

**SIDE MEETING TO THE GENEVA MINISTERIAL CONFERENCE
'REGIONAL CONNECTIVITY AND INFRASTRUCTURE'**

27 NOVEMBER 2018 8:30-10:30, Palais de Nations Room I

1. BACKGROUND

Regional connectivity and infrastructure development can bring tangible economic benefits to the countries concerned and spur cooperation of mutual benefit across borders, thereby becoming an important vector for stability and peace. This establishes an evident link with the main theme "Development for Peace and Self-Reliance" of the Geneva Conference.

International dialogue forums and cooperation formats like the Regional Economic Cooperation Conference on Afghanistan (RECCA), the "Heart of Asia" process and the Central Asia Economic Cooperation (CAREC) forum have, particularly over the last 24 months, documented a strong mutual interest between Afghanistan and regional partners in establishing closer links and better connectivity. At the Tashkent Conference in March 2018, Afghanistan's neighbours in Central Asia specifically made concrete proposals for increased regional cooperation in support of development in Afghanistan and improved connectivity with the wider region. Several partners have expressed their interest in supporting Afghanistan's connectivity and infrastructure agenda, e.g. the AIIB, China and India, and Gulf-based financing institutions. For the European Union, the new Communication "Connecting Europe and Asia" released in September 2018 provides a new strategic framework for engagement.

This side meeting will take forward the discussion on regional economic cooperation from the 2016 Brussels Conference and the regional forums. The Afghanistan National Peace and Development Framework (ANPDF) highlights the importance of connectivity and infrastructure development as an engine for economic growth and development and sets the context for the National Infrastructure Plan. The side meeting will (1) highlight regulatory and administrative reforms put in place by the Government of Afghanistan since 2016 which provide a more enabling and safeguarding environment for investments in connectivity and infrastructure, (2) present concrete examples of cooperation in different sectors (e.g. transport, energy, digital connectivity) with a focus on regional connectivity and cross-border cooperation, leading (3) to a wider discussion of possible financing and implementation models for connectivity and infrastructure development within Afghanistan and with neighbouring countries.

In a situation of obvious resource constraints for Afghanistan, the question of sustainable financing of intended investments in connectivity is of particular importance. This side meeting therefore aims to facilitate a meaningful discussion among regional and international public and private partners in order to explore and prioritise potential project partnerships and suitable financing models in line with IMF assessment criteria of sustainable debt management and economic viability.

2. OBJECTIVES:

The main objective of the meeting is to strengthen *a common understanding of regional connectivity and infrastructure development, including hard and soft connectivity. This should lead towards a more integrative approach which also looks at enabling governance and economic factors increasing the efficiency and development impact of government and partner investments.*

Specifically, the event should contribute towards:

- Confidence of current and future partners in the government's capacity to further develop and implement the National Infrastructure Plan (NIP).
- A better understanding of key bottlenecks in Afghanistan in relation to regional connectivity and how they can be addressed.
- The formulation of a concrete cooperation agenda jointly owned by Afghanistan and regional partners, building on the momentum created over the last months on basis of intensified regional dialogue.
- The identification of sustainable financing and implementation partnerships for such a cooperation agenda.
- As part of this process: identification of potential for trilateral cooperation which would include contributions from one or several regional partners besides an international development partner.

3. ORGANISATION

The meeting will be co-chaired by the Afghan acting Minister of Finance H.E. M. Qayoumi together with ADB Vice President W. Zhang and EU Special Representative for Central Asia P. Burian. A keynote speech by the Minister will set the context, highlight reforms and guide discussions. This will be followed by a short series of thematic presentations which will address key aspects of regional connectivity and infrastructure development. A moderated discussion will put specific emphasis on the statements from neighbouring countries and partners in the wider region. The conclusions drawn from this meeting will feed into a rapport to the main conference on 28/11 where regional partners will also have the opportunity for high-level statements.

3.1 Opening remarks and co-chairs' statements

This introductory session will explain the context of the side meeting and the rationale of addressing regional connectivity and infrastructure development together. In his keynote speech, acting Minister of Finance H.E. M. Qayoumi will highlight government progress on key infrastructure developments in light of regional connectivity and poverty reduction and sustainable employment generation in Afghanistan. For the European Union, Ambassador P. Burian will link the agenda of this meeting with the outcomes of the side event on regional economic cooperation at the 2016 Brussels Conference on Afghanistan and establish a wider, regional perspective. For the ADB, Vice President Wencai Zhang will highlight initiatives to improve the performance of the infrastructure portfolio under the National Infrastructure Plan and look at innovative approaches to increase access to funding.

3.2 Thematic presentations on connectivity and infrastructure development

A panel of four presenters will be introduced and moderated by Ambassador P. Burian. The thematic presentations will highlight key aspects of regional connectivity and infrastructure development. The first presentation will explain regional coordination mechanisms like RECCA and the "Heart of Asia" Process. The second presentation will add a perspective from Afghanistan's neighbours in Central Asia, with concrete recommendations. A third presentation will highlight investments and capacity building in the public and the private sector to enable better planning, implementation and management of national and trans-national infrastructures, with a regional perspective and addressing possibilities for experience sharing and cooperation across borders. The fourth thematic presentation will draw lessons from existing partnerships for the financing and implementation of connectivity infrastructures in Afghanistan and neighbour countries and delineate potential future cooperation models, again reflecting on possibilities for trans-border cooperation and a regional integration perspective.

3.3. Discussion with regional participating countries and other participants

The three thematic presentations will be followed by a moderated discussion among participants which will include specifically Afghanistan's neighbouring countries and partners from the wider region, regional and international financial institutions, policy think tanks, and development partners. This discussion will be moderated by ADB Director General W. Liepach.

3.4 Conclusions

At the end of the meeting, the EU will offer a summary of main points from presentations and discussion and acting Minister Qayoumi will make concluding remarks. These conclusions will provide the basis for the rapport to the main conference on 28/11.

4. DELIVERABLES

- Readout for rapporteur at main conference on 28/11.
- Meeting report with action points for follow-up.
- List of recommendations on regional connectivity and infrastructure development

5. PROPOSED AGENDA (2 hours)

Time	Agenda
(8:30-8:40)	<p>Welcome/Opening Statements</p> <ul style="list-style-type: none"> • <i>Mohammad Qayoumi</i>, acting Minister of Finance of Afghanistan • <i>Peter Burian</i>, Ambassador, EU Special Representative for Central Asia • <i>Wencai Zhang</i>, Vice President, Asian Development Bank
(8:40-8:55)	<p>Keynote Speech: Infrastructure in the Context of Regional Connectivity</p> <ul style="list-style-type: none"> • <i>Mohammad Qayoumi</i>, acting Minister of Finance of Afghanistan
(8:55-9:35)	<p>Thematic panel presentations Panel introduction and moderation by P. Burian, EU Special Representative</p> <ul style="list-style-type: none"> • <i>Adela Raz</i>, Deputy Foreign Minister for Economic Cooperation, Afghanistan: regional cooperation and coordination mechanisms in support of connectivity and infrastructure development • <i>Gisela Hammerschmidt</i>, Commissioner for Asia, Federal Ministry for Economic Cooperation and Development (Germany): Beyond hard infrastructure – investments and capacity building to make connectivity work • <i>Ismatollah Irgashev</i>, Special Presidential Envoy (Uzbekistan): Connecting Afghanistan to Central Asia • <i>Kai Preugschat</i>, Asian Development Bank, Head of Co-Financing Operations: Combining efforts to achieve impact together - financing and implementation models
(9:35-10:15)	<p>Open discussion with contributions from regional countries Moderator <i>Werner Liepach</i>, Director General, Central and West Regional Department, ADB</p>
(10:15-10:20)	<p>Summary of main points from discussion</p> <ul style="list-style-type: none"> • <i>Peter Burian</i>, EU Special Representative
(10:20-10:30)	<p>Concluding remarks</p> <ul style="list-style-type: none"> • <i>Mohammad Qayoumi</i>, acting Minister of Finance of Afghanistan