

**Greater Mekong Subregion Economic Cooperation Program  
13<sup>th</sup> Ministerial Conference  
14-16 December 2004  
Vientiane, Lao People's Democratic Republic**

**JOINT MINISTERIAL STATEMENT**

**Preamble**

1. The Greater Mekong Subregion Economic Cooperation Program (the GMS Program) held its 13<sup>th</sup> 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 12<sup>th</sup> 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.<sup>1</sup> 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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<sup>1</sup> 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.

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 10<sup>th</sup> 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 13<sup>th</sup> Ministerial Conference and for the warm hospitality that was accorded to all participants.