



**Greater Mekong Subregion Economic Cooperation Program**

**15<sup>th</sup> GMS Ministerial Conference**

**Dusit Thani Hua Hin Hotel  
Petchburi Province, Thailand**

**Development Partners' Meeting  
18 June 2009**

**DRAFT  
OPENING REMARKS**

**Arjun Thapan  
Director General  
Southeast Asia Department  
Asian Development Bank**

Senior Officials from the GMS Countries  
Distinguished Partners in Development  
Distinguished Guests and Participants  
My Colleagues from the ADB  
Ladies and Gentlemen

I join our Chair, Khun Arkhom, in extending a warm welcome to all the participants to this Development Partners' Meeting. The DPM, as you know, is a regular feature of the GMS Ministerial Conference, and highlights the critical role of the development partners (DPs) in the collective efforts to assist the GMS countries in pursuing their development agenda under the GMS Economic Cooperation Program.

Following the successful Third GMS Summit held in Vientiane in March 2008, ADB organized a stand-alone Development Partners' Meeting in July 2008 in Bangkok where we briefed about 65 representatives of 27 development partner organizations on key outcomes of the Summit, discussed key challenges facing the GMS Program, and explored possible assistance to new proposals from the Summit and the Vientiane Plan of Action (POA) for 2008-2012 that the GMS Leaders endorsed. At the July 2008 DPM, which many of you attended, the development partners were of the view that the GMS program has been useful in addressing important regional/global concerns, and emphasized the need for deeper cooperation and integrated approaches in addressing cross-sectoral and thematic issues. The partners also noted the value of the DPM as a means for them to exchange views on priority GMS activities.

### ***Challenges Ahead and Opportunities for Collaboration***

During the DPM in July 2008, the prevailing global concerns then were the rise in energy, food and input prices. Much has happened since then. We have witnessed a series of events in the global financial market that have wiped out financial assets running into trillions of dollars worldwide, with developed and developing economies experiencing the most serious crisis to hit the world economy since the Great Depression. Developing economies in the region now face multiple challenges of weak demand for exports, lower commodity prices, declining flows of remittances, less investment, and massive loss of jobs as factories close down and businesses collapse.

Given these challenges, now, more than ever, we must reaffirm our commitment to maintain the momentum of regional cooperation and sustain the substantial achievements of the GMS Program.

A recent evaluation of the GMS Program completed in December 2008 - the first ever comprehensive evaluation of ADB's assistance to a regional cooperation and integration program carried out by ADB's Independent Evaluation Department - rated the GMS Program as "successful". The evaluation report concluded that the *"activity, rather than rules-driven cooperation, has worked well in this first stage of development, building trust among partners and allowing flexibility in undertaking subgroup activities as needed."*

Indeed, the success of the GMS Program is borne out of the meaningful partnerships that we have established and nurtured. Development partners have contributed substantial support to the GMS Program. Since Program inception in 1992 until end of 2008, official donor assistance reached almost \$3.4 billion – about one-third of the cost of all ADB-assisted investments. Official co-financing represented 46% of ADB-assisted technical assistance program (\$96 million) and 32% (\$3.3 billion) of the total lending/grants for GMS projects. The evaluation report underscored the need to continue to engage other development partners, the private sector, and the GMS countries that can bridge the financing gap that exists in the GMS Program, especially for integrated multisector projects. It is in this spirit that this Development Partners' Meeting is being held, with the anticipation that our collaborative arrangements would

continue to prosper for the benefit of the subregion through longer-term, sustainable development.

Today, we will discuss the status of the key deliverables under the Vientiane Plan of Action. We will hear presentations by the GMS countries about the new strategies and action plans that have been developed as directed by their Leaders to move forward subregional cooperation in human resource development, energy, and economic corridor development. We will get updates on the progress of cooperation in transport and trade facilitation, and in promoting climate-resilient and environmentally sustainable growth in the subregion. We are eager to once again engage the development partners in meaningful dialogue with the GMS countries and together discuss the important issues affecting subregional cooperation and the role of the development partners in addressing these concerns. We are keen to hear your views on the areas and interventions where your involvement will bring significant value added and how we can all continue to support those initiatives in partnership with the GMS countries.

I look forward to your active participation in today's discussions as we move forward in our development and cooperation efforts for the Greater Mekong Subregion.

Thank you.

