



---

June 2007

## REG: Greater Mekong Subregion Economic Cooperation Program

### Joint Ministerial Statement: 14<sup>th</sup> Ministerial Conference

The views expressed in this report are the views of the author(s) and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Directors or the governments they represent. ADB does not guarantee the source, originality, accuracy, completeness or reliability of any statement, information, data, finding, interpretation, advice, opinion, or view presented, nor does it make any representation concerning the same.

Asian Development Bank



**Greater Mekong Subregion Economic Cooperation Program**  
*15<sup>th</sup> Anniversary of the GMS Program*

**14<sup>th</sup> Ministerial Meeting**  
**21 June 2007**  
**Manila, Philippines**

**JOINT MINISTERIAL STATEMENT**

**Introduction**

1. We, the Ministers from the respective Governments of the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, met in Manila, the Philippines, on 21 June 2007 for the 14<sup>th</sup> Ministerial Meeting of the Greater Mekong Subregion Economic Cooperation Program (the GMS Program), to review the progress of the GMS Program and provide guidance on its future direction, and to commemorate the 15<sup>th</sup> anniversary of the GMS Program.

**The GMS Plan of Action: Connectivity, Competitiveness, and Community - the "Three Cs"**

2. We recalled the Plan of Action (POA) that we endorsed during our last meeting held in Vientiane in December 2004. The POA comprises high-priority initiatives in the nine sectors of GMS cooperation. Guided by the firm resolve of our leaders at their 2<sup>nd</sup> Summit in Kunming in July 2005 to further enhance connectivity, competitiveness and community building, we have made remarkable progress in implementing the POA: key items are being fast tracked and most initiatives have either been completed or are well advanced.

3. The enhancement of subregional **connectivity** has been at the core of the POA's achievements. In the **transport** sector, the upgrading of almost all key links in the three GMS economic corridors has been completed, under way, or financially committed. This is exemplified by: (i) the completion of most key components of the East-West Economic Corridor, including the completion of the Second Mekong International Bridge, and the successful implementation of the **GMS Cross-Border Transport Agreement (CBTA)** at the Lao Bao-Dansavanh border crossing points; (ii) the conclusion of financing arrangements, and signing of the MOU between the Governments of the PRC, Lao PDR and Thailand for the implementation of the GMS North-South Economic Corridor International Bridge Project (Houayxay, Lao PDR-Chiang Khong, Thailand); and (iii) the commencement of work on rail linkages along the Southern and North-South Economic Corridors. These substantial investments in transport infrastructure have been very effectively complemented by the signing of all the annexes and protocols of the CBTA. We will endeavor now to follow through to ensure the effective implementation at the pilot border crossing points, and full acceptance/ratification and commencement of implementation of the CBTA by 2009. Going forward, the GMS Program's transport improvement vision will be guided by a recently-completed GMS Transport Sector Strategy. The resulting network of inter-connecting transport corridors will provide access to

rural communities and improve economic linkages not only between our countries, but with neighboring regions as well.

4. In the **energy** sector, priority cross-border transmission lines are being developed, and progress is being made toward agreements for regional power trade. A GMS Energy Strategy Study is being carried out, which will assist in integrating our economies, by addressing energy efficiency and security issues that are critical to us all, and in identifying alternative and renewable energy sources. In the **telecommunications** sector, Phase 1 of the Information Superhighway Network (ISN) consisting of optical fiber backbone connections will be completed on schedule. We support the construction plan of Phase 2 of the ISN as well as developing information and communication technology (ICT) in the rural areas, promoting ICT applications, and capacity building.

5. Improvements in physical connectivity and our policy and regulatory environment have boosted our **competitiveness**, both individually and as a subregion. This is further strengthened by our joint efforts in agriculture, tourism, trade facilitation, investment, and human resource development. The Core **Agriculture** Support Program, endorsed by GMS Agriculture Ministers in April 2007, will expand cross-border agricultural trade and investment, while improving farmers' livelihoods, ensuring food safety, and controlling the transborder spread of animal diseases. Subregional cooperation in **tourism** is not only enhancing the attractiveness of the GMS as a single destination, but is also increasing its focus on the sustainability of the subregion's valuable tourism assets, and the development of tourism-related livelihoods for the poor. Together with the CBTA, the Strategic Framework for Action on **Trade Facilitation** and Investment gives us a strong foundation and guidance for future action in customs procedures, inspection and quarantine measures, trade logistics, and mobility of business people. The private sector, assisted by the GMS Business Forum, has been enthusiastically responding to the many **investment** opportunities emerging from increased subregional cooperation. We note the enhanced emphasis on support for **human resource development**, especially in the areas of regional public health, education, and labor. Building capacity and enhancing skills is being effectively undertaken by the **Phnom Penh Plan for Development Management**, which is helping produce a core group of highly competent development managers and has established an institutional network of research and learning.

6. We strongly believe that a real sense of **community** is fast emerging among our countries as we increasingly recognize the benefits that close cooperation can bring in achieving our shared aspiration for common prosperity and stability. We are working with increasing closeness and coordination on issues that concern us all, not the least poverty, protecting our increasingly threatened environment and working to reduce the threat of transboundary health problems. The GMS **Core Environment Program**, and its principal component, the Biodiversity Conservation Corridors Initiative, is already making an impact on the subregion's major environmental challenges.

7. These important achievements in our region have resulted from the GMS countries' strong ownership of and commitment to subregional cooperation. We fully recognize and appreciate the crucial role of the Asian Development Bank (ADB), and the valuable assistance provided by our development partners and GMS countries themselves. We value their increasing knowledge transfer and financial assistance, and we welcome the new development partners who recently participated in GMS activities. In all of this, we cannot overemphasize the value to us of the long-term development partnerships, and we wish to see them continue and expand.

## **Moving Forward: The GMS Strategic Framework (2002-2012)**

8. The 10 Year Strategic Framework, endorsed by the 1<sup>st</sup> GMS Summit in Phnom Penh in November 2002, has guided the activities of the GMS Program. With the Framework now halfway through its implementation period, and given the changes taking place in the regional and global environment, we welcome and endorse the findings of the recently completed Midterm Review of the Framework. GMS cooperation under the Strategic Framework has indeed accelerated, bringing tangible and significant results.

9. We are pleased to support the Review's findings that the GMS Strategic Framework remains valid, and serves as a sound and visionary basis for our next five years of mutual cooperation. We are in no doubt that its vision and goals continue to reflect the belief of the Mekong countries in the GMS Program and the prospects of a prosperous, integrated, and harmonious subregion. Our institutional arrangements remain appropriate in implementing the Framework; they are flexible, simple, and effective in supporting the pragmatic, activity-driven, and results-oriented approach of the GMS Program.

10. In moving forward, a more balanced approach among the "three Cs" should be adopted for the GMS Program, if we are to achieve the maximum benefits for our peoples through the Program's development impact and its sustainability. While the development of subregional infrastructure will remain a priority, greater attention will have to be given to transforming enhanced connectivity into accelerated improvements in livelihood and poverty reduction. Placing increased emphasis on the soft aspects of subregional cooperation and capacity development will be essential to improving our countries' competitiveness, individually and collectively, if we are to get the most out of growing globalization and regional economic integration. It will also help contain and mitigate undesirable consequences of improved connectivity, such as the transmission of communicable diseases and environmental degradation.

## **Preparations for the 3<sup>rd</sup> GMS Summit of Leaders**

11. We are pleased to know that the 3<sup>rd</sup> GMS Summit will be held in Vientiane, Lao PDR on 30-31 March 2008. The Summit theme is "Enhancing Competitiveness through Greater Connectivity." As part of the Summit Program there will be a GMS Youth Forum and a GMS Business and Investment Dialogue, to foster greater involvement by these key stakeholders in the GMS Program.

12. We believe that the GMS Leaders will welcome what the GMS Program has achieved over the past 15 years, and will equally welcome the findings of the Midterm Review of the GMS Strategic Framework. We, therefore, direct the GMS senior officials, sector working groups and fora to prepare a new Plan of Action for 2008-2012, for consideration by the leaders at the 3<sup>rd</sup> GMS Summit.

## **Conclusion**

13. Fifteen years ago, none of us could have foreseen how much our region would change, or how much the GMS Program would contribute to this change. Yet, there has been significant change, to the benefit of all our countries and our peoples. The GMS has become recognized

internationally as an emerging growth area. Trade between and among the six GMS countries has increased significantly, encouraged by simplified procedures, improvements in transportation, investments in developing human and institutional capacities, and a growing awareness of the mutual benefits from greater openness. The GMS Program has benefited from a peace dividend, playing a part in building trust and better relations among our member countries. These outcomes have contributed to robust economic growth and very significant poverty reduction in our subregion.

14. In celebration of the 15<sup>th</sup> anniversary of the GMS Program, we renew our commitment to the Program, and to its goals of enhanced connectivity, competitiveness, and community. We very much appreciate the important role of ADB, as a major supporter and lead coordinator of the GMS Program. We echo our leaders' call for ADB to continue supporting the GMS Program with increased levels of resource and knowledge transfers.

15. We thank the GMS Minister for Myanmar, His Excellency U Soe Tha, and ADB Vice President C. Lawrence Greenwood, Jr., for co-chairing our meeting. We are grateful also to the Asian Development Bank for hosting this meeting, and for the warm hospitality accorded to us and our delegations.

\*\*\*\*\*