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March 2008

## REG: Greater Mekong Subregion Economic Cooperation Program

### Joint Summit Declaration: 3rd GMS Summit of Leaders

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Asian Development Bank



# Joint Summit Declaration

**THE THIRD GMS SUMMIT**  
**Vientiane, Lao People's Democratic Republic**  
**30-31 March 2008**

**“ENHANCING COMPETITIVENESS THROUGH GREATER  
CONNECTIVITY”**

## THE THIRD GMS SUMMIT

### JOINT SUMMIT DECLARATION “ENHANCING COMPETITIVENESS THROUGH GREATER CONNECTIVITY”

Vientiane, Lao People’s Democratic Republic  
30-31 March 2008

1. **WE**, the Heads of the respective Governments of the Kingdom of Cambodia, the People’s Republic of China, the Lao People’s Democratic Republic, the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, joined by the President of the Asian Development Bank (ADB), on the occasion of the Third GMS Summit:

**Recalling** the First and Second GMS Summit meetings in Phnom Penh and Kunming, respectively, where we set out our vision of an integrated, harmonious, and prosperous subregion, endorsed a 10-Year Strategic Framework for GMS economic cooperation, and provided key directions to enhance our connectivity, competitiveness and community;

**Reaffirming** the guiding principles of our cooperation that stresses the importance of a pragmatic, action-oriented, and results-focused approach to the preparation and implementation of subregional projects, which we confirmed at our Second Summit meeting in Kunming in July 2005;

**Noting** rapid globalization, scientific and technological advancements, accelerating global and regional trade, investment liberalization and economic integration, and emerging new markets in neighboring regions that have significant implications for GMS development;

**Recognizing** that while challenges to GMS development remain, our progress in cooperation is also opening up unprecedented opportunities;

**Convinced** that it will be imperative to sustain and deepen our economic cooperation and integration efforts so as to meet these challenges and take full advantage of the opportunities for GMS development:

**HEREBY REITERATE** our commitment and resolve to achieve our vision of an integrated, harmonious, and prosperous subregion, and to continue working together, closely and intensively, to promote the well-being of our peoples.

#### Progress in GMS Economic Cooperation

2. We are greatly encouraged by the significant results of GMS economic cooperation since 1992.

3. Our economic and development cooperation program has accelerated, delivered concrete results, and contributed to the realization of our shared vision. The expansion of trade, investment, and tourism, and greater understanding among our peoples

resulting from the improved and expanded transportation infrastructure has been substantial. The significant reduction in the incidence of poverty in our subregion since 1992 is a remarkable outcome. While many factors contributed to this development, the GMS program has certainly been a key element in reducing poverty, a goal which remains at the core of our development efforts.

4. We note with satisfaction the substantial improvement and expansion of transportation infrastructure in our subregion. This is demonstrated by the near full completion of the East-West Corridor, the North-South Corridor, and the Southern Corridor, which was complemented by concerted efforts to reduce nonphysical barriers to the cross-border movement of people and goods through the implementation of the landmark GMS Cross-Border Transport Agreement. This has contributed to reductions in cost and time of travel, increased cross-border trade and economic opportunities around border areas, and improved community contacts. We welcome the initial implementation of the GMS Cross-Border Transport Agreement at the Lao Bao-Dansavanh, Mukdahan-Savannakhet, and Hekou-Lao Cai border crossing points.

5. We have likewise made important achievements in other areas of cooperation. In energy, we are in the process of building new power generation and transmission facilities and broadening cooperation to other energy sub-sectors, and have laid down the foundations for future subregional power trade and energy market. In telecommunications, we have put in place the subregional telecommunications backbone and are in the advanced stages of developing the GMS Information Superhighway Network. In tourism, we are moving forward on a concrete action plan for the next five years covering the promotion of the subregion as a single tourism destination and tourism-related infrastructure development. In agriculture, we are implementing a program that will further promote cross-border agricultural trade, ensure food safety, and improve farmers' livelihoods. In human resource development, we are successfully implementing programs for the prevention and control of communicable diseases, and the Phnom Penh Plan that provides learning programs in development management for our government officials. In the environment sector, the implementation of a comprehensive program to address the subregion's key environmental challenges, including the establishment of pilot biodiversity conservation corridors is in full gear. In the trade and investment sectors, we are making progress in creating a conducive, favorable, and competitive environment in our countries through the implementation of the Strategic Framework for Action on Trade Facilitation and Investment (SFA-TFI). These gains have laid a strong foundation for sustaining and deepening our cooperation in the coming years.

### **The Challenges and Opportunities Ahead and Directions for Future Action**

6. The progress that we have made shows that subregional cooperation is an effective mechanism for economic and social development. However, challenges, such as the emergence of health risks, human and drug trafficking, and growing environmental threats, including those posed by climate change remain. Nevertheless, there are corresponding opportunities that can be tapped more effectively through cooperative action. These include regional and global trends that have become more prominent recently, such as the rapid spread of global supply chains, the growth of free trade areas, strong moves toward regionalism, and robust economic growth in the Asian and the Pacific region.

7. These challenges to and opportunities arising from GMS development were thoroughly assessed during the review of the 10-Year GMS Strategic Framework that has guided the implementation of the GMS program over the last five years. We welcome and endorse the findings and recommendations of the review. We concur with the review's conclusion that the Strategic Framework remains relevant and serves as a sound basis for our moving forward over the next five years. However, we also believe, as the review rightfully noted, that there is a need to fine-tune the GMS program so that it will better harness the opportunities from increasing globalization and regional integration.

8. Therefore, while we resolve to strengthen and continue our cooperation in developing subregional physical infrastructure, we will also place increased emphasis on aspects of our cooperation that will: (i) transform the improved connectivity into enhanced competitiveness; (ii) accelerate improvements in livelihoods and further reduce poverty; and (iii) proactively address trans-boundary challenges, such as the transmission of communicable diseases, illegal migration of workers, and environmental degradation.

9. Enhancing economic competitiveness and accelerating our economic and social development process through the greater use of improved and expanded connectivity will be the key focus of our cooperation in the coming years. Our central location in East Asia and the contiguity of our borders position our subregion to not only benefit substantially from regional economic integration, but also to spearhead the process. Enhancing our competitiveness is essential to fulfilling our subregion's potential to be a hub of development in this part of the world.

10. To sharpen our competitive edge, we will translate our achievements in physical connectivity into full and sustainable connectivity. We will promote the use of the improved and expanded subregional infrastructure in order to increase trade, investment, and tourism. We will ensure the safety and effective utilization of infrastructure, and put into practice necessary related rules and regulations. We will also progressively put in place the social and environmental infrastructure for enhanced competitiveness by building the necessary human resource capacity, and sustainably managing our environment and natural resources. We will continue to work toward more closely linking local, national and subregional policies and programs in these areas. We also need to streamline the various subregional projects and initiatives, from infrastructure development to human resource development, from trade and investment promotion to tourism to avoid duplication and achieve greater complementarity, synergy, and efficiency.

11. We appreciate the launching of a comprehensive transport and trade facilitation assistance initiative to integrate and accelerate our efforts under the GMS Cross-Border Transport Agreement (CBTA) and SFA-TFI. We urge our Ministers to expedite the implementation of the CBTA and the regional and national action plans of the SFA-TFI under this initiative.

12. We will intensify our efforts to create a conducive and competitive environment for trade, investment, and private sector development, as these are vital for transforming our transport corridors into economic corridors. We will institute sound economic policies, implement regulatory and institutional frameworks, and further liberalize,

harmonize and streamline trade and investment regimes. We will further promote public-private partnerships to expand business and investment in the subregion that will generate income and employment opportunities for our people. In this context, we welcome the proposal to establish the Economic Corridors Forum to oversee the development of economic corridors.

13. Several measures have been taken to strengthen the GMS Business Forum, and we commit to greater efforts to promote private sector participation in GMS development and planning. Our dialogue with the business community on 30 March 2008 was extremely valuable, and we direct our ministers to follow up and act on the recommendations arising from this discussion, including initiatives to promote the participation of small- and medium-sized enterprises in exports.

14. We are delighted to see the inclusion of the GMS Youth Forum in our program for this Summit. Being the subregion's next generation of leaders, decision makers, professionals, workers, and parents, they should indeed be given the opportunity to come forward, be seen, be heard, and get involved. We also welcome the organization of the Mekong Youth Friendship Program, and look forward to the continued and expanded participation of our countries' youth in the GMS program.

#### **Plan of Action for GMS Development, 2008-2012**

15. We are pleased to endorse the Vientiane Plan of Action for GMS Development for 2008-2012 (Annex). In this regard, we underscore the importance of making substantial and early progress on the following measures:

- **Transport:** Accelerate the construction and improvement of the remaining sections of GMS corridors, and expand the corridor network through multimodal linkages, including the Singapore-Kunming Rail Link,
- **Energy:** Help establish a sustainable and efficient GMS energy supply market;
- **Telecommunications:** Further develop telecommunications infrastructure linkages, promote the use of information and communications technology through the GMS Information Superhighway Network, devote more resources to rural communications development in the GMS, and convene the first meeting among ministers responsible for telecommunications development in the subregion;
- **Agriculture:** Implement the GMS initiative on biofuel and rural renewable energy development, and expand trans-boundary animal disease control programs and access to agricultural information in rural areas;
- **Environment:** Help reduce environmental risks to local livelihoods and GMS development plans, including those posed by climate change, and call for strengthening the cooperation among member countries for the protection of forestry in the GMS;
- **Tourism:** Strengthen the sustainable management of natural and cultural tourism sites, promote the joint marketing of tourism in the subregion, and strengthen the Mekong Tourism Coordinating Office;
- **Human Resource Development:** Implement the new strategic framework and action plan for cooperation in education, health, labor, and other social

development areas, broaden and deepen the scope of the Phnom Penh Plan for Development Management, support the mandate and mission of the Mekong Institute, and enhance the prevention and control of communicable diseases in border areas;

- **Trade Facilitation:** Harmonize and integrate procedures and systems to facilitate border crossing formalities, including customs, immigration, and quarantine, and promote the development of trade logistics; and
- **Investment:** Invigorate cooperation in investment and expand the participation of the GMS Business Forum in the GMS program.

We task our ministers, senior officials, and other government instrumentalities with working closely together to ensure the effective and timely execution of this Plan.

16. We recognize the need to generate wider support as well as additional financial resources to implement this Plan of Action. Accordingly, we will (i) promote greater ownership and broad-based participation in the GMS program; (ii) enhance closer cooperation among local governments and business sectors of GMS countries in promoting trade, investment, tourism, and other areas of socioeconomic development; and (iii) enhance resource mobilization efforts for priority GMS projects. We will also further strengthen the institutional framework and mechanism to move GMS cooperation forward.

17. We fully recognize and greatly appreciate the unique role that the ADB has played as catalyst, advisor, and financier. Its participation has helped bring the GMS to where it is today. We also thank our other development partners for their confidence and valuable contributions to our cooperative efforts. We request ADB and other development partners to continue supporting the GMS program with additional resources and knowledge transfers to build the GMS as a hub for economic integration in the Asian and Pacific region.

## **Conclusion**

18. Fifteen years ago, it was a bold vision to foresee how much our subregion would change, or how deeply the GMS program would contribute to this change. These changes have brought significant benefits to our countries and people, and the GMS program has been an integral part of this transformation. Trade and economic linkages between our countries have increased considerably, buoyed by improvements in physical connectivity, investments in human and institutional development, a growing sense of community, and an awareness of mutual benefits from cooperative endeavors.

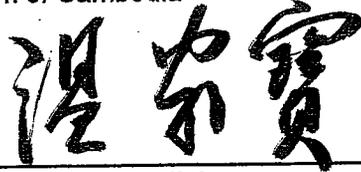
19. Moving forward, we pledge to consolidate our gains and build on our successes. The GMS future is ours to determine. We will deepen our collaboration, coordination, and cohesiveness to reach our vision of an integrated, harmonious, and prosperous subregion.

Signed in Vientiane on 31 March 2008:



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Samdech Akka Moha Sena Padei Techo Hun Sen  
Prime Minister  
Kingdom of Cambodia



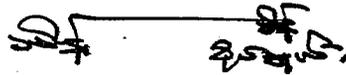
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His Excellency Wen Jiabao  
Premier of the State Council  
People's Republic of China



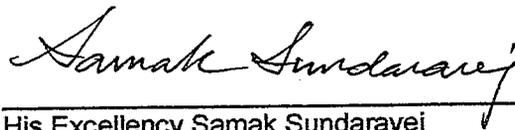
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His Excellency Bouasone Bouphavanh  
Prime Minister  
Lao People's Democratic Republic



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His Excellency General Thein Sein  
Prime Minister  
Union of Myanmar



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His Excellency Samak Sundaravej  
Prime Minister  
Kingdom of Thailand



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His Excellency Nguyen Tan Dung  
Prime Minister  
Socialist Republic of Viet Nam



## Greater Mekong Subregion

# VIENTIANE PLAN OF ACTION for GMS Development

## Sectoral Strategic Priorities<sup>1</sup>

<sup>1</sup> Full version of the Vientiane Plan of Action for GMS Development can be downloaded from <http://www.adb.org/gms>.



# Greater Mekong Subregion

## TRANSPORT

Strategic Thrust I: Complete key parts of the GMS transport network and improve links with other regions and subregions

Strategic Thrust II: Transform transport corridors into economic corridors

Strategic Thrust III: Mobilize private sector participation in transport sector activities

Strategic Thrust IV: Promote the development of modes other than road transport and competition between transport modes

Strategic Thrust V: Facilitate implementation of transport-related training programs

Strategic Thrust VI: Address transport-related negative impacts

## ENERGY

Strategic Thrust I: Broaden GMS energy cooperation through enhanced efficiency and security, and sustainable development of energy resources

Strategic Thrust II: Build capacity for power trade operation, coordination and grid interconnection

Strategic Thrust III: Implement key GMS interconnection projects for Stage 1 power trading

Strategic Thrust IV: Develop generation projects for power exports under Stage 1

## TELECOMMUNICATIONS

Strategic Thrust I:	Establish sustainable mechanisms for cooperation in the telecommunications sector
Strategic Thrust II:	Strengthen capacity for the operation and management of the telecommunications sector
Strategic Thrust III:	Formulate and implement telecommunications sector policy reforms, and develop strategy and plan to enhance private sector participation in the sector
Strategic Thrust IV:	Complete the GMS Information Superhighway Network and Telecoms Backbone
Strategic Thrust V:	Promote information and communications technology applications for development and poverty reduction in the GMS

## AGRICULTURE

Strategic Thrust I:	Facilitate cross-border trade and investment in agriculture
Strategic Thrust II:	Promote public-private partnership in sharing agricultural information
Strategic Thrust III:	Enhance capacity in agriculture science and technology
Strategic Thrust IV:	Establish emergency response mechanisms for agriculture crises
Strategic Thrust V:	Strengthen institutional linkages and mechanisms for cooperation in agriculture

## ENVIRONMENT

Strategic Thrust I:	Establish common framework and necessary operational capacity for addressing environmental protection and management challenges of the GMS Economic Cooperation Program
Strategic Thrust II:	Prevent and mitigate environmental hazards and threats from environmental degradation in the subregion

## **TOURISM**

Strategic Thrust I:	Foster the development of multi-country tourism in the subregion by stimulating demand from appropriate high-yield markets and products through joint promotional activities
Strategic Thrust II:	Upgrade the skills of tourism leaders and tourism trainers of the subregion
Strategic Thrust III:	Promote higher standards in managing natural and cultural resources for conservation and tourism purposes, and enhance measures to manage the negative social impact of tourism
Strategic Thrust IV:	Help reduce the incidence of poverty and increase rural incomes in poor areas
Strategic Thrust V:	Encourage private sector participation and partnerships in planning, investment, and marketing of the tourism sector
Strategic Thrust VI:	Identify and address impediments to travel to and within the subregion
Strategic Thrust VII:	Jointly plan and develop tourism infrastructure to ensure a wider distribution of tourism benefits and support pro-poor tourism development in designated priority zones

## **HUMAN RESOURCE DEVELOPMENT**

Strategic Thrust I:	Develop and implement cooperative arrangements for addressing human resource issues in health, education, and labor, with focus on impacts of cross-border activities on human resources, and human resource development activities with cross-border implications
Strategic Thrust II:	Facilitate opportunities for expanded networking arrangements among academic and research institutions/networks in the GMS to foster complementation and synergy of programs, and for pooling of resources to achieve long-term sustainable capacity building and competitiveness
Strategic Thrust III:	Support transfer of knowledge and experience leading to improved skills and competence of the subregion's labor force, and contribute to improved capacity to respond to labor-related issues
Strategic Thrust IV:	Strengthen the subregion's human resource capacity in harnessing the benefits from advanced science and technology

## **TRADE FACILITATION**

Strategic Thrust I: Implement the Strategic Framework for Action on Trade Facilitation and Investment

Strategic Thrust II: Implement the GMS Cross-Border Transport Agreement

## **GMS Business Forum**

Strategic Thrust I: Help eliminate impediments to the freer flow of trade and investment in the subregion

Strategic Thrust II: Foster private sector participation in the GMS Program through the development of network of private sector institutions and organization of conferences on investment opportunities, marketing of shared subregional products, access to technology