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## REG: Greater Mekong Subregion Economic Cooperation Program

### Joint Ministerial Statement: 19<sup>th</sup> Ministerial Conference

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Asian Development Bank



# Greater Mekong Subregion 19th Ministerial Conference

Vientiane, Lao People's Democratic Republic  
10–11 December 2013

## JOINT MINISTERIAL STATEMENT

### *A New Generation of GMS Initiatives for Accelerated Progress*

#### **Preamble**

1. We, the Ministers from the Governments of the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Republic of the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, met in Vientiane, Lao PDR on 11 December 2013 for the 19<sup>th</sup> Ministerial Conference of the Greater Mekong Subregion Economic Cooperation Program (GMS Program). We reviewed the progress of cooperation and were pleased with the numerous achievements under the GMS Program, and the important steps taken to ensure its continued success into the future. In particular, we agreed on and endorsed a pipeline of new generation of cooperative projects under a Regional Investment Framework (RIF) covering the next decade of the GMS Program. We also agreed on the need for an effective Implementation Plan for the RIF, clear institutional responsibilities for monitoring the Plan's implementation, and intensive efforts to mobilize required resources.

#### **Significant Developments since the 18<sup>th</sup> Ministerial Conference**

2. GMS cooperation has been enhanced even more since the last time we met. At this very moment, the Leaders of two of our countries are at the border between Lao PDR and Thailand at Chiang Khong and Houayxay to inaugurate the fourth International Mekong Bridge, thereby completing the connectivity of the GMS North-South Economic Corridor. In addition, two significant milestones to strengthen institutional connectivity have been achieved. First, the agreement to establish the Regional Power Coordination Center was signed; this is the critical foundation for cross-border power infrastructure and trade in the GMS. Second, the GMS countries have agreed to sign the Memorandum of Understanding to establish the Greater Mekong Railway Association; this will result in closer railway connectivity and cooperation in the GMS.

3. Funding has been secured for the second phases of the Core Agricultural Support Program and of the Core Environment Program Biodiversity Conservation Corridors Initiative. The implementation of the HRD Strategic Framework and Action Plan (2013-2017) is commencing, which will strengthen the competitiveness of the GMS labor force, and improve our countries' capacity to respond to outbreaks of communicable diseases. Tourism continues to expand, building on improved physical connectivity and simplified visa requirements.

4. We have also broadened GMS activities into new areas of cooperation. These include the development of Cross Border Economic Zones (CBEZs), for example, between the PRC and Viet Nam, for which the two countries recently signed a landmark Memorandum of Understanding to formulate a joint master plan and strengthen communication on the establishment and development of CBEZs. These areas also include

urban development, for which a Task Force on Urban Development has been created and is now operational. We continue to focus on transport and trade facilitation along the GMS corridors, with the extension and expansion of coverage of exchanges of traffic rights among countries.

### **Regional Investment Framework and Pipeline of New Generation Projects**

5. We have developed through intensive sector assessments and extensive country consultations a Regional Investment Framework (RIF), which identifies a new generation of GMS projects for the coming decade of cooperation and provides a detailed and comprehensive planning framework to prioritize, implement and monitor projects.

6. Many projects proposed under the RIF are markedly different from traditional GMS projects. For instance, although the transport pipeline still contains roads and bridges to fill remaining connectivity gaps, railways now feature prominently in the RIF given their benefits in terms of efficiency and environmental sustainability. Greater focus will also be given to multi-modal and inter-modal transport projects, including logistics centers and cross-border facilities. In the energy sector, we see a fresh emphasis on the development of a full-fledged subregional power market, and on the promotion of environment friendly renewable energy and energy efficiency. In the information and communication technology (ICT) sector, the focus will be on the development of ICT applications while continuing to strengthen network infrastructure. For tourism, emphasis is on promoting the subregion as a single entity, improving related infrastructure, and sustainable tourism management.

7. The RIF also responds to emerging concerns and challenges in the agriculture and environment sectors, such as prudent management of natural resources and the environment, building climate change resilience, enhancing agricultural competitiveness, and promoting food safety and security. In human resource development, greater focus is being given to skills development as well as prevention and control of communicable diseases, including HIV/AIDS. Software development and implementation will also be of high priority, particularly in the field of transport and trade facilitation, which is crucial in realizing the benefits of physical connectivity. Finally, the RIF pipeline includes multi-sector projects that will help transform transport corridors into economic corridors.

### **The Way Forward**

8. The RIF is the framework that embodies our aspirations for the continued success of the GMS Program in this new decade, and we wholeheartedly endorse it. The RIF provides us with a broad collection of undertakings that will all contribute to the realization of the GMS vision of an integrated, prosperous, and harmonious subregion.

9. We recognize that a comprehensive investment framework is just the beginning, and the bigger challenge lies in effective implementation. As we move forward, we agree on certain core principles. First, The RIF must be treated as a living framework. There is therefore a need to continuously and regularly review the RIF and its implementation, to ensure its continued relevance and responsiveness.

10. Second, there must be a manageable and realistic program for achieving quick and concrete results. To this end, we have directed our officials to prepare an Implementation Plan comprising subregional projects of highest priority for the next five years, and to complement the Plan with a sound monitoring and evaluation program. This Implementation Plan will facilitate the engagement of development partners and investors in these priority projects.

11. Third, resources must be mobilized, not only from GMS members and traditional development partner sources but also, increasingly, from the private sector, given the RIF's huge resource requirements. Defining how this is to be done will be a critical part of the Implementation Plan. Moreover, apart from financing, knowledge is another critical resource needed to successfully implement priority projects. Given all these considerations, we have mandated our officials to formulate and execute a broad-based resource mobilization campaign that will include novel approaches to tap new financing sources and modalities, as well as to share knowledge, experience and expertise.

12. Fourth, the GMS Program and the RIF have a crucial role to play in ensuring sustainable and balanced development of the Mekong region and in supporting the transformation of Asia as a key driver of long-term economic growth, both regionally and globally. The Asia and Pacific region has withstood and risen above a series of crises that have hit the global economy in the last two decades. But in order to ensure its sustained success and leadership, the region must continue to implement difficult and wide-ranging reforms. Deeper and wider regional cooperation and integration will contribute to these efforts. The GMS Program and the RIF must advance the regional and global integration agenda.

13. Fifth, during the Fifth Economic Corridors Forum (ECF) held in August 2013, GMS countries noted the importance of transforming GMS transport corridors into economic corridors, and requested that the ECF play a greater role in discussing trade and investment issues.

## **Conclusion**

14. At the conclusion of our 19<sup>th</sup> Ministerial Conference, we agree that the GMS Program is ever more relevant within the region and within the global economy. We also agree that the RIF is the strategic blueprint that will guide our way forward. Moreover, we are better aware of and better prepared for the challenges that we will face along the way. Our two decades of fruitful cooperation has bolstered our confidence, and we look forward to strengthening our ties with development partners to pursue our collective goal of sustainable and inclusive development for the GMS.

15. We wish to thank the Government of the Lao People's Democratic Republic for their warm hospitality and gracious hosting of our Conference in their beautiful capital city of Vientiane. We also express our sincere appreciation to the Asian Development Bank for helping in the efficient organization of this meeting, and for being a constant and reliable partner of the GMS Program.