

Greater Mekong Subregion Economic Cooperation Program
13th Ministerial Conference
Vientiane, Lao PDR
14-16 December 2004

I. Introduction

1. The 13th Ministerial Conference on Subregional Economic Cooperation in the Greater Mekong Subregion (the Conference) was held in Vientiane, Lao People's Democratic Republic on 14-16 December 2004. The Conference consisted of three related events: the Greater Mekong Subregion (GMS) Senior Officials' Meeting (the SOM) held on 14 December 2004; the Development Partners' Meeting (the DPM) held on 15 December 2004; and the 13th GMS Ministerial Meeting held on 16 December 2004.¹ In addition, the second meeting of the Task Force responsible for the preparations for the Second GMS Leaders' Summit to be held on 4-5 July in Kunming, PRC, also met on 13 December and reported to the Ministers the progress of preparations. The Conference activities also included the signing by member countries of important documents, namely: (i) Stage 2 Annexes² of the GMS Cross-Border Transport Agreement (CBTA), and (ii) the Memorandum of Understanding between Lao PDR and Viet Nam on the initial implementation of the CBTA at the Dansavanh-Lao Bao border crossing.

2. The main objectives of the Conference were to: (i) review the progress of cooperation in the GMS Program, (ii) determine the future directions of the Program and prepare a Plan of Action that will guide its activities and initiatives in the next several years, (iii) dialogue with the development partners, including the private sector, to determine ways of increasing their participation in the Program, and (iv) prepare for the Second GMS Leaders' Summit.

3. The Conference was opened by H. E. Mr. Boun-Nhang Vorachit, Prime Minister, Lao PDR; and was attended by the Ministers of the six member countries namely, H.E. Mr. Somphong Mongkhonvilay, GMS Minister, Lao PDR; H. E. Mr. Khy Taing Lim, Sr. Minister, Minister in-charge of GMS of Cambodia; H.E. Liao Xiaojun, Vice Minister, Ministry of Finance of the People's Republic of China; H. E. U Soe Tha, Minister, Ministry of National Planning and Economic Development of Myanmar; H.E. Wissanu Krea-ngam, Deputy Prime Minister, Office of the Prime Minister of Thailand; and H. E. Mr. Tran Dinh Khien, Vice Minister of Planning and Investment of Viet Nam, as well as by GMS Senior Officials and by 60 development partners, including representatives from the private sector.

4. The ADB delegation was led by Mr. Liqun Jin, Vice President, Operations Group 1, who delivered a statement at the Opening Session and co-chaired the 13th Ministerial Meeting with H. E. Mr. Somphong Mongkhonvilay, GMS Minister, Lao PDR. Mr. Rajat Nag, Director-General, Mekong Department co-chaired and chaired the Senior Officials' Meeting and Development Partners' Meeting, respectively.

¹ In addition, there was an informal ministerial meeting held on the evening of 15 December 2004, which provided a venue for a free exchange of views on future strategic directions, including the proposed Plan of Action, and on the GMS Summit preparations.

² The following four Annexes were signed at the 13th Ministerial Conference: Annex 1 – Carriage of Dangerous Goods; Annex 9 - Criteria for Licensing of Transport Operators for Cross-Border Transport Operations; Annex 13b - Criteria for Licensing of Multimodal Transport Operators for Cross-Border Transport Operations; Annex 16 – Criteria for Driving Licenses.

II. Highlights of the Senior Officials Meeting and the 13th Ministerial Meeting

A. Senior Officials' Meeting

5. The GMS Senior Officials met on 14 December 2004 to prepare for the 13th Ministerial Meeting. They reviewed in detail the progress of cooperation in each of the nine sectors of cooperation, and addressed the outstanding issues. They also deliberated on future directions of the GMS Program and a proposed Plan of Action, which will serve as a focused guide for GMS activities in the next several years.³ The recommendations of the SOM and the proposed Plan of Action were presented in a report to the Ministers for further deliberation and endorsement.

B. Opening Statements at the 13th Ministerial Meeting

6. In his opening and welcome remarks, H. E. Mr. Boun-Nhang Vorachit, Prime Minister of Lao PDR, stated that it is necessary to create the requisite conditions for regional integration through physical and social infrastructure linkages, to narrow development gaps among member countries and to link the GMS cooperation framework with other regional cooperation mechanisms. He also acknowledged that environmental protection and human resource development are vital to ensure sustained development of the region. Along with the concerted efforts for subregional integration, he said that numerous challenges, including the prevention of transboundary communicable diseases and human trafficking, also require committed stakeholder collaboration.

7. In his opening statement at the 13th Ministerial Meeting, VP Jin commended the GMS countries and the other GMS Program stakeholders for the significant progress achieved under the Program. However, he noted that the subregion is facing many challenges and emphasized that to be able to overcome these challenges and move closer to the shared GMS vision, the GMS countries will need greater focus and stronger commitment in their cooperative efforts and to achieve more results on the ground. Thus, a major task of the Conference was to prepare a plan to guide future action. Moreover, he called the Ministers' attention to four important priorities for moving the GMS Program forward: increased financial resource mobilization and focused use of such resources; improvement in the "enabling environment" for private investment in the subregion; inclusion of all segments of the GMS population, particularly the poor, in the benefits of cooperation; and strengthened synergies with other cooperation programs in the region. (The Vice President's statement is in [Appendix 1](#)).

8. In their opening statements, the GMS Ministers reaffirmed their strong support and continuing commitment to the GMS Program and to attaining the GMS Leaders vision of growth, equity and prosperity for the subregion, which will be achieved mainly through the pursuit of the 3 C's, namely, enhanced connectivity, improved competitiveness and a sense of community among GMS countries. They were generally pleased with the pace of accomplishments under the Program. At the same time, they were unanimous in emphasizing the importance of accelerating the implementation of the subregional initiatives and projects and of achieving results. The Ministers also noted the need to coordinate and tap synergies between national and regional initiatives, the importance of the role of the private sector in GMS undertakings together with the need to forge greater public-private partnerships, as well as the importance of economic corridor development in the GMS strategic framework. The Ministers also

³ To facilitate discussions at the Senior Officials Meeting, the sector working group reports and the draft Plan of Action were circulated by ADB in advance to the member countries.

unanimously expressed appreciation for ADB's support of the GMS Program and its continued role as catalyst and strategic development partner.

C. Review of Achievements and Discussion of Future Directions in Priority Sectors and Adoption of a Plan of Action

9. The Ministers noted the substantial achievements in the priority cooperation sectors under the GMS Program. In the **transport sector**, much progress has been made in the construction, rehabilitation and upgrading of transport links along the major GMS Economic Corridors. The Ministers called for the acceleration of the implementation of the GMS Cross-Border Transport Agreement (CBTA), including the single stop customs inspection (SSI) and single window inspection (SWI), and of further improvements of transport linkages in the GMS economic corridors. In the **energy sector**, following the signing of the Inter-Governmental Agreement on Power Interconnection and Trade, substantial work has been done toward its implementation. There has also been steady progress on key power interconnection projects. The Ministers urged that the preparation, negotiation and adoption of the Regional Power Trade Operating Agreement (PTOA) be accelerated. The GMS countries have also agreed to extend cooperation to other forms of energy. In **telecommunications**, the countries have agreed to pursue a sector reform program, including industry restructuring and the development of the regulatory framework.

10. The Ministers also noted the agreement reached in the GMS Working Group on **Environment** to launch a core environmental program to protect ecosystems of high conservation value within, or affected by, GMS economic corridors. They also welcomed the publication of the *GMS Atlas of the Environment* in early 2004. The Ministers agreed to explore the feasibility of the Biodiversity Conservation Corridor initiative and strengthen environmental governance, including the establishment of the Environment Operation Center. In **agriculture**, the Ministers lauded the progress of work on trans-boundary animal disease control and the efforts to promote partnerships to accelerate agriculture development. They agreed to promote agriculture biotechnology, strengthen cooperation in the development of renewable energy in rural areas, and develop an on-line agricultural information network. The Ministers, emphasizing the importance of **tourism** in the region's development, welcomed the commencement of a project to prepare a *GMS Tourism Sector Strategy* for the subregion's tourism sector and the work being done on the proposed introduction of a single GMS visa. In **human resource development**, the Ministers were pleased to note that serious efforts are being made to address the threat of communicable diseases, including HIV/AIDS. They particularly welcomed ADB's proposed 2005 *GMS Communicable Disease Control Project*. They also appreciated the achievements of the Phnom Penh Plan for Development Management in implementing capacity building programs, under which about 300 participants from GMS countries have already benefited, and the establishment of a PPP Learning Resource Center. The PPP Top Development Management Program and the launching of the PPP Journal were part of the Conference program.

11. The Ministers agreed to formulate a comprehensive Trade and Investment Facilitation Action Plan. They also noted the implementation of technical assistance projects aimed at strengthening institutional capacity in various **investment**-related areas and the efforts to further strengthen the **GMS Business Forum** through the establishment of a corporate governance framework, the formulation of a Business Plan for the Forum, and the conduct of capacity building activities.

12. The Ministers endorsed the proposal of the development partners and the private sector to continue holding in the future Public Private Sector Consultation Meetings (PPCM) and Mekong Development Forums (MDF) to ensure continued dialogue between the GMS countries and the development partners, including the private sector. The Ministers also noted the complementarity between GMS and the more recent Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy (ACMECS) and agreed to further strengthen the cooperation and coordination between them.

13. The Ministers discussed and adopted a Plan of Action, which contains the future directions and actions in the GMS priority sectors and which is intended to give more focus and results orientation to cooperation under the GMS Program. They also agreed to undertake continuous and consistent efforts to ensure the timely implementation of the Plan of Action. The Joint Ministerial Statement/Plan of Action is in Appendix 2.

III. The Development Partners Meeting

14. The Development Partners Meeting (DPM) held on 15 December 2004 was an important component of the Conference. It was a forum to engage the 60 participating development partners (DPs), i.e., bilateral and multilateral organizations and the private sector, in a dialogue with the GMS countries and ADB on the GMS Program, so that the DPs can play a more active and effective role and so that development efforts can be well coordinated. The DPM acknowledged the strong ownership by the GMS countries of the GMS Program and the leadership role being played by ADB.

15. The DPs agreed that the increasing complexity of the development challenges facing the subregion necessitates greater efficiency, complementarity, and convergence of partnerships among the various GMS stakeholders. An important area of GMS cooperation, where there are substantial benefits from convergence of partnerships, is capacity building and human resource development. Another area is in pursuing more aggressively private sector development initiatives.

16. DPs also welcomed efforts by the GMS countries to broaden the participation of stakeholders in the GMS Program. They noted the importance of wide stakeholder participation in the GMS countries' preparation of their respective country strategies, programs and projects.

17. The GMS Business Forum (GMS), representing the private sector, presented a report of its accomplishments, future strategic directions and recommendations. The GMS BF also endorsed specific items in the Plan of Action pertaining to the role of the private sector in the different working groups.

IV. Preparations for the Second GMS Summit

18. The Chair of the GMS Summit Task Force, Mr. Wang Xiaolong, briefed the Ministers on the progress of preparations for the Second Summit to be held on 4-5 July in Kunming, PRC. He noted that the theme for the Summit is to be: "A Stronger GMS Partnership for Common Prosperity". The emerging consensus on sub-themes is the need to focus on the 3 C's, namely connectivity, competitiveness and community, as well as a commitment to pursue sustainable development.

19. The Ministers requested the GMS Summit Task Force and the SOM and relevant GMS Working Groups to work closely together in preparing the draft Joint Summit Declaration and other substantive outcomes of the Summit.

V. Conclusions and Outcomes

20. The 13th Ministerial Conference was a highly successful and results-oriented event. It has set a new standard for future conferences in the GMS Program. The Conference also showed the strong sense of ownership of the GMS countries for the initiatives under the GMS Program. They actively participated in the formulation of plans concerning the future direction of the Program. The Ministers and development partners highly appreciated ADB's assistance to the GMS countries and acknowledged ADB's role as the lead coordinator, facilitator and catalyst of the GMS Program.

21. The Conference had three important outcomes. First, it was results-oriented as it produced a Plan of Action, which will guide the GMS Program's activities in the medium term. The Plan identified important projects and activities, which are focused, prioritized, coordinated and with clear timelines. The Conference also generated the clear commitment of the GMS countries to implement this Plan in a consistent and timely manner. Second, the Conference identified complementarities and potential areas of convergence and greater collaboration among the development partners in the subregion. This included the identification of areas and initiatives under the GMS Program where the private sector can fruitfully participate. Third, the Conference firmed-up the preparations for the forthcoming Second GMS Leaders' Summit.

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**Ministerial Meeting
16 December 2004**

**Opening Statement
Mr. Liqun Jin
Vice President
Asian Development Bank**

Excellencies, distinguished delegates and guests, ladies and gentlemen:

It is indeed an honor for me to address this 13th Ministerial Conference of the Greater Mekong Subregion Economic Cooperation Program. I wish to thank the Government of Lao People's Democratic Republic for hosting this Conference in the city of Vientiane, which is virtually the geographic center of the Greater Mekong Subregion. I would like to thank in particular Prime Minister Boun-Nhang Vorachit, Deputy Prime Minister Somsavat Lengsavad and Minister Somphong Mongkhonvilay for their leadership in the excellent arrangements for this Conference, and for their warm hospitality.

This event is the culmination of a great deal of work by GMS Ministers, Senior Officials and sector working groups. Without their behind-the-scenes efforts, few of the accomplishments you will hear about today would have been possible. I extend to all those concerned my sincere appreciation and congratulations. With your help, the GMS Economic Cooperation Program is becoming a model of regional cooperation for others to follow.

GMS Program: Progress From Cooperation

Excellencies, Ladies and Gentlemen,

My message today is a simple one: Regional cooperation works. It works for the countries involved, it works for the region and, most importantly, it works for the people. Let's look at how far we have come.

Over the last decade, the GMS has been one of the fastest growing regions in the world, with annual GDP growth averaging about 5.9%, despite the Asian financial crisis of the late 1990s. Average GDP per capita increased from about \$630 in 1992 to about \$860 in 2003, growing at an average annual rate of around 3.5%. In most GMS countries, the poverty incidence has declined, in some cases very substantially. Far fewer people in the GMS now suffer from hunger; the proportion of the undernourished poor dropped from 23% in 1992 to 15% in 2000. However, poverty remains a major challenge in the GMS as about 50 million persons are still struggling at or below the poverty line.

In their First Summit, the GMS Leaders set a shared vision for the region of growth, prosperity and equity. The 12th GMS Ministerial Conference in 2003 defined the broad framework for attaining that vision through enhanced connectivity, improved competitiveness and the creation of a greater sense of community. Today, we are seeing significant progress on initiatives like road links, fiber optic telecommunication backbones and interconnected power systems. The GMS countries are also working on the necessary software --- simplifying rules and processes, and building capacity and institutions to maximize the benefits of improved connectivity. The Cross-Border Transport Agreement and its implementation is one very important example, and there are many others.

One result of these improvements has been a major expansion in both intra-regional trade and the region's total international trade. Since the GMS program's inception:

- total GMS exports have more than doubled,
- intra-regional exports have increased almost eight-fold,
- tourist arrivals have increased from 9.6 million in 1995 to 15.3 million in 2003, and
- the annual flow of foreign direct investments has grown by about 70%.

We are, however, acutely aware of the tough challenges facing us, which will test the political willpower of the governments, such as trans-boundary transmission of SARS, HIV/AIDS, Hepatitis B, and Avian Flu, maintaining environment sustainability, narrowing the income gaps as economies in the region grow. Unless effectively dealt with, these problems will cut a wide swathe in the economic and social fabric of the GMS countries. Consensus at the highest level and joint actions through the respective working groups are critical to address these emerging issues.

We all know, however, that regional development cannot be attained through the efforts of the public sector alone. Therefore, recent efforts have been directed at strengthening the GMS Business Forum and promoting the role of the private sector in the GMS. An important recent initiative in this regard was the High-Level Public Private Sector Consultation Meeting held in Bangkok last September.

I am delighted to report that the international donor community has also taken an increasing interest in the GMS. Relationships between development partners and the GMS countries have been further strengthened since the last Ministerial Meeting. The Mekong Development Forum held in Paris in June this year was an excellent event, which succeeded in showcasing the GMS Program to our European development partners. This valuable dialogue was also evident at yesterday's Development Partners Meeting, the results of which will be reported to this Conference later today.

Going Forward: Challenges to Be Met

Notwithstanding the progress, there is no room for complacency. The dimension, range, magnitude and complexity of the challenges are daunting.

Asia has the prospect to lead the pace of world economic growth in this century, and the GMS sits at its core. All around us, markets are integrating, production and value chains

are beginning to crisscross borders, and competition is reaching new heights. GMS countries must accelerate the pace of cooperation and the implementation of priority initiatives. A clear blueprint and precise, focused actions are needed to achieve the shared vision defined by the GMS Leaders.

So what are the priorities? I will touch briefly on four areas that I believe are extremely important to moving forward.

First, resource mobilization. The financial resources required to fund the GMS Program's public infrastructure and social sector priorities are conservatively estimated at ten billion dollars. A strong sense of ownership for the GMS Program is shown by its member countries, and relatively better-off members have taken actions to help finance projects beyond their own borders. However, increased support from both public and private sources, within and outside the region, is crucial. Efforts should be made to ensure well targeted and efficient use of development resources.

Second is the need to improve the "enabling environment" for private sector development. Constraints to private investment and participation should be resolutely removed. Governance should be noticeably improved, institutional capacity greatly enhanced, access to information and innovative technology facilitated. All this will substantially promote freer flow of capital, goods, and information, and thus provide the platform to enhance the skills and productivity of the region's human resources.

The third area for moving forward concerns inclusiveness. Inclusiveness creates a win-win situation. In moving towards implementing a shared vision, no country, nor segment of the population within any country should be denied to participate in the cooperation and be left out in sharing the benefits. The initiatives pursued under a regional cooperation program should help in lifting the poorest groups from their present plight.

Finally, the GMS Program should strengthen links and synergies with other regional programs. Regional cooperation is particularly active in our part of the world, and holds many opportunities for mutually useful linkages and collaboration. These regional programs are like pearls that have intrinsic value individually, but even greater value can be attained when they are strung together.

Concluding remarks

Excellencies, Ladies and Gentlemen,

We are all ready to scale the heights in the GMS Program. The terrain lying ahead could be tougher, but we are more experienced. No obstacle is insurmountable for GMS countries on their way to achieve the common GMS vision.

Excellencies, Ladies and Gentlemen,

The Second Summit of GMS Leaders is less than seven months away. This Ministerial Conference therefore has two additional responsibilities: ensuring that there is an excellent record of achievement to report to the Leaders, and articulating a clear

message of our joint commitment to work towards the Leaders' vision for the GMS. This is a key challenge for today's meeting and for follow-up over the next seven months.

I am sure that the 13th Ministerial Conference will prove to be a very important event in the annals of the GMS program, leading to the 2nd Leaders' Meeting for 2005.

I wish all of us a fruitful conference. Thank you.

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JOINT MINISTERIAL STATEMENT

Preamble

1. The Greater Mekong Subregion Economic Cooperation Program (the GMS Program) held its 13th Ministerial Conference in Vientiane, Lao People's Democratic Republic (Lao PDR) from 14 to 16 December 2004. In the Conference, the Ministers from the six GMS countries, namely, the Kingdom of Cambodia, the People's Republic of China (PRC), Lao PDR, Union of Myanmar, Kingdom of Thailand and Socialist Republic of Viet Nam, renewed their commitment to the pursuit of the shared vision of growth, equity and prosperity for the subregion, as enunciated by the GMS Leaders in their Summit in 2002. They also reaffirmed that the key building blocks for attaining this vision are enhanced regional connectivity, increased competitiveness, and the building of an increased sense of community among the Mekong countries.
2. The Ministers agreed that much has been achieved since the GMS Program's inception in 1992, and particularly since the 12th Ministerial Conference in September 2003. However, in order to rapidly reduce poverty in the GMS subregion, they agreed to further increase the momentum of the Program through the quicker realization of results on the ground. This greater emphasis on results requires that activities under the GMS Program be strategically focused to optimize the use of scarce resources, create greater impact, and accelerate the attainment of the Program's goals and long-term objective of sustainable development. The Ministers acknowledged that this will require an even higher level of collaboration and coordination of actions among all the Program's stakeholders.
3. Ministers also stressed the importance of the Second GMS Summit of Leaders on 4-5 July 2005 in Kunming, PRC, which will represent an important opportunity for further deepening the cooperation and the partnership among the six GMS countries. Ministers commended the work of the Task Force for the Preparation of the Second Summit, and tasked the Senior Officials and all the Working Groups and Forums to further expedite their work in readiness for the Second Summit.

Progress of Cooperation since the 12th Ministerial Conference

4. The Ministers noted the very substantial progress achieved under the GMS Program since the last Ministerial Conference. Critical road sections of the **GMS economic corridors** (the East-West, North-South and Southern Economic Corridors) have been upgraded. They were pleased to note that travel in the GMS subregion is now much easier and faster. In this regard, the Ministers emphasized the special importance of the GMS Transport Sector Strategy Study that is currently being

conducted, as it will be the basis for planning the key improvements in the transport network in the region.

5. The Ministers noted the significant progress that has also been made on the **GMS Cross-Border Transport Agreement (CBTA)** for facilitating the movement of goods and people in the subregion. All six GMS countries have signed and ratified the Agreement. Out of the 20 annexes and protocols providing for the implementation arrangements for the CBTA, twelve annexes and protocols of Stage 1 and Stage 2 have been signed, including the four annexes that were signed during this Ministerial Conference.¹ The Ministers agreed that a special effort will be made to finalize and sign the remaining annexes and protocols as early as possible in 2005.
6. The Ministers were pleased to note that the Inception Meeting for the Joint Committee for the CBTA was held in Phnom Penh on 30 April 2004. The Joint Committee and its subcommittees on transport, customs, health inspection, and immigration were established to ensure the orderly and effective implementation of the CBTA. The preparations for the initial implementation of the CBTA in five selected border crossing points along the GMS economic corridors have begun by the signing at the Ministerial Conference of the Memorandum of Understanding (MOU) between Lao PDR and the Socialist Republic of Viet Nam for the Dansavanh-Lao Bao border crossing point, as called for in Annex 4 of the CBTA. Similar MOUs for the remaining border crossing points are expected to be signed, at or before the Second GMS Leaders Summit in 2005.
7. The Ministers emphasized the importance of trade and investment facilitation in realizing the benefits from market integration and subregional development. The Ministers welcomed the initiative launched in the fourth meeting of the GMS Trade Facilitation Working Group (TFWG) in Kunming, PRC in November 2004 to formulate a comprehensive trade and investment facilitation action plan (TIFAP), with the aim to have the plan endorsed by the Second GMS Leaders Summit.
8. Following the signing of the **Intergovernmental Agreement on Power Interconnection and Trade** in September 2003, the Regional Power Trade Coordination Committee (RPTCC) was established and will oversee the establishment of the regulatory, institutional and commercial framework for power trade in the GMS. The RPTCC held its first and second meetings in Guilin, PRC in July and Bangkok, Thailand in December 2004, respectively. These meetings affirmed the GMS members' commitment to promote power trade and in preparing and implementing the **Power Trade Operating Agreement (PTOA)**. In addition, the eleventh Electric Power Forum (EPF) meeting held in Bangkok on 3 December 2004 agreed to work further on expanding the scope of cooperation to other forms of energy.
9. The Ministers also expressed satisfaction over the progress of work in telecommunications. Under the **GMS Telecommunications Sector Policy Formulation and Capacity Building** technical assistance project, sector reform

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programs were prepared, which include industry restructuring and the establishment of a regulatory framework. During the sixth meeting of the Subregional Telecommunications Forum (STCF-6) in Hanoi in October 2004, GMS countries agreed to pursue further sector reforms. The meeting also agreed to complete the GMS telecommunications backbone and to explore the use of Information Communication Technology (ICT) applications for socio-economic development and poverty reduction. Ministers noted that an MOU on the proposed GMS Information Highway was signed by the six GMS countries in November 2004, and requested ADB and other development partners to support this initiative.

10. The Ministers also commended the GMS Working Group on Environment (WGE), which at its 10th Meeting held in Hanoi in September 2004, agreed to launch by 2006 a **core environmental program** to ensure that the accelerating pace of economic development proceeds in an environmentally sound and sustainable manner. This would involve the improvement of the WGE's capacity to effectively coordinate with other GMS working groups, initiate regional TA programs, and maintain and disseminate knowledge, as well as the possible creation of an Environment Operations Center. As part of this core environmental program, the WGE also agreed to take further steps to explore the feasibility of developing a **biodiversity conservation corridor** strategic framework, implement a plan of action to protect high value terrestrial biodiversity conservation and protected areas in economic corridors. The Ministers endorsed the proposal for the WGE to discuss the inclusion of clean production technology under the CEP. The Ministers also noted that GMS Environment Ministers will hold a meeting in PRC in May 2005.
11. The Ministers warmly welcomed the landmark publication of the **GMS Atlas of the Environment** prepared and published by ADB in cooperation with UNEP in early 2004. It provides an overview of the subregion's important environmental, social, ethnic, and economic aspects and of how they are interrelated. The Atlas will help in promoting better-informed decision-making involving environmental issues in the region.
12. In **agriculture**, the Ministers were pleased to note the progress on trans-boundary animal disease control. This is especially relevant in light of recent outbreaks of Avian Flu in the region. The Ministers also welcomed the efforts of the GMS Working Group on Agriculture (WGA) to further promote partnerships to accelerate agriculture development. These included the holding of workshops and training activities for the benefit of participants from the GMS countries, such as those on maize production, on assessment of biotechnology, and on the development of the GMS Agricultural Website. Various technical assistance programs are also underway aimed at rural poverty reduction and improving agricultural incomes through such means as using ICT to enhance access to advanced rice technology, capacity building for farmers in post-harvest technology and management, and promoting rural renewable energy development.
13. The Ministers emphasized the importance of **tourism** as a key sector because of its potential to generate benefits for the subregion in terms of job creation, poverty reduction, conservation and protection of cultural and environmental resources, and regional integration. The Ministers were pleased to note that a **GMS Tourism Sector Strategy** is being prepared, which will provide a comprehensive framework for the future development of the sector.

14. The Ministers noted the critical importance of **human resource development** in the subregion. In health, the region has seen in recent years an upward trend in communicable diseases, such as HIV/AIDS and Hepatitis B, and outbreaks of SARS and Avian Flu. Malaria, tuberculosis and dengue remain serious threats, particularly for the poor. Containing the spread of communicable diseases is essential. Their control requires a coordinated regional response. The Ministers were therefore pleased to note that this problem is being very seriously addressed, particularly under the proposed 2005 **GMS Communicable Disease Control Project**, which will strengthen surveillance and coordination systems and institutional capacity for controlling communicable diseases in the subregion. The Ministers also welcomed the proposal to establish a GMS Forum on Communicable Diseases Control.
15. The GMS Program has increased the emphasis on capacity building. The **Phnom Penh Plan for Development Management** (PPP) is a significant initiative that is creating a critical mass of Mekong managers and leaders. About 300 middle and senior officials from the GMS countries have benefited from the training programs conducted in the past year. A PPP website and newsletter, which will extend the reach of these training programs, have been set up and a PPP Learning Resource Center has been established in Phnom Penh. The launch of the PPP GMS Journal and the Top Development Management Program offered to the Ministers during this conference are excellent examples of PPP outreach. The PPP GMS Journal of Development Studies is expected to play a major role in promoting research and discussion on important regional economic cooperation issues in the GMS. The Ministers expressed confidence that the Journal will help in catalyzing development thinking and capacities in the region. The Ministers strongly endorsed the PPP and encouraged it to continue to implement high quality learning programs covering a broad range of subjects, including trade policy development, education management, e-governance, and health care financing. The Ministers noted the important role of regional institutions and academic networks in capacity building in the GMS. The Ministers welcomed the offers by PRC and Thailand to arrange various training courses for the GMS countries.
16. The Ministers also emphasized the crucial role of the **private sector** in achieving the shared vision for the GMS. The Ministers welcomed the efforts that had been taken since the last Ministerial Conference to encourage greater private sector participation in the GMS Program. An important event in this regard was the High-Level Public Private Sector Consultation Meeting (PPCM) held in September 2004 in Bangkok, where the GMS governments and the private sector were able to discuss key areas for future public-private collaboration. The Ministers expressed their desire to see the results of the PPCM put into action. The Ministers also noted that the **GMS Business Forum** was further strengthened in 2004 through the establishment of a corporate governance framework and the formulation of a Business Plan for the Forum, as well as capacity building activities. The Ministers, however, recognized that more will need to be done to fully engage the private sector in the initiatives under the GMS Program.
17. The Ministers also expressed appreciation for the efforts made to further strengthen cooperation with development partners. Chief among these was the Mekong Development Forum (MDF) held in Paris on 28-29 June 2004, in collaboration with the Government of France, to promote and enhance the broader engagement of

development partners in the GMS Program. The Ministers were also very pleased with the excellent dialogue with the development partners held during the Conference, at the 15 December **Development Partners' Meeting** (DPM). The DPM identified complementarities in the development partners' programs of support in the subregion and ways of maximizing results and synergies. It provided insights and proposed actions that are important in accelerating the momentum of expanded cooperation in the GMS. The Ministers noted that the GMS has in ACMECS an ally toward the development of the subregion, with GMS forming the backbone into which ACMECS and other subregional programs feed. The Ministers recommended further close cooperation and coordination between them.

Plan of Action: Connectivity, Competitiveness and Community

18. While pleased with the pace of achievements, the Ministers noted that the subregion still had major challenges ahead, including the urgent need to lift more than 50 million people from poverty, the achievement of a more equitable distribution of the benefits of development, the development of the subregion's human capacity, and the management of its natural resources.
19. In light of these challenges and to further focus the GMS countries' cooperative efforts, the Ministers agreed on a **Plan of Action** for the GMS Program (attached). The Plan of Action is structured to enhance **connectivity, competitiveness and community** in the GMS. The Plan of Action will also assist in the preparations for the Second GMS Leaders Summit to be held in 2005.
20. The Ministers thanked ADB and other development partners for their support for the GMS countries to help them achieve the GMS development vision and particularly to achieve the targets set out in the Plan of Action. The Ministers particularly appreciated the efforts and assistance of ADB, which they acknowledged is the lead coordinator, facilitator and catalyst of the GMS Program.
21. The Ministers expressed their deep appreciation to the Government of Lao PDR for hosting the 13th Ministerial Conference and for the warm hospitality that was accorded to all participants.

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GMS PROGRAM: PLAN OF ACTION

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
I. Transport			
1. Accelerate the implementation of the Cross-Border Transport Agreement	<ul style="list-style-type: none"> ❑ Negotiation, finalization and signing of the remaining annexes and protocols ❑ Signing of MOUs for Cross-Border Transport Agreement (CBTA) implementation at the 5 key border crossing points ❑ Implementation of the CBTA at selected border crossing points ❑ Ratification by all GMS Governments of the Annexes and Protocols 	2005 (preferably on or before 4-5 July)	
		2005 (preferably on or before 4-5 July)	
		Starting 2005	2005-2008
			2004-2007
2. Improvement of key transport linkages in the three GMS economic corridors	<ul style="list-style-type: none"> ❑ Lao Cai-Hanoi-Haiphong Expressway Project ❑ Lao Cai-Hanoi Railway Upgrade Project ❑ North-South Economic Corridor Bridge ❑ Southern Coastal Corridor Project ❑ Poipet-Sisophon-Phnom Penh-Sihanoukville Rail Link Upgrade] <ul style="list-style-type: none">]]]]]]]]]] 2006-2010
3. Transformation of transport corridors into full-fledged economic corridors	<ul style="list-style-type: none"> ❑ Conduct of Investment Study for the North-South Economic Corridor ❑ Implementation of EWEC Action Plan endorsed at Savannakhet in February 2004, covering the Savan-Seno Special Economic Zone, joint tourism promotion and development, and shared use of Savannakhet Airport 	2005	2004-2008

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
4. Conduct study on and implement GMS Transport Sector Strategy	<input type="checkbox"/> Conduct and Finalization of GMS Transport Sector Strategy Study <ul style="list-style-type: none"> - Interim Report submission - Final Report <input type="checkbox"/> Implementation of the Strategy	2005 May 2005 Dec 2005	2006-2010
II. Energy			
1. Accelerate the preparation, negotiations, and adoption of the Power Trade Operating Agreement (PTOA)	<input type="checkbox"/> Negotiations/adoption of Phase I of PTOA at RPTCC meetings <input type="checkbox"/> Signing of Phase I of PTOA by members	Dec 2004 July 2005	
2. Preparation of Energy Sector Strategy	<input type="checkbox"/> Endorsement of proposed RETA on identification of future direction and cooperation areas for the energy sector <input type="checkbox"/> Preparation and implementation of RETA	Dec 2004 2005	2005-2006 (implementation)
3. Formulation/adoption of RPTCC work plan to promote regional power trade	<input type="checkbox"/> Adoption/endorsement of RPTCC work plan <input type="checkbox"/> Implementation of RPTCC work plan	Dec 2004	2005 onward
4. Building of necessary physical power interconnections	<input type="checkbox"/> The GMS Power Transmission Project is to build the first high voltage power transmission line between Cambodia and Viet Nam <input type="checkbox"/> GMS Power Interconnection Project Phase I to provide 500 kV line between Roi Et (Thailand) and Ha Tinh (Viet Nam) via Savannakhet/Nam Theun 2 (Lao PDR)	2003-2005 PPTA- 2004	2006- 2009
5. Enhancing cooperation in rural electrification	<input type="checkbox"/> Develop and conduct training programs and demonstration projects.		2005-2008

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
III. Telecommunications			
1. Implementation of country-specific reform agenda to create an enabling environment for private sector investments in ICT services	<input type="checkbox"/> Implementation of legislation on sector reforms <ul style="list-style-type: none"> • Preparation of subregional program for Universal Service Obligation (USO) and Universal Service Facility (USF) • Coordination/ follow-up discussions among development partners on telecommunications sector reforms <input type="checkbox"/> Preparation and adoption of guidelines for ICT promotion/ development	Start 2005	2005-2007 2004-2008
2. Expansion of capacity of the national trunk transmission backbone network.	<input type="checkbox"/> GSM Governments to set priority lines/ routes for development under Phases I and II <input type="checkbox"/> Identification/ mobilization of subproject financing (Phases I and II) from appropriate sources	2004- 2005 2004-2005	
3. Establishment of the GMS Information Highway	<input type="checkbox"/> Ratification of the MOU on Joint Cooperation <input type="checkbox"/> Implementation	2005	2005- 2008
4. Increase access to ICT services in provincial, rural and remote locations as part of the e-government initiative.	<input type="checkbox"/> Content development- ICT for rural areas <input type="checkbox"/> Application development- enhancing development effectiveness, using ICT <input type="checkbox"/> Implementation of ICT application delivery mechanisms such as Community Information Centers or e-centers <input type="checkbox"/> Identifying demonstration projects on the use and application of practical and most cost-effective ICT technologies in rural areas.	2005	2005- 2007 2006- 2010 2005-2006
IV. Agriculture			
1. Promotion of Agriculture Biotechnology	<input type="checkbox"/> Prepare and implement TA project on Strengthening Capacity and Regional Cooperation in Advanced Agricultural Science and Technology	Preparation in 2005	2005-2008

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
2. Cooperation in developing renewable energy in rural areas	<ul style="list-style-type: none"> ❑ Conduct workshops and demonstration projects 		2005-2008
3. Development of on-line information network to facilitate information sharing and promote agricultural trade among GMS countries	<ul style="list-style-type: none"> ❑ Conduct of a GMS agricultural information workshop (Beijing) ❑ Develop a GMS Agriculture Website 	2005	2005 onward
4. Addressing Animal Health Constraints to Livestock Trade in the GMS	<ul style="list-style-type: none"> ❑ Implement TA project on Transboundary Animal Disease Control to Reduce Poverty and Enhance Market of Livestock Farmers in the GMS 	Start 2005	2005-2006
V. Environment			
1. Achieve sustainable use and conservation of natural systems	<ul style="list-style-type: none"> ❑ Contribute environmental spatial plans and safeguards as an input to corridor development plans, including mapping critical natural systems, threat assessment, and cumulative impact assessment. ❑ Strategic environmental assessments ❑ Develop national sector plans for protected areas and user-pays guidelines; and develop linked local and sector natural resource agreements at site-specific level. ❑ Discussions at the Working Group on Environment (WGE) for the inclusion of clean production technology under the Core Environmental Program (CEP) 	2005	2005-2007 2005-2007 2005-2008
2. Strengthen environmental governance and financing	<ul style="list-style-type: none"> ❑ Develop and implement GMS environmental safeguards and codes of practice; develop a GMS environmental action plan; prepare a detailed ten-year institutional development plan for the WGE and Environment Operation Center (EOC) ❑ Identify and build consensus on options for innovative financing for conserving GMS natural systems and environmental quality. 	2005	2005-2006

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
3. Implementation of the Biodiversity Conservation Corridors Initiative	<input type="checkbox"/> Implementation of the Biodiversity Conservation Corridor regional technical assistance	2004-2005	
	<input type="checkbox"/> Identify high value terrestrial biodiversity conservation and protected areas	2005	
	<input type="checkbox"/> Develop biodiversity conservation corridor framework and action plan	2005	
	<input type="checkbox"/> Implementation		
4. Implementation of the Strategic Environmental Framework III	<input type="checkbox"/> Provide tools and mechanisms to institutionalize GMS sustainable development planning and assessment, including environment data collection, capacity building, and policy development.		2006-2008
VI. Tourism			
1. Preparation of the GMS Tourism Sector Strategy and Action Plan	<input type="checkbox"/> Discussion of the draft Tourism Sector Strategy at the TWG16	March 2005	
	<input type="checkbox"/> Meeting of Heads of the NTOs to review the Strategy	May 2005	
	<input type="checkbox"/> Circulation of the Strategy prior to the Second GMS Leaders Summit	July 2005	
	<input type="checkbox"/> Implementation		
2. GMS Visa	<input type="checkbox"/> 2 nd Working Group Meeting to agree on the basic principles of a single visa and a detailed action plan for its implementation in at least 3 countries (Cambodia, Myanmar, Thailand)	January 2005	
3. Promoting the GMS as a single destination	<input type="checkbox"/> Discussion on the establishment of AMTA as an independent institution for GMS tourism marketing	2005	
	<input type="checkbox"/> Preparation of a GMS Tourism Marketing Plan as part of the GMS Tourism Sector Strategy	2005	

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
4. Implementing the ongoing Mekong Tourism Development Project	<input type="checkbox"/> Organize two subregional workshops on pro-poor tourism and GMS technical seminars on tourism	2005	
	<input type="checkbox"/> Develop the 16 pro-poor community-based tourism products	2005	
VII. Human Resource Development			
1. Controlling and mitigating the spread of communicable diseases in the GMS	<input type="checkbox"/> Preparation and implementation of the project on Communicable Disease Control in the GMS.	Approval in 2005	2006-2008
	<input type="checkbox"/> Conduct regional workshops on malaria control/ strategic planning for HIV/AIDS control.	2005	
	<input type="checkbox"/> Establishment of a GMS Forum on Communicable Disease Control and formulation of a framework for the Forum	2005	
	<input type="checkbox"/> Formulation/implementation of a 5-year plan for controlling communicable diseases in the subregion.		2005-2008
2. Expand collaborative efforts in education and training	<input type="checkbox"/> Preparation and implementation of GMS Phnom Penh Plan for Development Management Phase II	Approval in 2005	2006-2007
	<input type="checkbox"/> Expanded focus on GMS development-related research in partnership with GMS Academic and Research Network	Start 2005	2005-2007
3. Address key cross-cutting issues in HRD cooperation in the GMS: trafficking, gender, poverty and ethnic minorities	<input type="checkbox"/> Implementation of project on Promoting Safe Migration for Women and Prevention of Trafficking of Girls and Women in the GMS		2005-2006
	<input type="checkbox"/> Implementation of project on Reviewing Poverty Impact of Regional Integration in the GMS		2005-2006
	<input type="checkbox"/> Preparation and implementation of project on Vulnerability and Risk Mitigation Among Ethnic Minorities in the GMS Through Information Management	Preparation in 2005	2006-2007

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
VIII. Trade Facilitation			
1. Formulation of a comprehensive Trade and Investment Facilitation Action Plan	<ul style="list-style-type: none"> <input type="checkbox"/> Provide inputs/views to the draft trade and investment facilitation action plan. <input type="checkbox"/> Facilitate finalization of the Action Plan. <input type="checkbox"/> Monitor progress of the action plan once formulated and approved. 	Early 2005 2005	2005 onward
2. Alignment and standardization of trade documents and procedures	<ul style="list-style-type: none"> <input type="checkbox"/> Undertake initial project involving comparative analysis of trade documents currently being used by GMS countries; <input type="checkbox"/> Identification of implementation issues, including policy, institutional, legal/regulatory, procedural/administrative issues; <input type="checkbox"/> Development of a reference manual on standardization; <input type="checkbox"/> Implementation and enforcement. 		2005-2006
3. Development of an effective trade logistics system	<ul style="list-style-type: none"> <input type="checkbox"/> Undertake trade logistics assessment along selected segments of the economic corridors or for each GMS country, including the various formal and informal costs involved in transportation of goods; <input type="checkbox"/> Undertake a logistic industry study to assess the status of the trade logistics industry in each country, and propose implementable actions. 	2004-2005	2005-2007
4. Enhancement of trade information for use by public and private sectors	<ul style="list-style-type: none"> <input type="checkbox"/> Undertake a trade data analysis with the objective of assessing how GMS countries collect and compile data; <input type="checkbox"/> Agree on ways to streamline data collection and distribution process; <input type="checkbox"/> Determine the IT requirement for the automation of the collective trade data system and linkages to other systems. 		2005-2006
IX. Investment			
1. Building Institutional Capacity for Investment Promotion and Facilitation in the GMS	<ul style="list-style-type: none"> <input type="checkbox"/> Implement the ADB-UNCTAD collaboration in undertaking training and other capacity building activities using the instruments that UNCTAD developed such as the "Investment Gateway" or "Investment Compass". 		2005-2007

OBJECTIVES	OUTPUTS	TIME FRAME	
		Short Term	Medium Term
2. Improving the Information Architecture for Investment Facilitation in the GMS	<input type="checkbox"/> The GMS Investment Template, which will provide a cross-reference of all major investment laws and regulations in the GMS, to be posted on the GMS-BF website.	January 2005	
	<input type="checkbox"/> Preparation of the GMS Website ("GMS at a Glance")	Jan-Mar 2005	
	<input type="checkbox"/> Preparation of a Handbook on detailed investment information and rules in the subregion	Jan-Mar 2005	
	<input type="checkbox"/> Linking of GMS BF website with official websites of GMS investment promotion agencies.	Jan-Mar 2005	
	<input type="checkbox"/> GMS BF will organize research and conference on various topics	2005	