

(4) ① Japan Social Development Fund

1. Objectives

The Japan Social Development Fund (JSDF), which supports poverty reduction activities in developing countries of World Bank Group members, has the objective of assisting for direct services to the poor and strengthening the capacity of regional communities and NGOs. 50% of the total amount will be contributed to East Asia, South Asia and Central Asia.

2. Scope

The JSDF supports, on a grant basis, innovative poverty reduction and related social development activities that have strong relation to and enhance the effectiveness of World Bank Group-financed projects, such as:

- (1) providing small-scale basic economic and social services to the poor,
- (2) supporting pilot projects for poverty reduction with innovative approaches, and
- (3) building capacities of local communities and NGOs to be involved in World Bank Group-financed projects.

3. Financial Resources

The Government of Japan is contributing JPY 10 billion in FY2000 in cash.

② Japan Fund for Poverty Reduction

1. Objectives

The Japan Fund for Poverty Reduction (JFPR), which supports poverty reduction activities in ADB's Developing Member Countries (DMCs), has the following objectives:

- (1) supporting well-targeted poverty reduction and social development activities that have a direct impact on the poor and on socially or economically excluded or vulnerable groups,
- (2) stimulating the self-help capacities of the poor,
- (3) stimulating widespread stakeholder participation at the community level, and
- (4) providing a systematic impact on DMCs' operations and approaches towards sustainable poverty reduction.

2. Scope

The JFPR supports, on a grant basis, innovative poverty reduction and related social development activities that have strong relation to and enhance the effectiveness of ADB-financed projects, such as:

- (1) providing small-scale basic economic and social services to the poor (e.g., community-level infrastructures, sanitation, small clinics, and skill training centers),
- (2) supporting social development fund activities (e.g., schools, clinics, skill training centers, and microfinance),
- (3) supporting NGOs' activities for poverty reduction and social development (e.g., facilitation of community involvement in project implementation), and
- (4) building capacities of local governments and community-based organizations.

3. Financial Resources

The Government of Japan is contributing JPY 10 billion in FY2000 in cash.

(5) Joint Statement on East Asia Cooperation

28 November 1999

1. The Heads of State/Government of Brunei Darussalam, Kingdom of Cambodia, People's Republic of China, Republic of Indonesia, Japan, Republic of Korea, Lao People's Democratic Republic, Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand, and Socialist Republic of Vietnam, and the Special Representative of the Prime Minister of Malaysia at the ASEAN+3 Summit in Manila, expressed satisfaction with the rapidly developing relations among their countries.
2. They noted the bright prospects for enhanced interaction and closer linkages in East Asia and recognized the fact that this growing interaction has helped increase opportunities for cooperation and collaboration with each other, thereby strengthening the elements essential for the promotion of peace, stability and prosperity in the region.
3. Mindful of the challenges and opportunities in the new millennium, as well as the growing regional interdependence in the age of globalization and information, they agreed to promote dialogue and to deepen and consolidate collective efforts with a view to advancing mutual understanding, trust, good neighborliness and friendly relations, peace, stability and prosperity in East Asia and the world.
4. In this context, they underscored their commitment to handling their mutual relations in accordance with the purposes and principles of the UN Charter, the Five Principles of Peaceful Co-existence, the Treaty of Amity and Cooperation in Southeast Asia, and the universally recognized principles of international law.
5. Recalling the decision of the Leaders of ASEAN, China, Japan and the Republic of Korea at the 6th ASEAN Summit in Hanoi in December 1998, on the importance of holding a regular meeting among them and recognizing the ongoing efforts of the East Asia Vision Group, they agreed to enhance this dialogue process and strengthen cooperation with a view to advancing East Asian collaboration in priority areas of shared interest and concern even as they look to future challenges.
6. In this context, they underscored their commitment to build upon existing consultative and cooperative processes, as well as joint efforts, in various levels and in various areas, in particular:
 - a) Economic and Social Fields

- In economic cooperation, they agreed to strengthen efforts in accelerating trade, investments, technology transfer, encouraging technical cooperation in information technology and e-commerce, promotion of industrial and agricultural cooperation, strengthening of SMEs, promotion of tourism, encouraging active participation in the development of growth areas in East Asia, including the Mekong River Basin; to promote broader private sector participation in economic cooperation activities through considering networking initiatives such as an East Asian Business Council and industry-specific business fora for major regional industries; and to continue structural reform and to strengthen cooperation since these are essential to sustained economic growth and indispensable safeguards against the recurrence of economic crises in East Asia.
- In monetary and financial cooperation, they agreed to strengthen policy dialogue, coordination and collaboration on the financial, monetary and fiscal issues of common interest, focusing initially on issues related to macroeconomic risk management, enhancing corporate governance, monitoring regional capital flows, strengthening banking and financial systems, reforming the international financial architecture, and enhancing self-help and support mechanisms in East Asia through the ASEAN+3 Framework, including the ongoing dialogue and cooperation mechanism of the ASEAN+3 finance and central bank leaders and officials;
- In social and human resources development, they agreed on the importance of social and human resources development for sustained growth of East Asia by alleviating economic and social disparities within and among East Asian countries. In this regard, they agreed to heighten cooperative efforts in such areas as the implementation of the ASEAN HRD Initiative by establishing a Human Resource Development Fund and the ASEAN Action Plan on Social Safety Nets;
- In the area of scientific and technical development, they agreed to strengthen cooperation in these areas to enhance capacity-building for the promotion of economic development and sustained growth in East Asia;
- In the cultural and information area, they agreed to strengthen regional cooperation in projecting an Asian point of view to the rest of the world and in intensifying efforts in enhancing people-to-people contacts and in promoting cultural understanding, goodwill and peace, focusing on the strengths and virtues of East Asian cultures and building upon the recognition that the region

partly derives its strength from its diversity;

- In development cooperation, they agreed on the importance of generating and extending support for ASEAN efforts in the implementation of the Hanoi Plan of Action to advance economic and sustainable development, technical capability, and the standard of living of the people with the view to fulfilling long-term economic and political stability in the region;

b) Political and Other Fields

- In the political-security area, they agreed to continuing dialogue, coordination, and cooperation to increase mutual understanding and trust towards forging lasting peace and stability in East Asia;
 - In the area of transnational issues, they agreed to strengthen cooperation in addressing common concerns in this area in East Asia.
7. Noting how their collective efforts and cooperation agenda support and complement the initiatives of various multilateral fora, the Leaders agreed to intensify coordination and cooperation in various international and regional fora such as the UN, WTO, APEC, ASEM, and the ARF, as well as regional and international financial institutions.
 8. Determined to realize East Asia cooperation in the various areas, they tasked the relevant Ministers to oversee through existing mechanisms, particularly their senior officials, the implementation of this Joint Statement. They agreed to the holding of an ASEAN+3 Foreign Ministers Meeting in the margins of the Post Ministerial Conference in Bangkok, Thailand in the year 2000 to review the progress of the implementation of this Joint Statement.
 9. Finally, they expressed greater resolve and confidence in further deepening and broadening East Asia cooperation towards generating concrete results with tangible impact on the quality of life of the people of East Asia and stability in the region in the 21st century.

Manila, Philippines

(6) **The Joint Ministerial Statement of
the ASEAN + 3 Finance Ministers Meeting**
6 May 2000, Chiang Mai, Thailand

Introduction

1. Following the “Joint Statement on East Asia Cooperation” issued by the ASEAN + 3 Leaders at their Informal Meeting in Manila last November, we, the Finance Ministers of ASEAN, China, Japan and the Republic of Korea (ASEAN + 3), convened our meeting in Chiang Mai to exchange views on economic and financial situations and discuss further cooperation in the East Asian region.

2. H.E. Pehin Orang Kaya Laila Wijaya Dato Haji Abdul Aziz Umar, Minister representing the Ministry of Finance, Brunei Darussalam, presided over our meeting.

Strengthening East Asia Finance Cooperation

3. We appreciated the presentation by the Asian Development Bank on the East Asian economic and financial situations and welcomed the stronger-than-expected recovery of our member economies. To further sustain this economic growth, we agreed to strengthen our policy dialogues and regional cooperation activities in, among others, the areas of capital flows monitoring, self-help and support mechanism and international financial reforms.

4. On the monitoring of capital flows, our experts met in Manila in late April this year to exchanging views on capital flows monitoring mechanisms and discussed possible approaches to establish a regional monitoring framework in East Asia. We agreed to use the ASEAN + 3 framework to facilitate the exchange of consistent and timely data and information on capital flows.

5. As a first step towards establishing a well-coordinated economic and financial monitoring system in East Asia, we agreed to establish a network of contact persons to facilitate regional surveillance in East Asia. This would enhance the effectiveness of our economic reviews and policy dialogues.

6. In order to strengthen our self-help and support mechanisms in East Asia through the ASEAN + 3 framework, we recognized a need to establish a regional financing arrangement to supplement the existing international facilities. As a start, we agreed to strengthen the existing cooperative frameworks among our monetary authorities through the “Chiang Mai Initiative”. The Initiative involves an expanded ASEAN Swap Arrangement that would include ASEAN countries, and a network of bilateral swap and repurchase agreement facilities among ASEAN countries, China, Japan and the Republic of Korea.

7. We requested the ASEAN Secretariat to lead and coordinate a study on other appropriate mechanisms that could enhance our ability to provide sufficient and timely financial support to ensure financial stability in the East Asian region.

8. Recognizing the importance of our human resources and the need for cooperative research to prepare for policy dialogue and consultation, we agreed to establish a network of research and training institutions to conduct research and training on issues of mutual interests. In this context, we appreciated Japan's offer to provide technical assistance in the financial sector through training and seminars for finance officials and the dispatch of experts to meet urgent needs of improving fiscal consolidation, public debt management and monetary policy. We also welcomed China and Korea's offer of technical assistance to finance, banking and fiscal officials in the region through training programs.

(7) Regional Finance Cooperation among ASEAN+3 (China, Japan and the Republic of Korea)

May 2000

- 1 Following the decision to "enhance self-support mechanisms in East Asia" agreed at the ASEAN+3 Summit in Manila in November 1999, the finance and central bank officials of ASEAN+3 discussed regional finance cooperation.

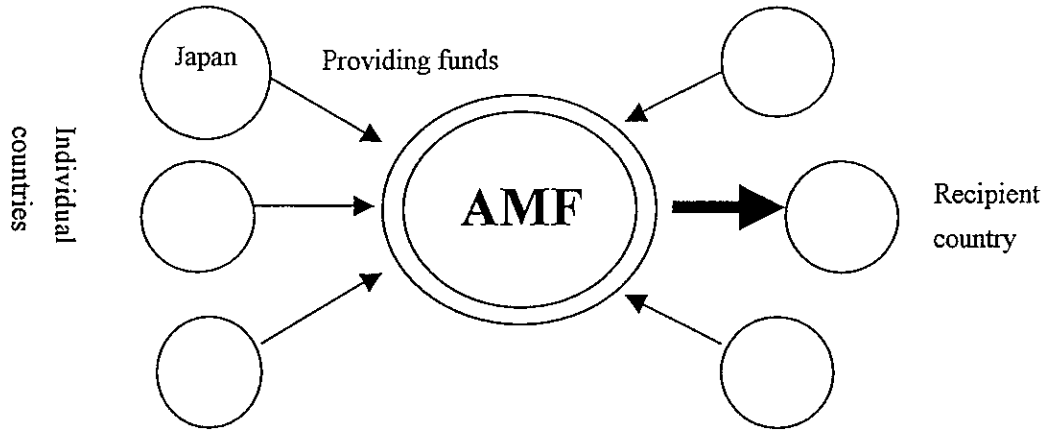
- 2 The ASEAN+3 Finance Ministers Meeting, convened in Chiang Mai, Thailand, on 6 May 2000, agreed to the Chiang Mai Initiative as follows.
 - (1) To expand the Swap Arrangement among the five ASEAN countries (Indonesia, Singapore, Thailand, the Philippines, and Malaysia) to include all ASEAN member countries.

 - (2) To establish a network of bilateral swap and repurchase agreement facilities among ASEAN countries, China, Japan, and the Republic of Korea.

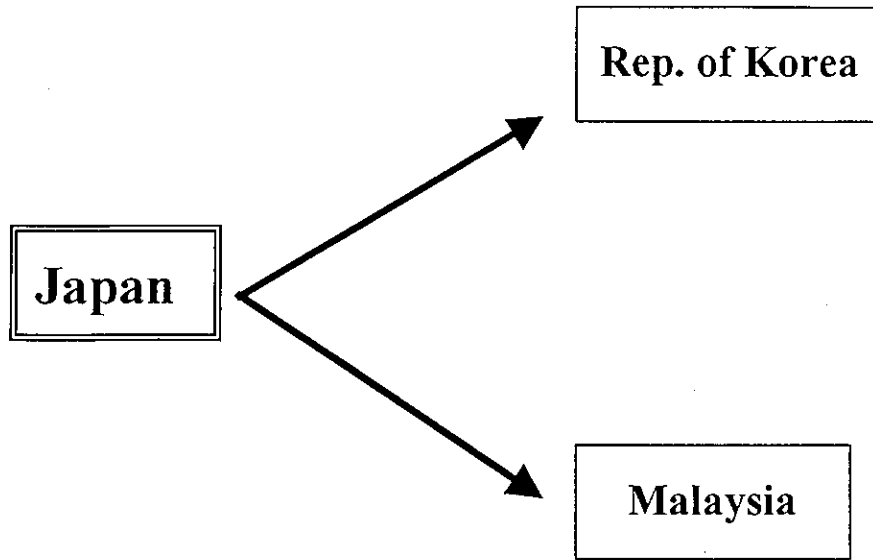
- 3 This finance cooperation framework aims to strengthen existing bilateral agreements, and differs from creating a new multilateral international organization, like the Asian Monetary Fund (AMF), which was discussed in the autumn of 1997.

- 4 Hereafter, countries involved will come to an agreement regarding the necessary basic matters for bilateral finance cooperation agreements after which negotiations for concluding agreements will be held between individual countries. Progress will be reported at the ASEAN+3 Summit in Singapore in November 2000.

1. AMF concept (Multilateral)



2. Existing cooperative framework between monetary authorities of Japan and other Asian countries



3. Financial cooperation recently agreed at the ASEAN+3 Meeting (Bilateral Network)

