

## **The Tianjin Binhai Declaration, 28 October 2008**

Against the backdrop of a world financial crisis, the Tianjin Municipal Government and the Northeast Asia Economic Forum (NEAEF) convened the 17<sup>th</sup> annual meeting of the Northeast Asia Economic Forum in Tianjin, China, on 27-28 October 2008. The need for greater cooperation and financial integration in Northeast Asia brought together representatives from the People's Republic of China, Japan, the Republic of Korea, the Russian Federation, Mongolia, the United States, and the UNDP Tumen River Area Project. The Forum met at the emerging economic hub of the Tianjin Binhai New Area. The meeting's sessions focused on Energy Cooperation, Environmental and Energy Conservation, Financial Cooperation and Development, and Transportation and Logistics Cooperation.

Conferees adopted the Tianjin Initiative to devise an action plan to establish the Northeast Asia Bank for Cooperation and Development (NEABCD). The bank is envisioned as a tool to attract capital for large-scale cross-border projects, to promote economic cooperation and development in a socially and environmentally responsible manner, and to further economic and regional integration in Northeast Asia. With strong support by the Tianjin Municipal Government, the Forum witnessed the inauguration of the Northeast Asian Financial Cooperation Research Center at Nankai University in Tianjin, which will become an important platform for promoting financial cooperation and establishing the NEABCD. The Forum looks forward to the Center's positive influence on Tianjin and the region.

The Forum's session on Energy Cooperation discussed the challenges of responsibly meeting the energy demands of Northeast Asia, the fastest growing region of the world, in the face of volatile economic conditions. Conferees recognized the importance of cooperation in developing and sharing energy resources, with particular attention to technology, infrastructure, and policy and market mechanisms. Discussing Environmental and Energy Conservation, the conferees expressed concern about the impact of rapid economic growth in Northeast Asia on the region's environment and society. Green technology, government programs and policies, and market and regulatory incentives were recognized as ways to promote more efficient energy use while encouraging environmental conservation and greater prosperity.

On Financial Cooperation and Development, conferees discussed strategies for mitigating risks for international capital markets in investing in large-cross-border projects. There was agreement that a multilateral financial institution, developed within a context and framework acceptable to Northeast Asian nations, would be a catalyst for resolving the existing bottleneck between development and access to capital. On Transportation and Logistics Cooperation, conferees supported a multilateral approach to solving problems concerning cross-border transport of resources in Northeast Asia. Uncertainty about financing was identified as a key barrier to progress in this area.

All sessions expressed an urgent need for a multilateral institution that could mobilize resources for large-scale cross-border projects. Priority programs would include development and delivery of energy and other resources in an environmentally and socially responsible manner. The institution would act as a bridge between the various stakeholders of government, the private sector, and the research and educational sectors to benefit the peoples of Northeast Asia.

Forum conferees expressed appreciation for the contributions of the 33 Fellows chosen from five Northeast Asian nations and the United States to participate in the 2008 Young Leaders Program (YLP), now in its third year. The YLP represents the Forum's goal of ensuring a long-term future of cooperation in Northeast Asia.

The NEAEF expresses its gratitude and appreciation to the Municipal Government of Tianjin for its important contributions and warm hospitality in hosting this year's Forum meeting. The Forum is grateful as well for the contributions from other cooperating institutions. The Forum's Young Leaders Program was supported by a generous grant from the Freeman Foundation.