

# Central Asia Senior Officials Agree to Promote Regional Economic Cooperation

**T**he Senior Officials' Meeting (SOM) on Central Asia Regional Economic Cooperation was convened in Almaty on 15–16 April to prepare for the Third Ministerial Conference on Economic Cooperation in Central Asia in the fourth quarter of 2004.

The SOM participants recommended several ways to improve regional cooperation, particularly through capacity building, encouraging active participation of the private sector, and adopting a more comprehensive sector approach.

Official representatives from seven member countries of the Asian Development Bank (ADB)—Azerbaijan, People's

Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan—participated in the Meeting. Representatives of other multilateral institutions also attended, namely, the European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank.

Gani Uzbekov, Kazakhstan's Vice-Minister of Finance and National Focal Point on Regional Cooperation, cochaired the Meeting with H. Satish Rao, Deputy Director General of ADB's East and Central Asia Department.

The SOM discussed (i) the progress achieved in the priority areas of energy, trade facilitation, and transport since the Second Ministerial Conference in Tashkent in November 2003; (ii) the main activities planned in preparation for the Third Ministerial Conference; (iii) the establishment of a sector coordinating committee for trade policy; and (iv) issues on strengthening the regional cooperation institutional mechanism.

The participants also discussed ADB's Regional Cooperation Strategy and Program for Central Asia for 2005–2007, which details the priorities and development agenda for the region. ■



**REGIONAL MEETING** Gani Uzbekov (right), Kazakhstan Vice-Minister of Finance, and Satish Rao (left), Deputy Director General, ADB East and Central Asia Department, lead the meeting to strengthen regional economic cooperation in Central Asia

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*In this publication, \$ refers to US dollars.*

# Kazakhstan's Economic Outlook Remains Positive in 2004–2005

**K**azakhstan's economic outlook remains positive, supported by strong foreign direct investment inflows in the oil sector and the Government's efforts to diversify the economy. Average annual GDP growth will remain high at 9.5% in 2004 and 2005. This forecast was contained in the *Asian Development Outlook 2004* (ADO), the Asian Development Bank (ADB) annual forecast of economic trends of its developing member countries in the Asia and Pacific region, launched at a press conference at the Kazakhstan Press Club in Almaty on 28 April.

Overall, ADO's economic forecast for the Asia and Pacific region was estimated at a growth rate of 6.8% in 2004 and 6.7% in 2005.

"In Kazakhstan, the economy continued to grow rapidly in 2003. The greater pace in manufacturing has demonstrated economic diversification. The Industrial and Innovation Development Strategy will help deepen economic diversification and maintain growth momentum in the medium term," said Kazuhiko Higuchi, Country Director, ADB Kazakhstan Resident Mission (KARM), at the press conference.

"Sound policy measures will avoid overreliance on capital-intensive sectors, and continue employment creation by expanding an enabling environment for



**ECONOMIC FORECASTING** Kazuhiko Higuchi (center), Country Director of ADB's Kazakhstan Resident Mission (KARM), and Aliya Mukhamedyarova (right), KARM Economics/Programs Officer, brief the press at the launch of the *Asian Development Outlook 2004* in Almaty. At left is Saken Balbayev, Deputy President of the Kazakhstan Press Club

private sector development. The medium-term outlook is positive, as the Government steps up its efforts to diversify the economy," he added.

Also, inflows of strong foreign direct investment (FDI) will likely continue, rapidly expanding development in the oil sector. The Government prudently projects GDP growth at 7–7.5% in the medium term. "ADO forecasts that growth will likely be higher in view of the (i) anticipated start of major gas and oil projects in 2004 and 2005, and (ii) continued strong regional demand," Mr. Higuchi noted.

The special chapter of *ADO 2004* was devoted to FDI in developing Asia. The

ADO notes that commercially profitable and politically stable environments are major factors in determining location when investing abroad. They are stronger than incentives in attracting investments.

Since the international commercial environment is common to all, the host country policy regimes and institutional capacities become deciding factors.

The key is to find the right mix of institutions, incentives, and infrastructure to create the enabling business environment and investment rules and regulations. Agencies responsible for relevant licenses, permits, and approvals have to be clearly identified. ■

## Central Asia Cooperation Organization Discusses Opportunities at 3<sup>rd</sup> Business Forum

**I**ssues relating to economic and business regional cooperation, joint project implementation, and attracting investments in Central Asia were discussed at the Central Asia Cooperation Organization (CACO) Third Business Forum.

Kazuhiko Higuchi, Country Director of the Asian Development Bank (ADB) Kazakhstan Resident Mission, expressed appreciation for the key role of CACO in delivering results for mutual cooperation among Central Asian republics.

He outlined ADB's contribution to this

end, particularly the development of the first Regional Cooperation Strategy and Program for Central Asia. Regional cooperation and private sector development were mentioned as the main pillars of ADB collaboration with Central Asian countries.

The Forum, organized by the Ministry of Industry and Trade and the Ministry of Foreign Affairs of Kazakhstan, was held in Almaty on 6 May, attended by representatives from the Organization's member countries—Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan.

Five sectoral meetings of the Forum covered (i) small and medium enterprises; (ii) agro-industry; (iii) trade, customs, finance, and credit; (iv) transport and information technology; and (v) energy and water.

The participants of CACO Business Forum held a dialogue on various issues and proposed ways to promote the development and extension of cooperation among CACO member countries, serving as a useful vehicle for external relations for the Central Asia Regional Economic Cooperation program. ■

# Kazakhstan Cites ADB's Role in National and Regional Development

The Government of Kazakhstan, represented by Batyrkhan Issayev, Alternate Governor and Vice Minister of Economy and Budget Planning, expressed appreciation for ADB's role in the country's development and efforts at promoting regional cooperation. Mr. Issayev reported on the recent economic developments in Kazakhstan at the 37<sup>th</sup> Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) in Jeju Island, Republic of Korea on 15–17 May 2004.

Mr. Issayev outlined the Government's medium-term development priorities and noted the main priorities of ADB and Kazakhstan—the development of rural territories, poverty reduction, industrial and innovational development, investments in social sector, and regional cooperation. “ADB, with the Government of the Republic of Kazakhstan, plans to carry out a new initiative on crediting private sector without guarantees of the Government,” he said.

He was one of about 2,500 participants, including ADB governors from all member countries; finance and economic planning ministers; senior government officials; representatives of multilateral development banks, investment banks, and nongovernment organizations; academics; and journalists who attended this event.

In the opening session, ADB President Tadao Chino reported on the regional economic performance and outlook, and on ADB's key activities in 2003. He noted ADB's forecast that the economies of developing Asia and the Pacific are expected to expand robustly by 6.8% in 2004 and 6.7% in 2005.

Mr. Issayev noted ADB's plans to develop cooperation with local agencies and to carry out a program of economic and social research in Kazakhstan.

He also cited the opportunity to promote cooperation with the Development Bank of Kazakhstan, using the tools of ADB.

**ADB and the Government of Kazakhstan plan to carry out a new initiative on providing credit to the private sector**



The 37<sup>th</sup> ADB Annual Meeting strengthened relations between member countries and ADB and stimulated development of multilateral cooperation.

“Such growth is expected to be increasingly broad based as consumer demand and business investment strengthen further, and as external demand, including intraregional trade, remains buoyant,” said Mr. Chino.

He expressed ADB's commitment to enhance development effectiveness at the institutional level. He highlighted the importance of ADB's new accountability mechanism to better address the concerns

of project-affected people; and a draft Public Communications Policy to promote greater information sharing on ADB operations and to encourage more public feedback.

The meeting tackled important areas of ADB involvement in poverty reduction, development of the private sector as the engine of economic growth and poverty reduction, and infrastructure development. Special importance was given to the pro-

motion of continued shareholder support.

ADB will continue to help create an enabling environment for private sector development by improving basic infrastructure and by supporting policy, institutional, regulatory, and judicial reforms that improve governance, which is so essential for attracting private sector investments.

ADB provides public sector lending and private sector finance, including loans and equity investments and credit enhancement products such as guarantees. ADB can thus effectively deliver synergistic solutions to development challenges. ADB believes in private sector development in public sector operations, and development impact in private sector operations.

The meeting also focused on fostering regional cooperation. ADB has been supporting multiple subregional programs,

**ADB will implement its commitment to become a more accountable, efficient, and transparent institution**  
—ADB President Chino

and the growth and cooperation initiatives of member countries such as the Central Asia Regional Economic Cooperation Program. These subregional initiatives are helping promote connectivity; reducing barriers to intraregional trade and investment; and addressing cross-border issues such as environmental degradation, human trafficking, and narcotics.

The most significant benefits of regional cooperation are stability, peace, and security based on mutual trust and goodwill created by countries increasingly working together. Regional cooperation has since expanded to cover information exchange and economic surveillance, currency swap arrangements, and regional bond market initiatives. Combating corruption is another area where regional cooperation plays an increasingly important role.

At the close of the meeting, Mr. Chino reaffirmed ADB's commitment to become a more accountable, efficient, and transparent institution. ■

## Ongoing ADB Loan Projects in Kazakhstan

(as of 30 June 2004)

| Project Title                                   | \$ Million        |              | Date      |           |
|---|-------------------|--------------|-----------|-----------|
|   | Lending           | Disbursement | Approval  | Closing   |
| Water Resources Management and Land Improvement | 40.0 <sup>a</sup> | 18.8         | 17 Dec 97 | 30 Jun 05 |
| Almaty-Bishkek Road Rehabilitation              | 52.0              | 11.7         | 31 Oct 00 | 30 Jun 05 |
| Rural Area Water Supply and Sanitation          | 34.6              | -            | 29 Sep 03 | 30 Jun 10 |
| <b>TOTAL<sup>a</sup></b>                        | <b>126.6</b>      |              |           |           |

<sup>a</sup>Of the total, \$30 million came from ordinary capital resources and \$10 million from the concessional Asian Development Fund.

## Ongoing ADB Technical Assistance Projects in Kazakhstan

(as of 30 June 2004)

| Project Title  | \$'000         | Date      |           |
|--|----------------|-----------|-----------|
|  |                | Approval  | Closing   |
| Improvement of the Road Sector Efficiency  | 750.0          | 31 Oct 00 | 30 Jun 04 |
| Feasibility Study for Borovoe-Petropavlovsk Road Rehabilitation  | 150.0          | 04 Nov 02 | 30 Jun 04 |
| Capacity Building of National and Local Governments in the Implementation of Poverty Reduction Program | 676.0          | 19 Dec 02 | 30 Nov 04 |
| Regional Rural Development   | 677.0          | 17 Sep 03 | 30 Oct 04 |
| Institutional Strengthening for Rural Water Supply and Sanitation                                      | 350.0          | 29 Sep 03 | 31 Dec 04 |
| Supporting Local Government Reforms  | 250.0          | 06 Oct 03 | 30 Mar 05 |
| <b>TOTAL</b>   | <b>2,853.0</b> |           |           |

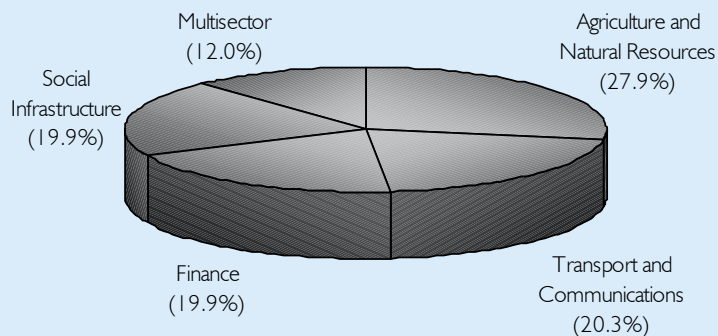
### Regional

|   |                |           |           |
|---|----------------|-----------|-----------|
| Improving Nutrition for Poor Mothers and Children in Transition                           | 6,850.0        | 26 Apr 01 | 31 Aug 04 |
| ADB-OSI Central Asia Education Cooperation Network  | 200.0          | 06 Oct 03 | 30 Sep 05 |
| Integration of Environmental Considerations into Development Policies, Plans and Programs | 550.0          | 11 May 03 | 31 Dec 04 |
| Capacity Building in Environmental Information Management System in Central Asia          | 800.0          | 15 Dec 03 | 30 Nov 04 |
| Improvement of Shared Water Resources Management in Central Asia (Phase III)              | 700.0          | 15 Feb 03 | 28 Feb 05 |
| <b>TOTAL</b>  | <b>9,100.0</b> |           |           |

## ADB Loan Approvals to Kazakhstan, by Sector

(as of 30 June 2004)

**Total: \$501.6 Million**



# Roundtable Discussions Note Benefits of Food Fortification to Solve Micronutrient Deficiency



**CONFRONTING HEALTH CONCERNS** Representatives of the Government, Parliament, nongovernment organizations, and experts discuss sustainable efforts to address micronutrient deficiency in Kazakhstan

**G**overnment officials, members of the Parliament, nutrition experts, food industries, and nongovernment organizations (NGOs) in Kazakhstan held on 19 April roundtable discussions with mass media on sustaining efforts to eliminate micronutrient deficiency in Kazakhstan and implement the regional project on Improving Nutrition for Poor Mothers and Children in Central Asian Countries in Transition, financed by the Japan Fund for Poverty Reduction (JFPR).

During the round table, it was reported that the Government of Kazakhstan would consider the establishment of the National Fortification Alliance to design, implement, and coordinate food fortification programs. The importance of social marketing was also stressed, as well as the proven role of joint partnership between local authorities and NGOs in implementing the social programs. The project team presented the video film on food fortification programs in Kazakhstan, which was followed by discussions with more than 20 members of the mass media.

The representatives of the Project Steering Committee met with mass media to disseminate information on the achievements and lessons learned during the project implementation period (2001–2004). The event was organized with the support of the Kazakhstan Press Club.

The roundtable underscored the achievements under the regional project and provided opportunities to exchange views on the issue and plan next steps. The participants discussed the impact of project activities on the nutrition status

of beneficiaries, challenges and lessons learned, affordability of fortified food for low-income groups of population, and prospects of food fortification in Kazakhstan.

Baurzhan Baiserkina, Chairman, Committee of Sanitary and Epidemiological Surveillance of the Ministry of Health, presented the overview of project implementation in Kazakhstan and its impact on nutrition status and poverty reduction. Kazuhiko Higuchi, Country Director, ADB Kazakhstan Resident Mission, briefed journalists about projects aimed at poverty reduction and supported by ADB.

Rustam Muzafarov, JFPR Regional Coordinator, gave an overview of project implementation in other Central Asian countries. Professor Toregeldi Sharmanov, President of the Kazakh Academy of Nutrition, reported on the micronutrient deficiency situation in Kazakhstan and designed fortification programs. Representatives of the food industry—Yevgeniy Hahn, President, League of Grain Processors and Bakers; and Baltabai Tasshabayev, Director, AralTuz Company—presented the overview on quality production of fortified wheat flour and iodized salt. Valentina Sivryukova, President of NGO's Confederation of Kazakhstan, briefed participants on the efforts of NGOs and women organizations to shift the consumer's demand to fortified food products.

The results of project and vision of the Country Team on the perspectives of food fortification were to be presented at the intergovernmental conference, supported by ADB and JFPR, in Almaty on 2–3 September 2004. ■

## Regional Rural Development Assistance Reviewed

**A** mission from ADB's headquarters in Manila visited Astana to take part in the tripartite review meeting on the Regional Rural Development Project, based on the Inception Report prepared by the consultants GHK International.

The meeting was held on 11 June, chaired by Lilia Musina, Vice-Minister of Agriculture. The meeting discussed the progress of the technical assistance and highlighted key areas requiring attention before the end of Phase 1. The Mission met with officials from the Ministry of Agriculture and the Ministry of Economy and Budget Planning. ■

## Diversification of Economy is Needed to Reduce Poverty, says UNDP Report

**T**he United Nations Development Programme (UNDP) released on 13 May its report on *Poverty in Kazakhstan: Causes and Cures* and hosted a presentation in the Mazhilis Conference Hall, House of Parliament in Astana.

The report, written by local poverty and statistics specialists, Russian Living Standard Center experts and UNDP Kazakhstan, continues the series of publications monitoring the country's progress toward attaining the Millennium Development Goals. Members of both bodies of the Parliament as well as representatives of government agencies and international organizations were invited to the presentation.

The publication discusses different methods of defining and measuring poverty and reviews the poverty situation in Kazakhstan, including economic inequality, labor market, social protection, environmental aspects of poverty, and the influence of poverty on health and education. One of the chapters is devoted to rural and urban poverty, their comparative differences and the crisis of towns. ■

# Central Asia Cooperation Organization News

## Sectoral Consortia and Common Market for Central Asia Considered

### 31 March–1 April

Representatives of the Asian Development Bank (ADB), European Bank for Reconstruction and Development, Islamic Development Bank, and World Bank, as well as heads of Inter-Ministerial Working Groups exchanged views on development concepts on establishing a water and energy, food, and transport consortia. The discussions on creating the consortia within the framework of the Central Asia Cooperation Organization (CACO) were held in Almaty.

The participants discussed proposals on establishing an international water and energy consortium, and draft concepts on establishing food and transport consortia within the framework of CACO for submission to international finance institutions (IFIs) for consideration. IFI representatives were asked to submit to the Ministry of Foreign Affairs the conclusions on the proposed concepts, which will be subsequently confirmed by CACO member countries.

### 20 May

A meeting was held to further discuss the

creation of sector-specific consortium within the framework of CACO. From ADB's side, the focal points were on the (i) usefulness of the Central Asia Regional Economic Cooperation (CAREC) Program in coordinating IFI support to achieve CACO goals; (ii) ADB's readiness in taking a lead role in the transport consortium; (iii) ADB's readiness to work on water and energy under the World Bank's lead; and (iv) ADB's involvement in the development of food consortium limited to its national programs.

### 30 May

The Working Group agreed on the proposal identifying ADB as the lead organization for providing advice and coordinating financial resources for activities on the proposed working groups for transport consortium. The consortium is intended to facilitate smooth border crossing, integrate transport infrastructure, introduce international best practices, and observe consistency of legal and regulatory frameworks and cooperation on common projects.

### 28 June

The presidents of Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan met in Almaty to discuss issues on development cooperation under the CACO. They exchanged views on international and regional problems, and the promotion of multilateral cooperation based on the principles of mutual assistance and respect.

Taking into consideration historical and traditional ties of Russia with CACO countries, the parties unanimously decided to accept the full membership of the Russia Federation in CACO activities.

The parties also proposed to establish the Central Asia Common Market (CACM) in phases to optimize and rationally use the natural mineral and other resources, including water and energy, as well as the human potential in ensuring sustainable development of CACO countries.

The heads of state positively assessed the progress of agreements for drafting concepts in establishing the water, energy, food, and transportation consortia. They asked the Committee of National Coordinators, with the participation of IFIs and respective working groups, to complete this work in the fourth quarter of 2004. ■

## NEWS IN BRIEF

### Updating the 2004–2007 Country Strategy and Program for Kazakhstan

**A** country programming mission from the Asian Development Bank (ADB) visited Kazakhstan 21–29 June and discussed ADB's collaboration program for 2004–2007 with the Government, Parliament, nongovernment organizations, and development partners.

The key areas for ADB assistance in 2004–2007 include agriculture, rural development, rural water supply, transport and communications, education, environmental protection, government capacity building, and financial sector development.

The memorandum of understanding between the Government and the Mission was signed.

### Improving Transport Sector Efficiency

A visiting mission for the technical assistance (TA) project on Improvement of Transport Sector Efficiency assessed from 15–20 April the current status of the project and discussed with government authorities the (i) scope and objectives of the TA; (ii) current status of the project, and past and ongoing project-related activities; (iii) main findings and recommendations of the consultants; and (iv) possible role of ADB in improving road sector efficiency.

The major findings and recommendations included immediate actions for more efficient management of cross-border transport governed by the Cross-Border Agreement, signed between Kazakhstan and the Kyrgyz Republic. The Mission also drew special attention on increasing traffic safety measures, including the de-

sign of the regional Almaty-Bishkek road. It was also proposed that the Ministry of Transport and Communications look into approaches to asset management and relationships between the Committee of Roads (COR) and road-related companies. A plan was proposed to formalize the use of domestic consultants.

As agreed, the next steps in the TA will promote mutual cooperation between ADB and the European Bank for Reconstruction and Development (EBRD) in improving the road network. COR staff will discuss the proposed details of pavement design and quality control standards and plan for restructuring COR.

### TransEurasia-2004: Promoting Competitive Transit for Eurasia

ADB will continue to help increase road

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# ADB Project Helps Address Soil Salinity and Water Management Problems in Kazakhstan

The Asian Development Bank (ADB) midterm review mission (Mission) visited Kazakhstan to review the Water Resources Management and Land Improvement Project (WRMLIP). Overall, the Project was found to be effectively addressing severe soil salinity and water management problems in the project area.

The Mission looked at key aspects of the Project, identified major issues affecting project implementation, and discussed with the Government the specific measures to address them. The Mission also reevaluated the social, economic, and environmental impacts of the Project.

Two loans for the WRMLIP totaling \$40 million were approved on 17 December 1997 and became effective on 11 August 1998. The planned loan closing date is 30 June 2005. The Ministry of Agriculture is

the executing agency for the Project.

The project area, covering 39,000 hectares, is currently threatened by rising water and soil salinity in Makhtaara Raion of South Kazakhstan Oblast. The Project's objectives are to (i) support Government's policy of farm privatization by transferring management of the irrigation systems from project beneficiaries (farmers) to water user organizations; (ii) train water user association members; (iii) rehabilitate irrigation and drainage systems; and (iv) promote environmental improvement and monitoring in the project area.

The reevaluation of economic, financial, and environmental aspects suggested that the Project would meet its intended objectives. The implementation of additional measures, as agreed with the Government, will be a key toward that end. The Project is expected to have a signifi-

cant positive environmental impact: the rehabilitation of irrigation and drainage infrastructure would reduce soil salinity and lower groundwater table.

Irrigation water supply has increased by 26% due to the rehabilitation of the irrigation and drainage system. The Mission noted, however, that water supply from Dostyk Canal needs to be significantly improved to fully realize the Project's environmental benefits.

The institutional component has been successful: 22 rural consumer cooperatives and 3 water user federations were formed, covering the entire project area. The Mission identified several issues relating to delays in civil works, construction quality, project management, and loan utilization; and agreed with the Government on time-bound specific measures. ■

## ENVIRONMENT NEWS

**Fifth Substantive Meeting of Asia-Pacific Forum for Environment and Development (APFED).** The Forum held on 25–26 May in Almaty discussed pressing environmental issues facing the Asia and Pacific region. Kazakhstan expressed an interest in joining APFED. The meeting's delegates endorsed Kazakhstan's participation as an observer, until it decides on its full membership.

Kazakhstan's Prime Minister Daniyal Akhmetov welcomed the participants, while Ryutaro Hashimoto, APFED Chair, led the meeting. Aitkul Samakova, Minister of Environmental Protection (MOEP) of Kazakhstan, cochaired the meeting, providing an overview of the environmental challenges in Kazakhstan. Kazuhiko Higuchi, Country Director of ADB's Kazakhstan Resident Mission, represented ADB.

**Donor Conference on Environmental Problems of Kazakhstan.** The Conference took place on 9–10 June in Almaty to mobilize resources for addressing the most pressing environmental issues in Kazakhstan. The Conference resolution identified the main directions of implementation of the Concept of Ecological Security 2004–2015.

Mr. Higuchi stressed that environmentally sustainable development is a focal area in the new Country Strategy and Program for Kazakhstan for 2004–2006 and reaffirmed ADB's commitment to work with Kazakhstan on sustainable environmental management.

The conference, organized by MOEP, was chaired by MOEP Minister Aitkul Samakova. Akhmetzhan Esimov, Deputy Prime Minister of Kazakhstan, opened the conference and welcomed the participants.

Representatives from government ministries and agencies, international financial institutions, embassies, business communities, and nongovernment organizations attended the event.

MOEP presented 50 project proposals targeted at improving environmental protection and reflecting the key priorities to attain the environmental security in Kazakhstan (climate change, biodiversity conservation, combating desertification, reduction of atmospheric pollution, solid waste management, and improvement of environmental management system).

**ADB Environment Fact-Finding Mission.** The Mission visited Kazakhstan on 18–28 May to prepare a technical assis-

tance (TA) project for improved environmental and natural resource management. A 10-day consultation with the executing agency, other government agencies concerned, and donors resulted in the preparation of the Monitoring and Information Management System for Sustainable Land Use Project, which will be piloted in the South Kazakhstan Oblast. The proposed TA will develop methodology and operational guidelines on improving environmental auditing, monitoring, and information management system for sustainable use of agricultural land and will implement the system in the pilot oblast.

The project is one of 20 TAs in 10 ADB member countries, included in ADB's pilot Study for Delegation of Consultant Recruitment and Supervision under Technical Assistance to Executing Agencies, approved in 2003.

If successfully implemented, it may lead to increased participation of Kazakhstan in the pilot study. As a first step toward strengthening the implementation capacity of the executing and planning agencies, ADB trained staff from the MOEP and Ministry of Economy and Budget Planning on ADB consultant selection procedures and practices on 31 May–1 June. ■

## News in Brief

(continued from page 6)

sector efficiency and develop the East-West and North-South transit corridors in Kazakhstan and the region, said Kazuhiko Higuchi, Country Director, ADB Kazakhstan Resident Mission.

Mr. Higuchi made this statement at the Fifth International Conference TransEurasia-2004, held on 17-18 June in Astana. He gave a presentation on ADB's involvement in the transport sector in the Central Asian republics, emphasizing its continued harmonization of transborder initiatives and intention to expand its activities to railway sector development.

Delegates of 28 states attended, representing official bodies, private transport and trade sector. Representatives of 19 international and regional organizations and financial institutions were also present, namely: ADB, EBRD, United Nations (UN) Office of the High Representative, UN Economic Commission for Europe, UN Economic and Social Commission for Asia and the Pacific, European Union, Eurasian Economic Community, Commonwealth of Independent States, Economic Cooperation Organization, Japan International Cooperation Agency, and United States Agency for International Development.

The participants recognized the need to improve and sustain rapid transit tariffs and a high quality of service, and stressed the importance of rational and competitive tariffs for Asia and Europe transport; they also expressed an urgent need for a detailed examination of all land transport corridors between Central Asia and Europe to identify transport barriers and solutions; and emphasized coordination among international organizations in promoting transcontinental transport corridors. The participants adopted these measures as contained in the conference resolution.

## High-Level Meeting Held on WTO Doha Development Issues

The High-Level Meeting on the World Trade Organization (WTO) Key Doha Round Issues, held on 16-18 June in Osaka for senior government officials, was part of ADB's efforts to help developing member countries accelerate growth, development, and job creation by boosting international trade.

Vice-Minister of Economy and Budget Planning Natalya Korzhova represented Kazakhstan in the meeting. Senior government officials from 32 developing countries in the region, 22 of which are members of WTO and 10 applying for membership, examined the policy aspects of key Doha issues, such as agriculture, market access, and new issues, including trade, environment, and trade facilitation.

The Conference is one of ADB's activities supporting WTO training and capacity-building programs. This followed an agreement to enhance cooperation between these institutions in the Asia and Pacific region.

## 27<sup>th</sup> Annual Meeting of ADFIAP Discusses Development Challenges

The 27<sup>th</sup> Annual Meeting of the Association of Development Financial Institutions in Asia and the Pacific (ADFIAP) discussed current issues, concerns, and challenges that development finance institutions face; shared innovative approaches to financing of development; and drew up a forward-looking blueprint for the financing of development.

The Meeting, hosted by Development Bank of Kazakhstan, was held in Almaty on 19-22 May with the theme

“Sustainable Development Finance: Issues and Future Directions”. Kazakhstan's Prime Minister Daniyal Akhmetov addressed the participants.

A set of action plans for ADFIAP and development finance institutions, “Almaty Sustainability Covenant,” was summarized and drafted. ■

## ADB Appoints Senior Economist for Central Asia

Ganeshan Wignaraja was appointed Senior Economist in the Operations Coordination Division of ADB's East and Central Asia Department effective 24 May 2004.

Mr. Wignaraja, a national of Sri Lanka, obtained his doctorate degree in economics from Oxford University, a master's degree in economics from London University, and a bachelor's degree in economics from the London School of Economics.



He is an economist with over 18 years of professional experience. His expertise covers a wide range of development issues, including economic competitiveness, trade policy and regional integration, foreign investment promotion, small and medium enterprise development, and poverty reduction. ■

## ADB NEWS FROM Kazakhstan

This issue of the quarterly newsletter of the Asian Development Bank (ADB) Kazakhstan Resident Mission (KARM) aims to enhance communications between ADB and its client groups. *News from Kazakhstan* disseminates information on ADB activities and provides a forum on development issues in Kazakhstan. Articles in the newsletter, however, do not necessarily reflect the official ADB view. We welcome readers' comments and suggestions.

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