

GREATER MEKONG SUBREGION Economic Cooperation Program Strategic Framework 2030 (GMS-2030)

GMS Regional Power Trade Coordination Committee Meeting
(via Videoconference)
20 October 2020



Outline

- 1. GMS-2030 Overview**
- 2. Vision and Mission Statement**
- 3. Strengthened Rationale --- with strong COVID-19 elements**
- 4. 7 Trends Affecting the Subregion Realigned**
- 5. Innovative Approaches in 6 Cross Cutting Areas Expanded**
- 6. Pillars of the Strategy Revised, Realigned and Reprioritized**
- 7. Institutional, Programming, and Monitoring Arrangements have been expanded and clarified**



Introduction

- ❑ Current Strategic Framework II was approved in 2011, with Ha Noi Action Plan approved in March 2018
- ❑ Mandate from GMS leaders (Ha Noi, 2018) to the GMS Ministers and senior officials: *“...to begin considering the nature of our journey and future directions beyond the 2022 horizon of the current strategic framework and how the framework can be strengthened and reconfigured to remain flexible, responsive and relevant.”*



Vision and Mission Statement



The GMS–2030 Vision is to develop a more integrated, prosperous, sustainable, and equitable subregion

- *The Vision approved by the GMS Ministers at the 23rd MC retained*



The new Mission Statement for the GMS Program:

“A subregional cooperation program focused on its fundamental strengths of connectivity, competitiveness, and community while embracing the three core principles of environmental sustainability and resilience, internal and external integration, and inclusivity”.

- *These 3 core principles of GMS–2030 will be infused across all sectors in the GMS Program*

Rationale -- 7 Trends Affecting the Subregion

1. **COVID–19 and other Pandemic threats**
2. **Weaker Global Growth and Threats to Free Trade**
3. **Persistent Pockets of Poverty and increasing in-country inequality**
4. **Severe Environmental Challenges and Threats from Climate Change, Disasters and Pollution**
5. **Technological Change and Digitalization**
6. **Evolving Demographics**
7. **Rapid Urbanization**



Strengthened Rationale – with strong COVID-19 elements

Despite major achievements in the past, the GMS now faces its deepest recession in decades. COVID-19 can eviscerate growth, incomes, and employment, and threatens to reverse hard won progress in poverty reduction

The GMS Program demonstrated its usefulness by quickly and effectively responding to the crisis. However, faces its biggest challenge in its 28 years of existence

The GMS-2030 will provide a wholistic multi-sectoral, multi-thematic response. It includes references to COVID-19 response --- both short-, medium-, and long-term. But it also deals with other challenges

A short, focused COVID–19 Response Plan 2021–2023 will also be prepared for the GMS program to respond to the medium-term health, economic and social impacts of the pandemic. This will complement GMS-2030, which is focused on long-term, wider challenges

Innovative Approaches in 6 Cross Cutting Areas Expanded (1/3)

- 1. Harnessing the Digital Revolution** – covers, among others, digitalization, e-commerce, trade of services and foreign direct investment, common standards and interoperability of systems, cyber security, and COVID-19 responses.
- 2. An Enhanced Spatial Approach to Development** – focuses on expanding the network of economic corridors throughout the GMS and beyond, maximizing the network effects and connections between corridors to promote growth, exploit the agglomeration effects of urbanization by creating clusters of GMS cities, and developing border areas and cooperation through increased cross-border trade, rising tourism, and agriculture value chains



Innovative Approaches in 6 Cross Cutting Areas Expanded (2/3)

- 3. A Deeper Dialogue on Policies and Regulation, Underpinned by Knowledge-Based Solutions and Capacity Building.** GMS-2030 will support policy and regulatory dialogue, in areas such as common logistics, customs standards and practices, efficient transport and trade facilitation, freer flow of labor and investment, common regulatory frameworks, and capacity of government officials.
- 4. Embracing Private Sector Solutions.** Leveraging the knowledge, technical resources, and capital of the private sector; enhance the role of the GMS Business Council and the GMS Freight Transportation Association



Innovative Approaches in 6 Cross Cutting Areas Expanded (3/3)

5. The Greater Mekong Subregion as an Open Platform: COVID-19 has highlighted the importance of working together across borders, involving stakeholders from central and local governments, private and public sectors, academia, civil society and development partners. The GMS Governors' Forum and the Regional Investment Framework will be strengthened to attract more resources from DPs, local governments and the private sector. The GMS Program will expand its coordination and collaboration other RCI initiatives (ASEAN, BRI, ACMECS, etc.).

6. GMS Program Results Framework: Will be developed in close coordination with the GMS countries to track the progress toward achieving the GMS Vision and GMS Program Mission. Sector specific results frameworks will also be prepared

Emphasis on Expanding Partnerships in GMS-2030

GMS Program as an Open Platform:

- COVID-19 experience highlights the need to expand networks and partnerships
- Involving new stakeholders
- More openness to work with private sector and and development partners
- Knowledge networks involving research institutions and academia
- Civil society
- Expanded collaboration other RCI initiatives (ASEAN, BRI, ACMECS, etc.)

Embracing Private Sector Solutions:

- Leveraging the knowledge and technical / ICT resources
- Diversify investment support - private sector capital
- Enhance the role of the GMS Business Council and the GMS Freight Transportation Association

Pillars of the Strategy

Community: well-being of all citizens is placed at the top, with expanded attention to Health Cooperation and Environmental Sustainability and Climate Change

Connectivity: Transport and Energy sectors with added emphasis on COVID-19 recovery

Competitiveness: Trade and Investment Facilitation, Agriculture, Tourism, and Urban Development --- with critical links to COVID-19 recovery have been expanded to help the GMS Program effectively support national and regional efforts in pandemic recovery and resilience

Other Areas of Cooperation: Exhibits a flexible approach to working in new areas including digitalization and new technologies, e-commerce platforms, logistics, labor mobility and safe migration, education and skills, special economic zones, expanded emphasis on development partner and private sector participation



Pillars of the Strategy: Energy

- GMS–2030 will encourage the next leap in integration toward a wholly competitive regional market with multiple seller-buyer regulatory frameworks,
- Will require an operational Regional Power Coordination Center (RPCC) with supporting working groups on regulation, harmonized technical standards, and strategic planning and operations
- GMS–2030 will shift toward greater private sector participation in cross-border regional power projects. Forums will be arranged with the relevant agencies and the private sector
- New initiatives will center on clean energy and the creation of incentives for greater private investment in clean energy
 - Defined as the combination of energy generated from renewable sources (e.g., sun, wind, waves, water, geothermal, biomass, hydrogen fuels) and energy saved through efficiency measures
 - Capacity-building to promote higher penetration of clean energy and effective environmental management in the planning and implementation of power projects. (Topics: energy efficiency and renewable energy and for integrated resource planning for power systems)
- Increased sharing of knowledge and technology solutions, as well as business models— including for small, mini, and micro-grid solutions and last-mile connectivity in border and harder-to-reach areas.



Institutional, Programming, and Monitoring Arrangements (1/3)

- **New sector working groups** as required: e.g. trade and investment facilitation
- **GMS Private Sector Forum**: to facilitate wider consultation on relevant issues
- Revised TOR of sector working groups; setting up new taskforces, sector forums with private sector participation
- **Dedicated sector secretariats**, such as the Mekong Tourism Coordinating Office and a Regional Power Coordination Center
- Encourage **Sector Ministerial meetings** in additional sectors
- Strengthening of the **GMS Governors' Forum** and the **Economic Corridors' Forum** for more effective multisector and spatial coordination
- Strengthening **GMS central and national secretariats**
- Establish a **network of GMS knowledge institutes**, with the Mekong Institute: to prepare and disseminate knowledge products and services in the subregion



Institutional, Programming, and Monitoring Arrangements have been expanded and clarified (2/3)

- **Revised RIF:** Using a new criteria for quality infrastructure to raise the standards, viability and sustainability of GMS projects
- **G20 Quality Infrastructure Principles:** Project to be selected into the RIF will follow the following guidelines:
 - Need to take environment and social safeguards into account
 - Clarity and awareness of specific climate change and gender aspects
 - Improved infrastructure governance
 - Identified project costs
 - Incorporate lifecycle costs in the economic and financial analysis

Institutional, Programming, and Monitoring Arrangements have been expanded and clarified (3/3)

- A **GMS results framework** will help monitor progress towards Program objectives using proxy indicators and disaggregated data
- ADB, as **Secretariat of the GMS Program**, will deepen its support role as a knowledge provider, financier, and an honest broker. The Secretariat will: support effective coordination, where required, between sovereign, nonsovereign (private sector), and public-private partnership teams working on GMS projects; encourage blending policy reforms with private investments to unlock new sources of finance; expand financial channels for project investments and facilitate private sector and development partners financing

Next Steps

Next Steps	Expected date
SOM endorses and provides any final comments	27 th October 2020
GMS Ministers discuss and endorse in principle	4 th November 2020
Secretariat submits to SOM final document for clearance before printing	January 2021
GMS Leaders Endorse the GMS-2030	March 2021



Thank You

