

## Greater Mekong Subregion Economic Cooperation Program

23<sup>rd</sup> Ministerial Conference  
18 November 2019, Phnom Penh, Cambodia

### JOINT MINISTERIAL STATEMENT

#### *Greater Integration, Inclusivity and Sustainability in the GMS*

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 Phnom Penh, Cambodia on the 18<sup>th</sup> of November 2019 for the 23<sup>rd</sup> Ministerial Meeting of the Greater Mekong Subregion Economic Cooperation Program (GMS Program).

#### **Recent Achievements of GMS Cooperation**

2. We are proud to acknowledge the substantial progress that the GMS Program has achieved since the last time we met:

- (i) In **Transport**, further enhancing regional connectivity infrastructure remains a priority. The GMS Regional Investment Framework (RIF) 2022 incorporates transport projects with a total estimated value of over \$78 billion. Consistent with the focus of the GMS Transport Sector Strategy 2030 on multi-modalism, these projects are not limited to roads but include major railway, logistics centers and port development projects. The *Framework Agreement on Cross-Border Railway Transport Connectivity in the GMS* is also being prepared under the Greater Mekong Railway Association to cover the software side of railway development in the subregion. Road safety is also being given greater attention with the conduct of recent studies in this area. An assessment of GMS Economic Corridors, now finalized, evaluated the physical condition of the transport infrastructure of the economic corridors and the economic potentials of areas along them. This provides a baseline for monitoring progress and also helps guide new project identification.
- (ii) In **Transport and Trade Facilitation**, we welcome the official launching of the Early Harvest Implementation of the GMS Cross-Border Transport Facilitation Agreement (CBTA) on 1 August 2018, in Cambodia, Lao PDR, the PRC, Thailand and Viet Nam, with Myanmar starting its implementation in 2021. Myanmar will initially join the program through bilateral agreements with neighboring countries, with the first such MOU signed by Myanmar and Thailand in March 2019. We appreciate the work on the expansion of corridors, routes and border crossings covered under CBTA Protocol 1, with the negotiations for expanded coverage, which concluded in early 2019. We expect these to continue to be discussed for possible operation soon. We encourage further work on CBTA 2.0 and its Annexes and Protocols towards a full implementation of the CBTA. Utilizing ADB's work on time release studies in regional customs agencies and the standardization of sanitary and phytosanitary arrangements in Cambodia, Lao PDR and Viet Nam with similar ongoing discussions in Myanmar, we anticipate improved border procedures. We encourage all GMS members to strengthen cooperation to further promote trade and investment facilitation in the subregion.
- (iii) In **Energy**, we commend continuing work of the GMS countries, through the Regional Power Trade Coordination Committee (RPTCC) to accelerate regional power trade. In 2018, the RPTCC's Working Group on Performance Standards and Grid Codes made significant headway in preparing such standards and grid codes; the Working Group on Regulatory Issues focused on formulating the regulatory framework for the regional power market. Power cooperation between neighboring countries has been in progress through

memoranda of understanding for bilateral electricity trade. Lao PDR entered into agreements on power cooperation with Cambodia to supply more than 3000 MW and to expand power capacity to more than 6000 MW from 2030 onward to serve Cambodia's rising energy demand. Under the agreement between Lao PDR and Vietnam on cooperation of energy and mining and the MOU on power cooperation, Lao PDR will export power to Vietnam. Pre-feasibility studies are also underway for a Lao PDR-Myanmar interconnection and the MOU on power cooperation between Lao PDR and Thailand is under implementation. Further, studies completed in 2018 focused on integrating strategic environmental assessments (SEA) into power development planning in relevant GMS countries to illustrate how SEA can help GMS countries create sustainable national power development plans.

- (iv) In **Agriculture**, we commend the achievements of the Core Agriculture Support Program Phase II and welcome the implementation of the GMS Strategy for Promoting Safe and Environment-Friendly Agro-Based Value Chains in the Greater Mekong Subregion and Siem Reap Action Plan 2018-2022 which will strengthen commitment to food security, increase market access for small producers, and ensure food safety. We look forward to fresh support from development partners for a new GMS Sustainable Agriculture and Food Security Program to implement cooperative activities relating to inclusive, green and gender-conscious agri-food value chains, financing climate-smart agriculture and agribusinesses, food safety and quality standards, cross-border animal health and value chains improvement, soil and water management for food security, and agricultural adaptation in the context of water-food-energy-climate nexus. Initial round of consultations were also completed on a cross-border livestock health and value chains improvement project, which aims to establish animal disease control zones and strengthen livestock value chains in Cambodia, Lao PDR, and Myanmar.
- (v) In **Environment**, we appreciate the endorsement by the Fifth GMS Environment Ministers' Meeting in February 2018 of the Core Environment Program Strategic Framework and Action Plan 2018-2022 that will address climate change, leverage green growth opportunities, and further decentralize implementation to the countries. We commend the completion of various activities under the GMS Core Environment Program Phase II and await the renewed support of development partners to the proposed GMS Climate Change and Environment Sustainability Program, which will focus on creating enabling conditions to leverage additional investment in priority areas such as (i) climate resilience and disaster risk management; (ii) natural resources and ecosystem services; and (iii) green technologies and sustainable infrastructure.
- (vi) We are pleased with the continuing progress of GMS **tourism**, with international tourist arrivals in 2018 reaching 78.8 million, generating tourism receipts valued at \$95 billion and 6.5 million jobs. We value the continuing commitment of our tourism officials to better balance tourism growth by promoting secondary destinations, and to manage this growth properly through sustained investment in infrastructure, technology, and human development. We commend successful initiatives of the GMS tourism sector such as the annual Mekong Tourism Forum and the "Mekong Moments" campaign that have received international recognition as global best practices for inclusive tourism and cross-border collaboration.
- (vii) In **Health**, we congratulate the GMS Health Ministers for endorsing a GMS Health Cooperation Strategy 2019-2023 with a collective vision of "*health and wellbeing shared by all in an integrated, prosperous, and equitable subregion.*" We look forward to the successful implementation of the Strategy and its associated regional action plan towards improving GMS health system performance, in responding to public health threats, strengthening health protection for vulnerable communities, and enhancing human resource capacity to respond to priority health issues. We appreciate ongoing efforts to strengthen public health security against communicable diseases, improve public health

security systems and boost national and regional capacity for disease surveillance and response, risk assessment, case management, and subregional collaboration. We acknowledge the HIV/AIDS prevention and treatment services for migrant workers across the subregion.

(viii) In **Urban and Border Area Development**, we are happy to note continued progress on the development of corridor towns in Myanmar, Lao PDR, and Cambodia, which will focus on, among other activities, building urban environment services and strengthening institutional capacity, private sector engagement, and supporting city master plans for regional economic connectivity. We also note with satisfaction the planned developments in GMS border areas of Guangxi, PRC-Viet Nam and Yunnan, PRC-Myanmar---both regions with high volumes of trade and human mobility—including support for cross-border trade, investment, and financial transactions; developing infrastructure and trade related services; and improving border coordination. We appreciate ADB's leading role in an ongoing study on spatial planning along the GMS North-South Economic Corridor between Myanmar and PRC.

3. We welcome the substantial progress achieved in 2019 in implementing RIF 2022, which now comprises projects worth about \$92 billion, including 155 investment projects, which are eight more such projects than in 2018. Moreover, projects with available funding now total \$55 billion or 60% of total estimated costs of projects, compared with \$39 billion or 59% in the original RIF 2022 endorsed in 2017. Nine investment projects worth \$1.55 billion have been completed during 2018-2019 mostly in transport and energy sectors.

4. In harmony with our firm commitment to the development of the GMS economic corridors as the anchor of overall GMS integration and development, we welcome the outcomes of the Tenth Economic Corridors Forum (ECF-10) held on 13 December 2018 in Nay Pyi Taw, Myanmar. Through the presentations and discussions in ECF-10, we obtained an updated assessment of the current state of development of various GMS economic corridors; the progress made in trade and investment facilitation through policy coordination, information sharing, private sector involvement and cross-border E-commerce cooperation; a picture of the activities related to logistics development; and various efforts related to community-building along the corridors, such as in health and safe labor migration. We are also pleased with the success of the GMS Governors' Forum and Economic Corridors Week held in Kunming in June 2019, which included knowledge-sharing presentations from academic and research institutions whose work can underpin corridor development initiatives.

## **The Way Forward**

5. While recognizing the significant achievements of the GMS Program since its inception and particularly in the last decade under the GMS Strategic Framework (2012-2022) and the Ha Noi Action Plan (2018-2022), we are increasingly aware of rapid changes and critical trends in the regional and global context that present new challenges as well as opportunities for our cooperation program. These require a refocusing and recalibration of our strategic directions and actions to ensure the continued strength, responsiveness and relevance of the GMS Program.

6. Among these key trends are: the weakening of regional and global growth in large part due to emerging threats to free trade; the largely unmitigated threat of climate change and environmental degradation, with growing risks from natural disasters; the technological revolution and its implications to industries and jobs as well as the need to tap opportunities it opens for exploiting potential gains from the new digital economy; the subregion's evolving demographics and the related challenges of managing its impact on growth and cross-border labor movements; rapid urbanization and the need to make cities more livable and competitive; and the remaining significant incidence of poverty and the tendencies toward increasing inequality in the subregion.

7. At the same time, we recognize that globalization brings significant benefits to our countries and the subregion. We are committed to harnessing its positive effects, strengthening it, making it more open, inclusive, balanced, and sustainable, and ensuring that benefits are enjoyed by all. To this end, we reiterate our support of multilateral trading systems and building open economies as well as providing more support and emphasis on resilient spatial planning approach. We will further the unfinished business of *GMS Strategic Framework 2012-2022*, and deepen our cooperation on connectivity and promote trade and investment liberalization and facilitation.

8. Recognizing the significance and varied levels of scientific and technological development in all the *GMS* member countries, we acknowledge the need to develop policy and strategic thrusts covering science, technology, and innovation (STI), which may include intensifying collaboration in the subregion with relevant stakeholders and institutions to ensure sustainable gains in capacity building, research and development technology diffusion and commercialization, strengthening STI infrastructure, governance and support systems.

9. At the 6<sup>th</sup> Summit in March 2018 in Ha Noi, the *GMS* Leaders reiterated their support of a regional approach, on the basis of consultation, joint efforts and shared benefits, as appropriate for addressing these developments, and mandated us “**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.”

10. Responding to the Leaders’ mandate, we launched the preparation of a new *GMS* strategic framework that would guide our cooperative activities toward shared goals for the next decade. We have reviewed the draft of this proposed long term strategic framework, , and found that it essentially reflects our vision, aspirations and goals as well as sets practicable strategies and priorities toward their attainment. We are also pleased to note the substantial progress of the work on a comprehensive research program that is being undertaken to support the implementation of the proposed long term strategic framework.

11. Subject to additional concerns that need to be addressed and further refinements that we have mandated our Senior Officials to incorporate in the document, we agreed to present this new strategic framework to the *GMS* Leaders at their 7<sup>th</sup> Summit in Phnom Penh, Cambodia in 2021 for their endorsement.

12. We are confident that despite the tremendous challenges ahead, with this proposed new strategic framework we shall be able to ensure the *GMS* Program’s continued relevance, resilience, and inclusive benefits to the countries and peoples of the subregion.

13. We recognize that our success critically depends on our countries’ continued commitment to cooperate and take difficult collective actions toward our shared goals, as well as on our development partners’ continued support. In this regard, we wish to express our special appreciation to the Asian Development Bank for its continued and unfaltering support to *GMS* cooperation. We also express our sincere gratitude to the Kingdom of Cambodia for its gracious and efficient hosting of the 23<sup>rd</sup> *GMS* Ministerial Conference.

*Endorsed in Phnom Penh, Cambodia on the 18<sup>th</sup> of November 2019.*