

Opening Remarks
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Regional Preparatory Meeting
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Honorable Deputy Prime Minister Azimov, Distinguished Delegates, Representatives of Multilateral Development Institutions, Ladies and Gentlemen:

It is indeed a great honor for me to address this important gathering. At the outset, on behalf of the multilateral development institutions, namely, the EBRD, IMF, UNDP, World Bank, and the Asian Development Bank (ADB), let me express my deep appreciation to the government of Uzbekistan for hosting this meeting and extend a very warm welcome to our distinguished government delegates from Azerbaijan, People's Republic of China, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

This event undoubtedly reflects, I believe, the critical importance we all attach to regional cooperation as a means to stability and sustainable economic development in the region. Principally, cooperation among neighboring countries fosters trust and mutual understanding, accelerates economic development, thus promotes stability and reduces poverty. We agree that this cooperation is particularly important as the region is landlocked, and has relatively small domestic economies with complementary natural resource endowments. Progress continues to be made in regional cooperation but much more needs to be done to address important issues such as continuing decline in intra-regional trade, difficulties in trade and transit, and the deteriorating ecological crisis of the Aral Sea. All the participating countries assembled here will need to make further efforts to enhance cooperation, accelerate reforms based on market principles and practices, strengthen institutional capacity, and create a conducive environment for private sector growth. The multilateral development institutions stand ready to help in this effort.

In this regard, I would like to draw attention to the urging of the 1st Ministerial Conference in March 2002 for the international community to coordinate closely and effectively in supporting economic cooperation in this region. Accordingly, earlier this year, the multilateral development institutions, namely, EBRD, IMF, UNDP, WB and the ADB agreed to work together in support of regional cooperation and to adopt the overall institutional framework as a mechanism for collective support. This collective effort has already resulted in joint sector notes which have been circulated to you to facilitate your regional cooperation efforts. These sector notes jointly drafted by the multilateral development institutions broadly identify key sector issues and constraints and propose ways forward. The sector notes also identify possible financial assistance of the multilateral development institutions. The notes are intended to help find common

ground on important regional issues for further dialogue and consideration at the 2nd Ministerial Conference.

Ladies and gentlemen, let me also take this opportunity to stress some basic principles that we all know well but nevertheless may be useful to keep in mind during the discussion. First, this cooperation is a country driven process. It will be your vision, your ideas, your commitment, and your concerted actions that will nourish this cooperation and drive it forward, while we multilateral development institutions are here to help you achieve this. If I may borrow a phrase from US President Abraham Lincoln's speech and take the liberty of adapting it, this regional cooperation framework is of the countries, by the countries and for the countries.

Second, this cooperation is a consensus-based process. As the ministers at the first Ministerial Conference in March last year clearly emphasized, regional cooperation must be based on mutual understanding, trust and consensus, and yield mutual benefits, if it is to be effective.

Third, given that regional cooperation takes time to realize its full potential, our cooperation should have a practical and results-oriented approach, as stressed by the ministers last year. This means we should pay due attention to concrete projects that bring tangible benefits as a building block for achieving longer-term strategic objectives.

Once again, let me reiterate my sincere gratitude to all of you for attending this meeting and my special thanks to Honorable Deputy Prime Minister Azimov. This occasion offers a unique opportunity for sharing views and ideas to prepare for the coming Ministerial Conference and lay a solid foundation for our efforts towards the common goal of stability and prosperity in this region. I wish you every success in deliberations.

Thank you for your attention.