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GMS E-UPDATES

Recent and Upcoming GMS Events and Initiatives

This GMS E-News is a regular publication to provide readers with an update on activities and major developments in pursuit of accelerated development of the countries sharing the Mekong River.

Upcoming GMS Events*

October 2012

- **16th Meeting of GMS Subregional Transport Forum** (Nay Pyi Taw, Myanmar)

November 2012

- **11th Meeting of the Working Group on Human Resource Development** (Yangon, Myanmar)
- **Senior Officials' Meeting cum RIF Steering Committee** (Nanning, PRC)
- **13th Meeting of Regional Power Trade Coordination Committee** (Yangon, Myanmar)

December 2012

- **30th Meeting of the GMS Tourism Working Group** (Ninh Binh, Viet Nam)
- **18th GMS Ministerial Conference** (Nanning, PRC)

Featured Article*

Celebrating 20 Years of Achievement and Success in the GMS: An Interview with ADB Southeast Asia Department DG Kunio Senga

*See inside pages for details

GMS CELEBRATES TWO DECADES OF PARTNERSHIP: Highlighting the GMS Program's Achievements and Prospects for the Next Decade (Manila, Philippines, 14 September 2012)

The six member countries of the GMS celebrated 20 years of economic cooperation under the GMS Program, which helped transform the once conflict-ridden area into an Asian showcase for growth, poverty reduction and regional integration. In marking the GMS Program's 20th Anniversary, high-level GMS officials, and representatives from the private sector and development agencies took part in a day-long celebration that included a Conference highlighting the Program's achievements and prospects for the next decade, opening of a GMS Exhibit, launching of GMS publications and a Gala Dinner featuring the rich cultural heritage of the Mekong.

ADB President H. Kuroda hosted the GMS 20th Anniversary participants at the Gala Dinner. In his welcome remarks, he lauded the GMS Program as having left an indelible mark on the face of the GMS and the lives of the people involved in the program. He further praised the GMS Program for its trailblazing efforts in regional cooperation and integration, especially in building economic corridors, which under the new GMS Strategic Framework (SF) 2012-2022, will be broadened and deepened to "further enhance productivity and competitiveness in emerging urban clusters along them as well as in the remote areas in the subregion." The President reaffirmed ADB's own continued commitment to the GMS. A GMS cultural performance capped the evening event, comprising a series of dances showcasing the colorful, rich and diverse cultures of the GMS.



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The meeting stressed the importance of reviewing the outputs of the RIF and the progress of preparations of the 18th GMS MC, which together have an important bearing in charting the GMS Program's course in the new decade.

In his welcome remarks at the Anniversary Conference held in the morning, ADB Vice President Stephen Groff cited the GMS Program's strengths that helped it succeed, and with a new GMS strategy already in place, he stressed that "the subregion is therefore poised to meet the challenges and opportunities of the new decade." The heads of GMS delegations provided opening statements that focused on the GMS Program's strengths, providing a good foundation for the success of future cooperation in the subregion. Mr. Rajat M. Nag, Managing Director General of ADB, who himself had a long involvement in the GMS Program, provided useful insights on the progress and prospects of the GMS Program at 20. Among the Conference's highlights were the talks by select individuals who played key roles in the GMS Program, namely: Mr. Noritada Morita, who was a former ADB Director General whose visionary thinking led to ADB's key support for establishment of the GMS Program; and Dr. Supachai Panitchpakdi, currently Secretary General of the United Nations Conference on Trade and Development, and who, as Deputy Prime Minister of Thailand in 1992, became also Thailand's first GMS Minister and one of the GMS Program's prime movers.

In the afternoon, ADB Strategy and Policy Department Director General Kazuo Sakai, who was involved in the GMS Program's



early years, led the opening of the GMS Exhibit, which pulled together posters, artifacts and artworks depicting the shared histories and the rich and diverse natural and cultural heritage of the six GMS countries. This was followed by the launch of key publications spearheaded by Southeast Asia



Department Deputy DG James Nugent. These publications, which provide vital knowledge inputs needed to deal with more complex regional issues, are as follows:

- GMS Commemorative Book- a visual chronicle of the GMS story, emphasizing the results and impact of the GMS Program on the people of the countries of the subregion.
- GMS 2020 Conference Proceedings- which underlines the consensus on the need to take the food-water-energy dialogue forward within the GMS.
- GMS Regional Power Trade Publication- highlighting the progress made and importance of efforts to develop an integrated GMS power market.
- Trade and Trade Facilitation in the GMS- bringing together studies on the structural challenges to trade facilitation in the GMS.

GMS SENIOR OFFICIALS' MEETING- REGIONAL INVESTMENT FRAMEWORK STEERING COMMITTEE (SOM-RIF): Determining the Regional Pipeline under the new SF (Manila, Philippines, 13 September 2012)

The SOM-RIF was held to review the progress and determine the next steps in the regional investment framework (RIF) process and to review the progress on preparations for the 18th GMS Ministerial Conference (MC) and the 20th Anniversary of the GMS Program (GMS20). It was chaired by a representative of the People's Republic of China (as Host of the 18th GMS Ministerial Conference), and co-chaired by ADB. The meeting stressed the importance of reviewing the outputs of the RIF and the progress of preparations of the 18th GMS MC, which together have an important bearing in charting the GMS Program's course in the new decade. The country delegations underscored the importance of successfully completing the RIF and to come up with a set of practical and implementable investment projects that will lead to realization the goals set in the new GMS SF. Close review of the intended deliverables for the 18th MC was undertaken to ensure these are on track and ready by the time of the MC. The GMS country delegations looked forward to the activities for the GMS 20th Anniversary celebrations on the following day.

With expected outcome of enhanced market access for environmentally-friendly agricultural products produced by smallholders, the TA will focus on enhancing existing and emerging value chains.

TECHNICAL ASSISTANCE TO IMPLEMENT PHASE 2 OF THE CORE AGRICULTURE SUPPORT PROGRAM (CASP-2) IS APPROVED: Ensuring a More Integrated, Climate-Friendly Agriculture Sector in the Mekong (24 August 2012)

Phase 2 of CASP, which was endorsed at the 16th GMS Ministerial Meeting in Viet Nam in August 2010, will be implemented through a new regional technical assistance approved by ADB in August 2012. ADB will be administering the TA, which is financed on a grant basis for \$7.5 million by the Government of Sweden. With expected outcome of enhanced market access for environmentally-friendly agricultural products produced by smallholders, the TA will focus on enhancing existing and emerging value chains. The TA will also strengthen the institutional capacity of the Working Group on Agriculture for regional cooperation. It will have five outputs: (i) strengthened regional policy framework and capacity for agri-food quality management; (ii) established electronic trade of environmentally friendly agri-food production of smallholders; (iii) increased adoption of gender-responsive and climate-friendly agriculture; (iv) facilitated knowledge management and dissemination; and (v) strengthened regional cooperation on agriculture in the GMS. The TA will be implemented from September 2012 to September 2017.

FINLAND COMMITS \$14 MILLION TO THE CORE ENVIRONMENT PROGRAM-BIODIVERSITY CONSERVATION CORRIDOR INITIATIVE (CEP-BCI): Helping the GMS Achieve Environmentally-Friendly Economic Growth (24 September 2012)

The Government of Finland committed the amount of \$14 million for a second phase of CEP-BCI being administered by ADB to help the GMS region achieve environmentally-friendly economic growth. Finland's latest commitment follows the \$4.9 million it contributed to the 2006-2012 pilot phase of the CEP-BCI. This latest commitment by Finland is covered by a co-financing agreement for the new phase signed at the Embassy of Finland in Bangkok on 24 September 2012. "The GMS Core Environment Program has a key role to play in building a sustainable future for the subregion, and we are delighted that the Government of Finland has decided to continue with its support of this important work," said Craig Steffensen, Country Director of ADB's Thailand Resident Mission. Ambassador to Thailand, Sirpa Mäenpää, who signed on behalf of the Government of Finland, said the CEP-BCI fits well with Finland's regional development assistance priorities in the Mekong and globally. The program commenced in 2006 amid growing concerns over fragmentation of forests and protected areas and other environmental damage arising from rapid economic development in the GMS. CEP-BCI focuses on strengthening GMS capacity and collaboration in environmental planning and monitoring, as well as conservation and livelihood improvement in some of the subregion's most important biodiversity landscapes.

"The GMS Core Environment Program has a key role to play in building a sustainable future for the subregion, and we are delighted that the Government of Finland has decided to continue with its support of this important work," said Craig Steffensen, Country Director of ADB's Thailand Resident Mission

Featured Article

CELEBRATING 20 YEARS OF ACHIEVEMENT AND SUCCESS IN THE GMS

(Reprint of ADB Avenue Interview of Mr. Kunio Senga, Director General, Southeast Asia Department, ADB)

Context

Since 1992, ADB has supported the GMS Economic Cooperation Program, providing financial, technical, and advisory assistance, and taking the role of an honest broker. SERD DG Kunio Senga shares his thoughts on the way forward for the GMS.

What is ADB's vision for the GMS?

ADB's vision of the GMS is the same as that of its leaders and peoples—namely, a Mekong subregion that is prosperous, harmonious, and more integrated. We have tapped the GMS Program to be the instrument for overcoming market constraints and promoting trade and investment through improved infrastructure and associated software. We have been strongly guided by the so-called 3Cs strategy—increased connectivity, improved competitiveness, and a greater sense of community.



How has ADB's work in the GMS changed the lives of people?

Our work in the GMS has been credited for contributing to a lot of good things, such as dramatic growth of trade, especially intraregional trade which grew over 20-fold in the past 20 years. It was also credited for the robust growth of tourism, which grew over three-fold in the same period. However, what is most important is that the quality of lives of its people has improved substantially. We observe these results on the ground and these are validated by figures showing substantial declines in the incidence of poverty throughout the subregion.

How do you see ADB's role evolving in the region?



After two decades, we can say that the GMS Program is now more mature, and it faces a new set of challenges. Internally, the subregion has harvested most of the “low hanging fruits” of cooperation, such as improved infrastructure links, and will now have to deal with perhaps more difficult issues, such as growing urbanization, food security, energy sufficiency, labor migration, and other socio-economic and environmental trends. Externally, we are still facing the global financial difficulties as well as climate change.

Thankfully, the new GMS Strategy for the next ten years recognizes all these complexities, and relies on the program gearing up for second-generation investments. While physical infrastructure development will remain at the core of the program, there will be an increasing focus on softer investments. For example, measures will be taken to advance the transport and trade facilitation agenda, promoting well-managed urban development, and developing a regional power market. We also need to look into ways to maximize the use of our limited and increasingly scarce resources, such as exploiting synergies between the GMS program and other regional initiatives and institutions, and enhancing the engagement of development partners and stakeholders in the program.

The success of GMS initiatives will, of course, ultimately rest with the Mekong's own people, whose can-do spirit I am quite optimistic will help them sustain and even surpass in this new decade their outstanding economic performance in the past. ADB can provide support in the key areas I just mentioned, and also in capacity building (especially for Cambodia, Lao PDR, Myanmar and Viet Nam), and provision of high-quality knowledge products, including support for consensus building around the results of the analysis of various issues. These would include, for example, coming up with ways to address the interlinkages between energy, food security, and environmental sustainability. ADB can help strengthen the GMS knowledge platform, as well as mobilize the resources for this.

What are the challenges that ADB has to prepare for?

The challenges are many, chief among them the need for more resources to continue developing GMS economic corridors. There is still a need for improved connectivity along and around the corridors with such means as establishing trade hubs, and strengthening rural links with corridor growth poles through secondary and rural road networks. These will need complementary work in logistics and trade and transport facilitation.

We need the GMS to tap more fully into opportunities elsewhere in Asia. This includes helping the subregion increase its trade and economic links with India and the rest of South Asia, as well as the People's Republic of China.

Then, we also have the risks posed by global warming and climate change, as well as those usually associated with increased connectivity, such as communicable diseases, human trafficking and transnational crime, and biodiversity losses. As demographics change, the subregion also has to respond to the challenges of increased urbanization including human resource issues, such as labor productivity and safe labor migration, as well as emerging demographic issues like aging populations in some countries.

The subregion will also need to mobilize private investments, including public-private partnerships, to support substantial infrastructure needs. In all these, ADB will strive to provide the GMS countries with strong support in this regard, and also in critically needed high-quality analytic work in capacity building, as well as institutional and policy reforms.



A mobile health clinic in Viet Nam serves community residents.

What can ADB be most proud of in its work in the GMS?

For me, ADB can be most proud of the lasting goodwill and tremendous stock of cooperative spirit that has been built among the GMS countries and between them and the bank, including other development partners. This has been referred to by some as the “peace dividend” of the GMS Program, which has had an immeasurable impact on regional stability, harmony, and progress. This is the GMS Program’s most lasting benefit, one that can help sustain the socio-economic progress of the subregion for many, many years.

Upcoming GMS Events

16th Meeting of GMS Subregional Transport Forum (Nay Pyi Taw, Myanmar, 24-25 October 2012)

STF-16 has the following objectives: conduct a final review of priority GMS transport projects in the Vientiane Plan of Action (VPOA); introduce the process for preparing the GMS ten-year Regional Investment Framework (RIF) and discuss possible GMS transport sector initiatives under the RIF; and explore possible GMS transport sector initiatives that can be pursued in Myanmar to strengthen its connectivity with the GMS and beyond. Senior GMS transport (road and rail) officials are expected to participate.

11th Meeting of Working Group on Human Resource Development (Yangon, Myanmar, 1-2 November 2012)

The GMS Working Group on Human Resource Development will review and endorse the Draft GMS HRD Strategic Framework and Action Plan for 2013-2017. Another major item in the agenda is the review and endorsement of the draft action plan to Implement the MOU for Joint Action to Reduce HIV Vulnerability Related to Population Movement in the GMS that was signed at the 4th GMS Summit last year. These constitute major deliverables for the upcoming 18th GMS Ministerial Conference to be held in December 2012.

Senior Officials’ Meeting cum Regional Investment Framework (RIF) Steering Committee Meeting (Nanning, PRC, 8-9 November 2012)

The meeting will take up the updates of analyses of national plans and sector assessments and their investment directions. The report on the outputs of the RIF process to be presented to the 18th GMS Ministerial Conference (MC) will also be considered. The progress of preparations for the holding of the 18th GMS MC will be discussed. The draft 18th GMS MC Joint Ministerial Statement (JMS) will be reviewed and finalized, to be considered for internal approval by the each GMS country.

13th Meeting of the Regional Power Trade Coordination Committee (Yangon, Myanmar, 26-27 November 2012)

The RPTCC-13 meeting will update on GMS countries’ power development programs and discuss the progress of internal clearances for the signing of the Inter-Governmental MOU to Establish the Regional Power Coordination Center. It will also take up the progress of Strategic Environmental Assessment (SEA) activities under RETA 7764 and the overall assessment of the GMS energy sector development. The meeting will be preceded by a joint meeting of the working groups of RPTCC to finalize their work plans as agreed in their inception meetings earlier.

30th Meeting of the Tourism Working Group (Ninh Binh, Viet Nam, 4-6 December 2012)

The meeting will review the progress of implementation of priority programs under the refocused GMS Tourism Sector Strategy including priority tourism marketing and development programs. Representatives of GMS National Tourism Organizations, the Mekong Tourism Coordinating Office (MTCO), and development partners will attend. TWG-30 is being held back-to-back with a meeting of the Steering Committee of the ADB-funded Sustainable Tourism Project to review the progress of project implementation, and a meeting of the MTCO Board to review administrative and financial operations. A workshop to share best practices and lessons learned on pro-poor tourism development will also be held.

18th GMS Ministerial Conference (Nanning, PRC, 12-13 December 2012)

The 18th GMS MC, consistent with the year’s GMS 20th anniversary celebration, will have for its theme “New Start, New Progress: Building on Two Decades of the GMS Program”. The Conference will review initial results of the ongoing process of preparing the Regional Investment Framework (RIF) and provide directions on this basis. It will also discuss issues and concerns and review and endorse the specific agreements and action plans in GMS

sectors of cooperation. As in past GMS MCs, it will have three component events: the Senior Officials' Meeting (SOM) to review the outputs of the RIF process and address concerns on the various deliverables; the Development Partners' Meeting (DPM) to seek ways to better engage partners for the next generation of investments to be generated by the RIF process, as well as strengthening the knowledge platform; and the formal Ministerial Meeting where the SOM/ DPM reports, and proposed programs/ action plans would be endorsed, to be followed by a Ministerial Retreat to discuss matters related to the RIF, its initial outputs and the next steps.

Links:

- [GMS Tourism Sector Strategy Midterm Review & Road Map 2011-2015](#)
- [GMS Core Environment Program](#)
- [Development of Economic Corridors](#)
- [GMS Road Map for Expanded Energy Cooperation](#)

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