

# **Terms of Reference for the GMS Task Force on Trade and Investment (as endorsed by the GMS Senior Officials Meeting)**

## **I. Background**

- The Greater Mekong Subregion (GMS) Economic Cooperation Program Strategic Framework 2030 (GMS-2030) mandates the GMS Program to continue its efforts to develop trade and investment facilitation in the subregion and beyond. Specifically, the GMS-2030 states that “new sector working groups or taskforces will be formed to support the critical areas such as trade and investment facilitation”. This mandate was reconfirmed by the GMS leaders at the 7th Summit of Leaders held on 9 September 2021.
- On 10 March 2022, the GMS Senior Officials’ Meeting (SOM), held virtually, endorsed the scoping study on “Enhancing collaboration in trade and investment under the GMS Program”, undertaken by the GMS Secretariat, which included the recommendation of establishing a GMS Trade and Investment Task Force. Such recommendation received no-objection from the SOM. The study also recommended various short and long-term interventions to be implemented and delivered through a GMS Trade and Investment Task Force as well as other existing working groups and forums of the GMS Program.

## **II. Objectives of the GMS Task Force on Trade and Investment**

- (i) Act as a strategic guiding and advisory body to prioritise recommendations for enhanced cooperation in jumpstarting economic recovery and revitalised GMS economic performance. This will include identifying the Task Force’s deliverables within the timeframe of its establishment.
- (ii) Collaborate with a broad range of stakeholders such as related working groups, forums, and action Programmes (e.g., Transport & Trade Facilitation Action Programme, Working Group on Agriculture, etc.) with implementing the agreements and recommendations of the Task Force.
- (iii) Conduct a Mid-Term Review after 12 months to take stock of the ongoing progress and areas for improvement. A review of the Task Force could include a mandate to formulate a strategy or framework for possible activities under a future permanent working group.
- (iv) Upon completion of the implementation of the task force work programme in two years, review and present recommendations to GMS Senior Officials and/or Ministers on the necessity of establishing a GMS Trade and Investment Working Group.
- (v) Make other recommendations to the GMS Ministers and Leaders, where relevant.

### III. Proposed pillars of work

- Due to its urgency, the Task Force will work with economic agencies to assess and develop a clear action plan for the immediate term based on the recommendations of the scoping study. As such, the pillars of work for this action plan may include (i) digitalisation, (ii) improving the business climate, and (iii) capacity building support to maximise Free Trade Agreements (FTAs)-
- **Pillar 1: Digitalization:** Being digitalisation a key aspect of the economy that will continue to accelerate in the near future, it is crucial for GMS countries to keep pace with digital developments and bridge the digital divide. To do this, the task force will focus on how to equip local businesses with digital skills to remain competitive, and how investments in digital infrastructure to support greater digital connectivity can be bolstered.
- **Pillar 2: Improving the business climate**
  - **Diversifying trade and investment:** The Task Force will work with economic agencies to assess and identify opportunities to diversify trade and investments, as well as opportunities for collaboration between countries.
  - **Attracting foreign investment:** The Task Force will work to increase regional coordination between investment promotion agencies from the GMS countries, including Chambers of Commerce, to develop information dissemination campaigns, enable networking and improving the ease of doing business.
  - **Developing MSMEs and SMEs:** The Task Force will work to support efforts on the development of MSMEs and SMEs through capacity building, training, and policy dialogues.
- **Pillar 3: Capacity Building to Maximise FTAs:** The Task Force will support in addressing the capacity gaps within the GMS countries so that the subregion can maximise the benefits of FTAs and meet implementation timelines.

### IV. Activities

- To meet the abovementioned objectives, the GMS Task Force on Trade and Investment will initiate and coordinate the subregional activities including the following:
  - (i) Identify priority recommendations/interventions for implementation, with a supporting work plan or timeline.
  - (ii) Undertake multi-stakeholder consultations to tailor recommendations to each GMS members' circumstance.
  - (iii) Identify key deliverables, roadmaps, and desired outcomes.
  - (iv) Identify and coordinate resources required and, if necessary, conduct capacity needs assessment.
  - (v) Facilitate the implementation of priority recommendations/interventions according to the agreed work plan, in close coordination with existing GMS Working Groups, Economic Corridor Forums, and Senior Official Meetings, in order to avoid overlapping efforts; organizing joint sessions if necessary.
  - (vi) Support capacity-building activities for GMS officials to achieve identified deliverables.

(vii) Prepare reports on its outputs and activities for consideration at future meetings of  
GMS Senior Officials' Meetings and Ministerial Conferences.

## V. Duration, Composition, Chairmanship, and Participation

- **Duration:** the GMS Task on Trade and Investment shall have a two-year long mandate from the date of its formal establishment. Further to the mid-term review, GMS countries will decide whether to: (i) extend the mandate of the Task Force by another two-years, (ii) upgrade the status of the Task Force and establish a Working Group, or (iii) extinguish the Task Force.
- **Composition:** Each GMS country, through the GMS National Coordinator, will nominate officials of relevant ministries to be core members of the GMS Task Force on Trade and Investment. To encourage sustained participation and ensure functionality, the Task Force will be comprised of up to five core members. The suggested members of the Task Force on Trade and Investment are medium- and high-level officials (Director General and Deputy Director General) of relevant ministries. Within each country Task Force delegation, one of officials shall be designated as the Core Coordinating member of their country's delegation to the Task Force. The Core Coordinating member shall serve as Chair of the Task Force, serving as host for Task Force meetings and overseeing the work plan of the Task Force. When necessary, nominated members for the task force may delegate representation and attendance to other officials.
- During the mid-term review after 12 months of establishing the Task Force, additional memberships could be considered, namely, to represent the interests of the private sector. Such representation could be through national or subregional chambers of commerce and professional associations.
- **Chairmanship:** The chairmanship of the Task Force will follow standard GMS Program rotational procedure in alphabetical order.
- **Participation:** Participation at meetings of the Task Force shall be open to other stakeholders and are to be defined by the host country with support from the GMS Secretariat on a case-by-case basis according to topics discussed at each meeting. These stakeholders could include (i) business and industry associations representing Micro, Small, Medium Enterprises (MSMEs), women, youth, start-ups, and border zone areas, (ii) Civil Society Organizations (CSOs) and consumer groups, (iii) Development Partners, and (iv) think tanks and knowledge institutions.

## VI. Regularity of meetings and coordinating arrangements

- The Task Force shall meet at least twice annually, in person or virtually, to identify its work plan priorities and to monitor the progress of the two-year rolling work plan.
- A first or inception meeting of the Task Force will be held to endorse the TORs and discuss and develop a two-year rolling work plan. A tentative scheme of the meetings through the two years is as follows:

Year 1		
	Meeting	Objective
Q1	1 <sup>st</sup> or Inception Meeting of the Task Force on Trade and Investment	Endorse the TORs and develop the two-year rolling work plan
Q2	2 <sup>nd</sup> GMS Meeting of the Task Force on Trade and Investment	Monitor progress of the two-year rolling work plan
Q4	3 <sup>rd</sup> GMS Meeting of the Task Force on Trade and Investment	Monitor progress of the two-year rolling work plan
Year 2		
Q2	4 <sup>th</sup> Meeting of the Task Force on Trade and Investment: Mid-term Review Meeting	Take stock of ongoing progress and areas for improvement under the two-year rolling work plan. A review of the Task Force could include a mandate to formulate a strategy or framework for possible activities under a future permanent working group.
Q3- Q4	5 <sup>th</sup> Meeting of the Task Force on Trade and Investment	Monitor progress and explore the establishment of a future permanent working group.

Coordination and support for the Task Force activities may be done through the GMS Secretariat. The main focal points in the GMS Secretariat will be the Public Management, Financial Sector and Trade Division of the Southeast Asian regional Department of ADB, and the Regional Cooperation and Operations Coordination Division of the Southeast As