

Report on the Ministerial Conference on Central Asia Economic Cooperation
25-26 March 2002
Manila, Philippines

A. Introduction

1. The Ministerial Conference on Central Asia Economic Cooperation (the Conference) was held during 25-26 March at ADB headquarters in Manila. High-level delegations (the Delegations) from the People's Republic of China, Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan attended the Conference. These countries are participants in ADB's Central Asia Regional Economic Cooperation Program (the Program). Attending as observers were bilateral and multilateral organizations that provide assistance to economic cooperation in Central Asia, as well as a number of other countries, including Azerbaijan, India, Mongolia, Pakistan and Turkmenistan (a list of participants is in Appendix 1). Minister of Finance of Afghanistan could not attend due to urgent government engagements at home.

2. President Chino delivered the opening address (Appendix 2), and Vice President Eichenberger gave the closing remarks (Appendix 3) and co-chaired part of the Conference, along with other senior staff who also made presentations. Courtesy call on the President and the Board were made by a number of country delegations. Two press releases were made, a press conference was given, and two telephone interviews were conducted in relation to the Conference (a Conference agenda is in Appendix 4).

3. The Conference aimed to provide (i) guidance to the prioritization of regional investment needs, and effective resource mobilization to finance these needs; (ii) a forum to explore new prospects for cooperation in the context of the reconstruction of Afghanistan; and (iii) an opportunity to explore opportunities and areas for better coordination within the international community. A Statement was issued by the Delegations (a Ministerial Statement is in Appendix 5).

4. The Conference was prepared by a senior officials' meeting held in Manila in August 2001, and was originally scheduled for early November 2001 in Urumqi, PRC. The senior officials' meeting also recommended the establishment of an overall institutional framework to guide the Program and reconfirmed transport, energy and trade facilitation as the priority areas for economic cooperation in Central Asia. Subsequently, the institutional framework was established with endorsement from the Governments at end January 2002.

B. Economic Cooperation in Central Asia

5. The Conference emphasized economic cooperation as a means to reducing poverty, and achieving stability and prosperity in Central Asia, Afghanistan, and beyond, and reiterated the principle of mutual trust and benefits as the foundation for economic cooperation. The Conference specifically identified key development challenges facing the region as a whole. These challenges include locational disadvantages, small domestic markets, and the shared use of resources such as energy and water.

6. Challenges facing the region to promote further cooperation were also discussed during the Conference, including policy, administrative and procedural obstacles to trade and other economic activities, financial and economic constraints for funding development, as well as the tendency that still exists of seeking self-sufficiency rather than exploiting mutually beneficial gains.

C. ADB's Program

7. The Delegations expressed satisfaction with the Program, which has since its inception focused on transport, energy and trade facilitation. These areas were confirmed by the Delegations as priorities for economic cooperation. ADB was requested to continue to play a key role in mobilizing resources for financing investment and other projects in these areas to meet the region's long term development challenges. The pragmatic and results-oriented approach followed by the Program received strong support at the Conference. This approach emphasizes concrete investment and technical assistance projects that generate tangible benefits and serve as building blocks towards achieving longer term strategic objectives.

8. The Delegations reviewed and generally endorsed the 3-year regional assistance program prepared by ADB. Based on the guidance provided at the Conference, the assistance program will be revised by mid 2002 for further consideration by the governments.

9. The Delegations emphasized the importance of the newly established overall institutional framework in strengthening the Program. In particular, the framework is expected to significantly improve the overall planning, prioritizing and implementation of the Program. In this connection, the country delegates urged the early formation of all parts of the framework.

D. Afghanistan-Fergana Valley

10. One session of the Conference was devoted to discussing emerging opportunities for cooperation as peace returns to Afghanistan. As neighbors of Afghanistan, the Central Asian countries noted the interdependence between stability and prosperity in Central Asia and in Afghanistan. The South Asia Regional Department made two presentations, one based on the assessment of Afghanistan reconstruction needs conducted by ADB, UNDP and WB, and the other on the country's immediate needs in the transport and energy sectors, including the linkages with Central Asia. The Delegations emphasized the contribution Central Asia could make to the reconstruction and development of Afghanistan due to its geographical proximity and historical links, and by using the available human and other resources. The Conference also discussed a presentation made by the World Bank on Fergana Valley. The Valley is at the heart of Central Asia and densely populated. Because of its economic importance, proximity to Afghanistan, and a territory shared by three countries (Kyrgyz Republic, Tajikistan and Uzbekistan), the presentation focused on the potential for the development of the Valley as stability returns post Afghan war.

E. Coordination Among Development Partners

11. ADB's regional program has established good cooperative relationships with major donors such as the EU, EBRD, and USAID, and is exploring new possibilities for cooperation with others, including the World Bank, which is considering launching other initiatives on economic cooperation in Central Asia in addition to its ongoing support for the Aral Sea initiative. This need has intensified as assistance for economic cooperation has increased post 11 September. The Delegations emphasized the importance of donor coordination both in regard to the existing ADB program and in the context of the reconstruction and development of Afghanistan. ADB's development partners expressed strong support for ADB's key role in transport, energy and trade facilitation, and showed keen interest in coordinating closely with ADB. In this connection, a representative from the World Customs Organization made a

presentation on Trade Facilitation and Customs Cooperation in the Context of Regional Economic Cooperation, which was well received.

F. Other Matters

12. Azerbaijan and Mongolia became full participants in the Program with unanimous support from the Delegations. The two countries had participated as observers in previous activities of the Program and had expressed their wish to join as full participants.

13. Both during and after the Conference bilateral and multilateral meetings were held. These meetings were useful for purpose of coordination with other development partners and for country operations.

G. Conclusion

14. The Conference was held at an opportune time as a major high level international event on Central Asia economic cooperation post 11 September. Significantly, ADB was the first development agency that brought together all Central Asian republics at this level in the context of economic cooperation. The Conference was the first of the annual ministerial forum under the newly established overall institutional framework. As such, it marked the beginning of a new phase in the partnership between ADB and the participating countries. More specifically, the Conference provided guidance to ADB's 3-year regional assistance program. This institutionalized process will significantly improve the overall planning, prioritization, resource mobilization and implementation of the Program.

15. In short, the Conference achieved the set objectives (para. 3) and has significantly strengthened the partnership between ADB and the participating countries. In view of the increasing importance to meet the region's formidable development challenges (paras. 5 and 6), ADB in coordination with other development partners will need to intensify effort to promote economic cooperation.

**Central Asia Ministerial Conference on Economic Cooperation
25-26 March 2002; Manila, Philippines**

List of Participants

I. Participating Country Delegations

A. People's Republic of China

1. Mr. Jin Liqun, Vice Minister, Ministry of Finance (Head of delegation)
2. Mr. Zhang Zhou, Deputy Governor of Xinjiang
3. Ms. Zou Jiayi, Deputy Director General, International Department, Ministry of Finance
4. Mr. Hasimu Touhuti, Deputy Director, Xinjiang Finance Bureau
5. Ms. Niu Xiaoping, Deputy director, Xinjiang Planning Committee
6. Mr. Muzaffar Majid, Deputy Director Xinjiang People's Government Foreign Affairs Office
7. Mr. Tan Xiaogang, Personal Assistant to Vice Minister Jin
8. Mr. Yang Yingming, Deputy Director, International Institutions Division I, International Department, Ministry of Finance
9. Mr. Xu Dongning, Section Chief, Division I, International Department, Ministry of Finance
10. Mr. Zou Yong, Director, Division II, Regional Development, State Development Planning Commission
11. Ms. Yang Jianmin, Official, Division II, International Department, Ministry of Foreign Affairs
12. Mr. Yu Huan, Division Chief, Xinjiang People's Government Bureau of Administration, Comprehensive Division
13. Mr. Duositan.Keermanbai, Division Chief, Division of Economics & Science, Xinjiang People's Government Foreign Affairs Office
14. Mr. Abuduaini Tulake, Vice Division Chief, Xinjiang Finance Bureau, Department of Project & Foreign Debt

B. Kazakhstan

15. Mr. Mazhit Yessenbayev, Minister, Ministry of Economy and Trade (Head of delegation)
16. Mr. Yerzhan Jalmukhanov, Senior Specialist, Dept. of Public Borrowing and Debt, Ministry of Finance

C. Kyrgyz Republic

17. Mr. Bolot E. Abildaev, Minister, Ministry of Finance (Head of delegation)
18. Mr. Kubanychbek M. Jumaliev, Minister, Ministry of Transport and Communications
19. Mr. Emirlan Toromyrzaev, First Deputy Minister, Ministry of Finance
20. Mr. Emilbek A. Anapiyaev, First Deputy Minister, Ministry of Foreign Trade and Industry

D. Tajikistan

21. Mr. Zokir Vazirov, Deputy Prime Minister on Governance (Head of delegation)
22. Mr. Abdullo Erov, Minister, Ministry of Energy
23. Mr. Abdujalol Salimov, Minister, Ministry of Transport
24. Mr. Victor Boltov, First Deputy Minister of Economy and Trade

E. Uzbekistan

- 25. Mr. Rustam Azimov, Deputy Prime Minister (Head of delegation)
- 26. Mr. Khasan Islamkhodjaev, Deputy Minister of Foreign Economic Relations
- 27. Mr. Aleksey Ananin, Senior Expert, Cabinet of Ministers

II. Observing Country Delegations*A. Azerbaijan*

- 28. Dr. Nail S. Fataliyev, Deputy Head, Foreign Investment and Technical Assistance Department, Cabinet of Ministers
- 29. Mr. Yusif Heydarov, Ministry of Economic Development

B. Mongolia

- 30. Mr. L. Enkhtaivan, Deputy Minister, Ministry of Finance and Economy
- 31. Ms. O. Enkhariunaa, Deputy Director, Economic Policy and Planning Dept.

C. Turkmenistan

- 32. Mr. Seyitbay Kandymov, Deputy Chairman, Cabinet of Minister; Chairman, Central Bank of Turkmenistan
- 33. Mr. Palvan Taganov, Director, International Assistance Coordinating Unit, Cabinet of Minister

D. India

- 34. Mr. G. S. Dutt, Joint Secretary (Foreign Trade and Investment), Dept. of Economic Affairs

E. Pakistan

- 35. Ms. Rosalia De Leon, Constituency Adviser at ADB

III. Invited Speaker

- 36. Kunio Mikuriya, Deputy Secretary-General, World Customs Organization

IV. Bilaterals*A. Japan*

- 37. Mr. Tatsuo Yamasaki, Director, Development Finance Division, Ministry of Finance
- 38. Mr. Masami Oka, Section Chief, Development Finance Division, Ministry of Finance

B. Spain

- 39. Mr. José Miguel Cortés, Coordinador de Area, Ministry of Economy

C. Sweden

40. Mr. Lars Andreasson, Minister Counsellor of the Swedish Embassy in Manila

D. Switzerland

41. Dr. Werner Baumann, Ambassador of the Swiss Embassy, Manila

42. Mr. Peter Casaulta, Counsellor & Deputy Head of Mission

E. Turkey

43. Mr. Uwe Henrich, Executive Director at ADB for Austria, Germany, Turkey and the United Kingdom

F. USAID

44. Mr. Glenn Anders, Regional Mission Director for USAID/CAR/Almaty

G. European Union

45. Mr. Luc Vandebon, Chargé d' Affaires, Delegation of the European Commission to the Republic of the Philippines

V. Multilateral Agencies

A. World Bank

46. Mr. Shigeo Katsu, Director, Regional Operations for the Europe and Central Asia Region

47. Mr. Michel Zarnowiecki, Senior Customs Specialist

B. International Monetary Fund

48. Mr. Henri Lorie, Senior Resident Representative, Dushanbe, Tajikistan

C. UNDP

49. Ms. Gulden Turkoz-Cosslett, Head of Cluster for Central Asia

50. Mr. Mathew Kahane, Representative from UNDP Tajikistan

D. IsDB

51. Mr. Adnan Rahmatallah, Acting Head, Eastern Europe and Central Asia Unit

E. EBRD

52. Mr. Michael Davey, Director, KAZ and KGZ

53. Mr. Paul Amos, Senior Banker of Transport Dept.

F. UNESCAP

54. Mr. Ravi Sawhney, Director, Environment and Natural Resources Devt. Div.

VI. ADB Staff

55. Mr. Tadao Chino, President of the Asian Development Bank
56. Mr. Joseph Eichenberger, Vice President, Operations 2
57. Mr. Geert van der Linden, Director General, East and Central Asia Department
58. Mr. Yoshiro Iwasaki, Director General, South Asia Regional Department
59. Mr. Muhammad Tusneem, Deputy Director General, East and Central Asia Department
60. Mr. Jin Koo Lee, Deputy Director General, South Asia Regional Department
61. Mr. William Fraser, Senior Director, Social Sectors Division, East and Central Asia Department
62. Mr. H. Satish Rao, Director, Infrastructure Division, East and Central Asia Department
63. Ms. Shamshad Akhtar, Director, Governance, Finance, and Trade Division, East and Central Asia Department
64. Mr. Katsuji Matsunami, Director, Agriculture, Environment and Natural Resources Division, East and Central Asia Department
65. Mr. Kunio Senga, Director, Operations Coordination Division, East and Central Asia Department
66. Mr. Yasushi Kanzaki, Chief Advisor to the President
67. Mr. Lan Wu, Head, Central Asia Regional Economic Cooperation Unit, Operations Coordination Division, East and Central Asia Department
68. Mr. Toru Tatara, Head, Greater Mekong Subregion Unit, Operations Coordination Division, Mekong Regional Department
69. Mr. Takao Watanabe, Office of Administrative Services
70. Mr. Kazuhiko Higuchi, East and Central Asia Department
71. Mr. Sean O'Sullivan, East and Central Asia Department
72. Mr. Edu Hassing, East and Central Asia Department
73. Mr. Aminul Huq, Regional and Sustainable Development Department
74. Mr. Natin Patel, South Asia Regional Department
75. Mr. Jeffrey Miller, East and Central Asia Department
76. Mr. Ying Qian, East and Central Asia Department
77. Ms. Asa Malmstrom, East and Central Asia Department
78. Mr. Craig Steffensen, South Asia Regional Department
79. Mr. Rajiv Kumar, East and Central Asia Department
80. Mr. Marco Gatti, East and Central Asia Department
81. Mr. Tao Zhang, East and Central Asia Department
82. Mr. Putu Kamayana, East and Central Asia Department
83. Ms. Kazuko Motomura, East and Central Asia Department
84. Ms. Johanna Boestel, East and Central Asia Department
85. Ms. Valerie Reppelin- Hill, East and Central Asia Department
86. Mr. Chul Ju Kim, Programs Officer, East and Central Asia Department
87. Ms. Yolanda Fernandez-Lommen, East and Central Asia Department
88. Mr. Rustam Abdukayumov, Uzbekistan Resident Mission
89. Ms. Omana Nair, Office of External Relations

VII. Interpreters and Rapporteur

90. Mr. Alexandre Mikheev, Interpreter
91. Mr. Sergei Chernov, Interpreter
92. Ms. Karen Emmons, Rapporteur
93. Ms. Tanya Maglutac, Interpreter

Ministerial Conference on Central Asia Economic Cooperation
Speech by Mr. Tadao Chino
President, Asian Development Bank
25-26 March 2002
Manila, Philippines

Excellencies, Distinguished Delegates, Ladies and Gentlemen:

I would like to extend a very warm welcome to all of you on behalf of the Asian Development Bank. We are pleased that you were able to travel to Manila to attend this important event. I especially welcome old friends and new friends from the People's Republic of China, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. I am also pleased to see our friends from Azerbaijan, India, Mongolia, Pakistan, Turkey, and Turkmenistan. Let me also welcome representatives from bilateral and multilateral development partners. Your presence shows the importance that your countries and organizations attach to subregional cooperation. We welcome you all.

We meet today and tomorrow with a common purpose: to promote economic cooperation among the neighboring countries. I am happy to see how well represented this conference is. While such cooperation was important before the events of September 11, it has become even more vital since then.

Economic cooperation among neighboring countries can serve to accelerate development: at the same time, economic cooperation fosters trust and mutual understanding. It promotes stability and helps to reduce poverty. In today's world, both are extremely important. Since September 11, we have seen that stability and poverty reduction are interlinked: it is difficult, if not impossible, to have one without the other.

As you know, poverty reduction is the overarching goal of ADB. With over two thirds of the world's poor in Asia, supporting economic cooperation is of strategic importance in achieving our goal of poverty reduction in the region. Since the early 1990s, ADB has actively supported subregional cooperation in South Asia, Southeast Asia, and Central Asia. Economic cooperation is particularly important to Central Asia. The countries of this region are faced with the challenges of nation-building and economic transition. The Central Asian region's physical isolation from world markets and its relatively small domestic markets make the countries of this region unusually interdependent. It is also critical for the region to use its natural resources in a rational and mutually beneficial manner.

ADB began systematically supporting subregional economic cooperation in Central Asia in 1997, and has since built strong partnerships with the countries of the region to promote cooperation. This partnership has focused on transport, energy, and trade, to reduce the region's economic isolation, to promote the rational use of energy, and to enhance market integration both within the region and with the outside world.

Recently, ADB and our partners in Central Asia have established an overall institutional framework to enhance subregional economic cooperation in the aftermath of September 11. The framework includes an Annual Ministerial Forum, and this is its first conference. The framework will facilitate high-level dialogue to foster mutual trust and understanding, set priorities and mobilize resources to meet the long-term development needs of Central Asia. It will also enhance coordination and partnership among all stakeholders in Central Asia to strengthen economic cooperation.

Given the magnitude of Central Asia's investment needs and the difficult transition to market-based economies, achieving stability and prosperity through economic cooperation is a major challenge. While countries in Central Asia will continue to play the prime role in meeting these challenges, bilateral and multilateral development agencies can and should help. I would like to use this opportunity to reaffirm ADB's strong commitment to working together with all concerned countries and development organizations to strengthen its support for economic cooperation in Central Asia.

This is an opportune time to promote subregional cooperation. The return to peace in Afghanistan offers a historic opportunity not only to that country, but to all of Central Asia.

Central Asia is a region that has contributed a great deal to world civilization. Everybody knows the region's historical significance not only as the corridor between the East and the West, but also as the creator of great civilization. Today, with its rich natural and human resources, and geographical importance, the region is again poised to play an increasingly important role on the world stage.

On a personal note, I have visited the Central Asian countries many times since their independence. Each time, I continue to be impressed and touched by the region's rich culture, natural beauty, the warmth and hospitality of its people, and above all, dedication and determination of their governments for economic and social development of the countries.

I understand that our friends from Central Asia have just celebrated "Nauryz," (NAU-ryz) which symbolizes the New Year and the start of spring. Spring brings hope, promise and new life. Let these also be the symbols of our continued partnership in promoting economic cooperation that will lead to stability, prosperity and peace in Central Asia.

In conclusion, may I congratulate you on your participation in this important conference and wish you all a very fruitful and meaningful dialogue over the next two days. Thank you.

Closing Remarks
By Vice President Joseph Eichenberger
At the Central Asia Ministerial Conference on Economic Cooperation
On 26 March, ADB Headquarters, Manila

Excellencies, Distinguished Delegates, Ladies and Gentlemen;

We are now approaching the end of the Central Asia Ministerial Conference on Economic Cooperation. The Conference is the first session of the ministerial forum established under the institutional framework for the partnership between ADB and the participating countries. It is also a major high level international event on economic cooperation in Central Asia since 1911. The Conference is thus of prime importance to advancing the cause of economic cooperation in Central Asia.

Over the past two days, we have had many stimulating discussions and enhanced our understandings over a wide range of topics and issues. Most important, however, was the golden opportunity to share and exchange views on economic cooperation with top level delegations from Central Asia and other countries. Through this our shared fundamental belief in economic cooperation has been enhanced and reaffirmed.

Principally, economic cooperation is an important means to achieving stability and prosperity, and thus to alleviating poverty. It is complementary to national development strategies, and contributes positively to the globalization process. This strategic importance was underscored by the tragic event on 11 September and its developments.

We also share the belief that economic cooperation should be guided by the spirit of partnership, featuring mutual trust, consensus, understanding and benefits. In this respect, ADB is privileged and obligated to play the unique role as an honest broker to bring countries together.

It is this shared fundamental belief that forms the basis of our partnership. This partnership has brought us here today and will bring more success in the future in addressing key long term development constraints of the Central Asia region.

During the Conference, we have also had the opportunity to discuss in detail how to improve ADB's assistance for the support of economic cooperation in Central Asia. Following the results-oriented approach, we have concentrated our discussions on a medium-term work program, with a list of regional projects to continue the focus on the area of transport, energy and trade facilitation.

Importantly, the ministerial conference, as the decision-making body of the newly established institutional framework, has begun to function as a programming mechanism. We will continue to work closely with you to ensure that the framework will, as designed, strengthen and improve the overall planning, prioritization and implementation of ADB's assistance.

It is the common view of all of us here today that the challenges facing the region's long term development are enormous in magnitude and serious in nature. To meet these challenges successfully requires enhanced efforts on the part of the donors in coordination and cooperation. I would like to take this opportunity to reiterate ADB's strong commitment to working closely with all of you to improve the effectiveness of our assistance by avoiding

overburdening the governments and fostering synergy among our efforts. I believe this would serve the best interests of the countries in the region.

Central Asian countries have certain comparative advantages in contributing to the long term economic development as well as immediate humanitarian aid to Afghanistan. On the other hand, a stable and peaceful Afghanistan will offer strategic opportunities to its neighboring countries in terms of transport, transit and further trade and economic development. The Conference provided a timely forum for high level discussions among major governments and parties concerned in exploring such opportunities. I strongly believe that this has helped strengthen mutual understanding and foster mutual trust, which would be the basis for economic cooperation between Central Asia and Afghanistan, and through it, with other subregions.

Excellencies, Distinguished Delegates, Ladies and Gentlemen. In closing, I am very pleased that we have had a successful Conference as a platform for trumpeting the cause of economic cooperation in the region as well as a milestone in furthering the partnership between ADB and the Central Asian countries. I am looking forward to working closely together with you in the future.

Thank you all for your active participation, your dedication and your deep interests in regional economic cooperation in the region.

I hope you have enjoyed your stay in Manila and wish you a pleasant trip home!

**Agenda for
Central Asia Ministerial Conference on Economic Cooperation**
25-26 March 2002, Auditorium Zones A and B, ADB Headquarters
Manila, Philippines

Sunday (24 March)

Arrival of Delegates

Monday (25 March)

0830-0900 Registration

0900-0930 **Session One**

(Chair: PRC; Co-chair: Mr. Joseph Eichenberger, Vice President, Operations 2)

[Each session of the Conference will be chaired by a full participating country, with the co-chair from ADB]

0900-0915 Opening Speech (By President Tadao Chino)

0915-0930 Report on the Senior Officials' Meeting (SOM) to the Ministerial Conference (By Mr. Geert van der Linden, Director General, East and Central Asia Department (ECRD))

(This report will summarize the discussions held at the SOM and recommendations made for endorsement by the ministers. Presentations in the afternoon will expand on the developments since the SOM.)

0930-1000 Photo Session and Tea/coffee Break

1000-1200 **Session Two**

(Chair: Kazakhstan; Co-chair: Mr. Geert van der Linden, Director General, ECRD)

1000-1115 Country Opening Statements (*People's Republic of China, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan*)

1115-1130 Break

1130-1200 Invited Speech: Trade Facilitation and Customs Cooperation in the Context of Regional Economic Cooperation (By Mr. Kunio Mikuriya, Deputy Secretary General, World Customs Organization)

1200-1400 Luncheon (Hosted by Mr. Geert van der Linden, Director General, ECRD)
Venue: PDRs 2-4, Asian Development Bank

1400-1530 **Session Three**

(Chair: Kyrgyz Republic; Co-chair: Mr. Geert van der Linden, Director General, ECRD)

Support for Economic Cooperation in Transport, Energy and Trade Facilitation

Presentation: Progress Report (By Mr. Kunio Senga, Director, Operations Coordination Division, ECRD)

(The objective of this session is to focus on key long-term development challenges of the region and how to meet them effectively through economic cooperation. ADB will make a short presentation, which will (i) review ADB's support in the area of transport, energy and trade facilitation, (ii) report on new developments since the SOM, and (iii) present a 3-year regional assistance program for review by the ministers. There will also be time for discussing other areas of interest.)

Country Comments and Discussions

1530-1600 Tea/coffee break

1600-1730 **Session Four**

(Chair: Tajikistan; Co-chair: Mr. Geert van der Linden, Director General, ECRD)

Observers' Statements [*Turkmenistan, Azerbaijan and Mongolia will be given priority to speak at this session.*]

1900 Dinner for All Participants (hosted by Mr. Joseph Eichenberger, Vice President, Operations 2)
Venue: Mactan Room, EDSA Shangri-La Hotel

Tuesday (26 March)

0900-1030 **Session Five**

(Chair: Uzbekistan; Co-chair: Mr. Geert van der Linden, Director General, ECRD)

0900-0945 Presentation: Reconstruction and Development of Afghanistan - Impact on Central Asia

Presentation by South Asia Regional Department

0945-1030 Presentation: Fergana Valley Area Development

Presentation by World Bank

1030-1100 Tea/coffee break

1100-1230 **Session Six**

(Chair: Mr. Joseph Eichenberger, Vice President, Operations 2)

Consideration and Adoption of the Ministerial Statement [*This is the statement by the ministers of the full participating countries.*]

Country Closing Remarks

ADB Closing Remarks

(By Mr. Joseph Eichenberger, By Vice President, Operations 2)

END OF CONFERENCE

Statement
of the Ministerial Conference on Central Asia Economic Cooperation

26 March 2002, Manila, Philippines

1. The Ministerial Conference on Central Asia Economic Cooperation was convened during 25-26 March at Asian Development Bank headquarters in Manila, Philippines. Delegations from the People's Republic of China, Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan (hereafter referred to as "the Delegations") participated in the Conference. Country delegates attending as observers included Azerbaijan, India, Mongolia, Pakistan, and Turkmenistan. The Conference was also attended by multilateral and bilateral development partners.
2. The Delegations shared the vision that regional economic cooperation is a strategic means to reducing poverty, and achieving stability and prosperity in Central Asia, particularly in the wake of the 11 September events, and emphasized that for regional economic cooperation to be effective, viable and sustainable, it must be based on mutual understanding, trust and consensus, and yield mutual benefits.
3. It is the view of the Delegations that economic cooperation is particularly important to Central Asia, as the countries in the region have a shared history and face common development challenges, including locational disadvantage, small domestic markets, and the shared use of resources such as energy and water. Economic cooperation complements and supports national development strategies.
4. Given these common challenges, the Delegations confirmed transport, energy and trade facilitation as the priority areas for economic cooperation in Central Asia. The Delegations also considered human resource development to be an important aspect of the three priority areas. The Delegations strongly advocated a practical and results-oriented approach. The key to this approach is to focus on concrete projects that bring tangible benefits. These benefits would help build confidence and foster trust, which would in turn lay the foundation for achieving longer term strategic objectives.
5. The Delegations reviewed ADB's support for economic cooperation in Central Asia and expressed satisfaction with the progress made to date especially in the area of transport, energy and trade facilitation. It is the view of the delegations that ADB should stay focused on addressing the long term challenges identified above, and continue to play a key role in mobilizing resources for financing investment and other projects. In this connection, the Delegations discussed a three-year regional assistance program prepared by ADB. By mid 2002 ADB will present a revised program for further consideration by the governments.
6. The Delegations stressed the importance of the steps taken for strengthening the partnership between the countries and ADB in support of economic cooperation in Central Asia, particularly the recent establishment of an overall institutional framework to guide the cooperation program. This represents a new phase of cooperation between the countries and ADB, and will provide an opportunity to enhance coordination with all development partners for effective support to economic cooperation.

7. The Delegations noted with satisfaction that the framework has already been activated, as in the case of a Customs Coordinating Committee that is being established to cooperate among customs authorities in the participating countries. The Delegations urged ADB to expedite the formation of the sector coordinating committees and project specific working groups as appropriate. National Focal Points will be appointed by each government by mid 2002 to facilitate the overall planning, prioritization and implementation of the program.
8. The Delegations requested ADB to play an active role in mobilizing financial resources, particularly on concessional terms, from multilateral and bilateral sources for financing the region's development needs. They also urged the international community to coordinate closely and effectively in supporting economic cooperation in Central Asia.
9. The Delegations recognized that as peace returns to Afghanistan, stability in Central Asia will be enhanced. This would in turn create opportunities to promote economic development and cooperation. A stable and prosperous Central Asia will contribute significantly to the reconstruction and development of Afghanistan. The Delegations therefore called on all countries, but particularly Afghanistan and the countries in Central Asia and South Asia, to work closely together in seizing this historic opportunity to bring long term peace and prosperity to their people.
10. The Delegations emphasized the importance for ADB and all other development partners to cooperate closely in assisting the economic and social development in Afghanistan. In this connection, the Delegations supported the sub regional approach advocated by ADB for the reconstruction and development of Afghanistan. They encouraged ADB and other international partners to continue to explore and support economic cooperation among Central Asia, Afghanistan and South Asia, in particular by using the human and other resources available in neighboring countries, and requested ADB to report the results to the next Ministerial Conference.
11. The Delegations unanimously supported Mongolia and Azerbaijan to become full participants of the partnership and strongly believed that their participation will contribute positively to the cause of economic cooperation.
12. The Delegations decided that the venue of the Ministerial Conference will rotate annually among the participating countries. The next Ministerial Conference will be held in Tashkent in 2003. The ADB Secretariat should make recommendations on Conference preparation by end 2002 in consultation with all participating governments.
13. The Delegations expressed their appreciation to ADB for its warm hospitality and excellent organization of this Conference.