

MINISTRY OF
FINANCE



Building Resilient and Sustainable Global Economy through Multilateral Cooperation

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We are standing at a critical juncture in human history.

Multiple challenges are altogether testing the existing international order.

- ✓ COVID-19 pandemic and Russia's war
- ✓ Loosened discipline in the financial markets
- ✓ Tectonic instabilities driven by climate change, digitalization, and geopolitical tension

Overarching question today:

What kind of choices should we make to set the right course for the global economy and human society to be resilient and sustainable for the next decade and beyond?

1. The Roles of International Fora such as the G7 and the G20

- I. Russia's war against Ukraine
- II. Debt issues in low- and middle-income countries
- III. Global health
- IV. Climate change
- V. Digitalization

2. The Roles of Businesspersons, Policymakers, and International Organizations

i. Russia's war against Ukraine, as the first priority

- Further increase Russia's costs of its war and stay united with Ukraine
- ✓ G20 Leaders' strong agreement, such as 'today's era must not be of war'
- ✓ G7's continued sanctions against Russia
- ✓ Support to Ukraine, including G7 commitment to budget and economic support of 39 billion USD in 2023, and the IMF-supported program of 15.6 billion USD.

ii. Debt issue in low- and middle-income countries

- Swiftly implement the G20 Common Framework for LICs, as agreed in the G20 meeting in February
- Address debt vulnerabilities in MICs, notably Sri Lanka
- ✓ Japan will have a historic event on Thursday with India, France, and Sri Lanka.
- ✓ Japan is ready to lead the creditor committee with India and France once it is formed.
- Enhance debt transparency

iii. Global Health

- Consider developing a “surge” financing function to deploy rapidly scalable financing for pandemic response.
- Strengthen coordination between Finance and Health Ministries

iv. Climate Change

- Advance a new initiative to address existing vulnerability in clean energy supply chains through a mutually beneficial partnership with G7 and interested countries that promotes value addition in developing countries

v. Digitalization

- Maximize the potential of digital technologies while addressing challenges through multilateral collaboration.
- ✓ Need proper and consistent regulation across borders on crypt assets through FSB’s work
- ✓ In developing CBDCs, help developing countries introduce them consistent with standards [5](#)

Question: *how can we build a proper incentive mechanism for businesspersons, policymakers, and experts in IOs to facilitate transformation?*

i. Businesspersons

- The G20/OECD Principles of Corporate Governance is under review.
- Issues include the followings;
 - ✓ Introduce a new dedicated chapter of “Sustainability and Resilience”
 - ✓ Stress that corporate governance framework should support sound management of sustainability risks in order to support investors’ financial and investment decisions
 - ✓ Emphasize the importance of institutional investors as shareholders in holding company boards and management accountable and their stewardship activities
 - ✓ Address the increased complexity of company groups across different jurisdictions

ii. Policymakers

- Limitations of GDP have become more acute due to a dynamic transformation, such as digitalization, climate change, and rising inequality.
- Deepen discussions on proper measuring sticks for better economic policy.

iii. International Organizations, specifically MDBs

- MDBs, especially the World Bank Group must be evolved to play larger roles in addressing transboundary issues.

Closing

Question raised at the beginning:

What kind of choices should we make to set the right course for the global economy and human society to be resilient and sustainable for the next decade and beyond?

- **We bolster our joint actions, building on our volition to preserve the fundamental values that human society has developed through centuries of painful history.**
- **Japan is determined to advance multilateral efforts through building coalitions with as many countries as possible at all levels and play the bridging role between the G7 and the G20 through collaboration with India, as the Presidency of the G7 and ASEAN plus 3.**