backstopping of exchanges of experience among groups of interested members and associate members on issues related to the identification, construction and interpretation of leading indicators;

(b) Convening and providing substantive backstopping of exchanges of experience among groups of interested members and associate members on issues related to international financial system developments and international surveillance modalities, in cooperation with other relevant international organizations such as BIS, IMF and ADB;

(c) Convening and providing substantive backstopping of exchanges of experience among groups of interested members and associate members on issues related to assessment reports such as PINs, transparency reports or financial sector stability assessments, in cooperation with other relevant international organizations such as BIS, IMF and ADB;

(d) Promoting cooperation and informal discussions on monitoring and surveillance among the members of different subregional organizations, not only among members of one such organization (the ASEAN surveillance process could be used as the model and could provide the nucleus for this proposal);

(e) Backstopping and providing resource persons for seminars and workshops organized by subregional groups on topics related to the monitoring and surveillance, identification, construction and interpretation of leading indicators, standards and codes, transparency initiatives etc.;

(f) Acting as a catalyst for any initiatives that the subregional groups might wish to take to develop their own surveillance process, no matter how formal or informal.

18. ESCAP has been responsible for the conduct of training workshops and the development of course material for many years in several areas. In the surveillance area, ESCAP would be uniquely placed to develop joint courses with other institutions such as BIS, IMF, IIF and the World Bank in the various areas of concern, such as leading indicators, codes and standards and banking supervision. These could be based on the course material these organizations have already

developed, and could be run at the national level or for a few countries in close proximity.⁴ As the demand for courses on various aspects of financial markets is almost limitless at present, and as in-country courses could reach a larger number of the target audience, there is good reason for ESCAP to organize such collaborative courses in the interests of financial sector stability in the region.

19. ESCAP has a comparative advantage in policy advice derived from its long history of providing advice and assistance to its members on an individual basis, especially focused on the least developed countries, the economies in transition, the Pacific island countries and other systemically unimportant markets but which suffer from contagion just the same. ESCAP also has a reputation for neutrality; as it is part of the United Nations, it is perceived to be relatively unbiased in its assessment of policy options. Because political acceptance of policy advice is critical in crisis prevention, this feature of ESCAP could be put to good use. Although strictly speaking, ESCAP does not engage in high-frequency surveillance, it is well positioned to carry out the following:

(a) Provide advice and analysis in matters related to surveillance, monitoring and on the advantages and constraints involved in a country's association with different monitoring modalities and systems;

(b) Extend assistance on the construction of leading indicators, data collection (in terms of content, timeliness and frequency) and on the interpretation of leading indicators;

(c) Provide advice on the implications of developments in the global financial system, the new financial architecture and proposed monitoring systems.

20. ESCAP can play a role in the region in providing inputs into the global surveillance mechanisms by providing a regional perspective on events and developments in Asia and the Pacific. For instance, ESCAP could:

(a) Look into the applicability of and constraints on applying international codes and standards in developing economies;

(b) Continue to provide independent and critical analyses of economic developments in the region;

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(c) Provide information on developments in monitoring systems and implications for members and associate members;

⁴ For example, while BIS has, through its Financial Stability Institute and the Toronto Centre for Executive Development of Financial Sector Supervisors courses on offer to supervisory authorities, these are quite expensive and remote so that only one or two individuals from the developing countries in the region are able to participate. Similarly, the IMF Training Institute in Singapore can cope with only a limited number of participants in any one year. The IMF and World Bank courses in Washington are of excellent quality, but again are only able to train a limited number of the target cadres in any one year.

(d) Analyse developments in the new financial architecture and implications for members and associate members;

(e) Study and report on lessons from experience in other parts of the developing world.

21. Although ESCAP is already covering some of this ground through its annual *Economic and Social Survey of Asia and the Pacific*, it could put more emphasis on issues of greater relevance to surveillance. This could be done by requesting the secretariat to monitor on an annual basis a consistent group of indicators for its members and to comment on their evolution in terms of warnings of vulnerabilities and implications for the region. The ministers could then address the issues and analyses at the Commission session.

22. Global surveillance institutions have been hard put to catch up with the demands of globalization. While there is no dearth in the initiatives to reform the international financial architecture, there appears to be relatively less discussion on what can be done on the regional level. Addressing this issue is important because, to be effective, the global surveillance mechanisms should be complemented at the regional level. The various modalities for cooperation among members and associate members and the different ways and means in which ESCAP can add value to the surveillance process in the region could help to fill the gap. Of course, ESCAP is not the only organization in the Asian and Pacific region that can make a contribution, although it may have some special attributes which facilitate the activities suggested earlier. Cooperation in this area between ESCAP and ADB is a *sine qua non*. There is already an informal understanding between the offices involved on sharing information and undertaking joint activities when and where appropriate. IMF has a regional training institute in Singapore and BIS has a regional office in Hong Kong, China. These regional arms should facilitate cooperation and coordination between them and the regional institutions, and some discussions to this effect have already been undertaken.

23. Regional arrangements are at a “mezzanine” level, between national measures and global mechanisms to undertake surveillance and early warning. These two are not sufficient in themselves but need regional or subregional complements to be effective. All the mechanisms should be implemented in a coordinated manner to support each other in order to build robust economic and financial systems in the region. Although no one can guarantee that there will be no crises in the future, investments in the surveillance process, including at the regional level, are worthwhile to minimize the probability of a crisis or limit the severity if one occurs. The challenge, as always, is how to muster the necessary support for ESCAP (and others) to put these recommendations into effect.