

**Greater Mekong Subregion Economic Cooperation
Program
15th GMS Ministerial Conference**

Development Partners' Meeting (DPM)

Co-Chair's Report to the Ministerial Meeting

**Mr. Arjun Thapan
Director General
Southeast Asia Department, ADB**

Ministers, distinguished guests, ladies and gentlemen,
Good Morning.

The DPM held yesterday was attended by 32 representatives of bilateral and multilateral development agencies, and other development partner organizations, GMS Senior Officials, and resource persons from ADB.

Allow me to summarize the key points that were discussed.

We agreed that overall, there was considerable progress in each of the 9 sectors and thematic areas in the GMS Program relative to their individual goals and targets.

We noted the translation of the Third Summit directives into concrete action. New strategies and action plans in priority areas have also been formulated, which outline priority programs and emerging opportunities for development partnerships.

We noted, too, the enhanced attention given to the soft aspects of subregional development and the completion of a GMS Human Resource Development Strategic Framework and Action Plan. This will serve as planning tool for development partners' interventions in subregional cooperation in health, education, labor and migration, and social development. We identified opportunities for support and complementarity of technical assistance programs, and sharing of expertise and knowledge products in the mitigation of negative externalities associated with increased regional integration including communicable disease control and prevention of human trafficking, as well as special programs for migrant, ethnic and other vulnerable communities. The importance of investing in

human capital was also emphasized, particularly through curriculum and skills development to meet the demands of the expanded labor market, capacity building programs for GMS officials, provision of social safety nets, community empowerment, green jobs, and employment and income generation programs particularly relevant in the context of the current economic crisis.

Partners welcomed the completion of a road map to implement the GMS energy strategy and expand cooperation beyond the electric power sector, to improve energy security, and to promote the energy-environment nexus in the context of the climate change threat. In the background of decline in energy demand subsequent to the crisis, an opportunity exists to further strengthen institutional capacity and focus on pro-poor energy development. Partners are ready to provide support in the form of financial, policy/institutional, capacity building, and knowledge-based tools. Specific areas of interest noted are power transmission, clean energy, energy efficiency/energy conservation, and renewable energy (biofuels, bioenergy). We noted, however, that the question of biofuels and bioenergy development should be carefully judged in light of food and water security tradeoffs.

Partners were pleased with progress in the transport sector including the near completion of GMS corridors, establishment of the GMS Economic Corridors Forum in 2008 and plans for next Forum in September 2009. They recognized that the investment requirement for the East-West and North-South Economic Corridors is a huge challenge in a recessionary environment. The Partners stressed the need to immediately address the soft bottlenecks to encourage private sector investments so as to effectively transform the physical corridors into economic corridors. In that respect, they welcomed new directions proposed for revitalizing the Working Group for subregional investment cooperation.

Partners expressed considerable interest to help enhance cross-border, intra-regional trade by addressing the remaining issues and impediments to the effective implementation of the GMS Cross Border Transport Agreement and other transport and trade facilitation measures identified in the strategic review. These include policy, procedural, institutional, capacity issues. Additional co-financing for CBTA, physical infrastructure, measures that promote business efficiency and strengthen the business environment, rehabilitation/maintenance of transport

infrastructure, and capacity building programs for sanitary and phytosanitary standards for trade facilitation is and will be provided.

Partners are supporting several initiatives in the subregion for climate-resilient and environmentally-sustainable growth. These include: climate change adaptation and mitigation, particularly renewable energy projects and reduced emission from deforestation and land degradation, natural disaster assistance across borders and also multi-sectoral approaches to ensuring food security at the country and regional levels.

In summary, the Development Partners' Meeting demonstrated the substantive and continued engagement of DPs in the GMS Program. It underscored the need for tighter collaboration and enhanced coordination among the countries and with development partners, given the complexity of some programs such as those on climate change and trade facilitation.

We recommend that this report on the Development Partners' Meeting be considered by the Ministers for adoption.

Thank you for your kind attention.

