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October - December 2012
Vol. 6, Issue No. 4

GMS E-UPDATES

Recent and Upcoming GMS Events and Initiatives

This GMS E-News is a regular publication to provide readers with an update on activities and major developments in pursuit of accelerated development of the countries sharing the Mekong River.

Upcoming GMS Events*

January 2013

- **Fourth GMS Tourism Ministers' Meeting**
(Vientiane, Lao PDR, 20 January)

March 2013

- **Senior Officials' Meeting cum Regional Investment Framework Steering Committee** (venue: TBD)

Featured Article*

Facilitating Safe Labor Migration in the GMS: Issues, Challenges and Forward-Looking Interventions

*See inside pages for details

18th GMS MINISTERIAL CONFERENCE: GMS Ministers Prepare the Way for Multi-Sector, Corridor Focused Investments Under New Strategy (Nanning, PRC, 11-12 December 2012)

The two-day conference brought together officials from Cambodia, PRC, Lao PDR, Myanmar, Thailand, and Viet Nam to take stock of past achievements and establish future priorities for investment under the new GMS Strategic Framework, 2012-2022 endorsed at the Fourth GMS Summit last year. The conference comprised three events: (i) a half-day Senior Officials' Meeting (SOM)- Regional Investment Framework (RIF) Steering Committee where the conference arrangements were finalized and initial RIF outputs were discussed¹; (ii) a half-day Development Partners' Meeting (DPM), which explored enhancing partners' roles in designing, planning and financing the next generation of GMS projects; and (iii) the Ministerial Meeting, followed by a closed-door ministerial Retreat.

The conference discussions focused on the progress of work on the formulation of the RIF, which provides the analytical base to guide the investment directions under the new GMS strategy. The Ministers endorsed the shift towards a multi-sector and spatially-prioritized investment program, together with a tailored investment program based on country diagnostics and subregional linkage assessments to promote economic corridor development. In order to translate this strategic shift into action they agreed on a number of principles to guide future projects, such as the need to be flexible and forward looking to consider emerging priorities, the importance of seriously rethinking new instruments (e.g., public-private partnerships) and the need to ensure demand-driven urban investments, special economic zones (SEZs) and industrial parks and roads supporting port access. These points were further fleshed out during the Retreat, where Ministers had a very productive exchange of ideas in an informal setting.



¹ A SOM-RIF Steering Committee Meeting earlier held in Nanning, PRC (8-9 November) took up initial results of analyses of national plans and sector assessments for presentation at the 18th MC, and also reviewed and finalized the 18th GMS MC Joint Ministerial Statement (JMS).

All of these recent GMS initiatives, as reflected in the JMS ... signaled the GMS members' commitment to build on the gains of 2 decades of GMS cooperation through stronger country ownership and innovative sector interventions supported by ADB and other development partners



The emerging RIF pipeline is seen boosting the growth potential of towns and cities for economic corridor development through: (i) basic infrastructure such as water and sanitation, transport, power and telecommunications; (ii) transport projects that will connect urban centers with outlying areas using secondary roads or rail, sea or air routes; (iii) improving cross-border procedures and promoting regional standards for food handling; (iv) enhancing efforts at protecting natural resources, and (v) scaling up environmentally responsible practices particularly in infrastructure, agriculture and tourism. The pipeline of projects under the RIF should take shape in early 2013, as remaining analytical work is completed and regional consultations with GMS members are held. The preliminary list of projects already identified amounts to at least US\$9 billion, which will increase substantially during the finalization process for the RIF. The completed RIF shall be subject to further

consultations between and among GMS countries and Development Partners prior to finalization. For resource mobilization purposes, an Investment Conclave would be convened (in mid-2013) back to back with the 5th Economic Corridors Forum (ECF-5). This would culminate in the endorsement of the RIF project pipeline with potential financing at the 19th GMS MC in the latter part of 2013.

The Joint Ministerial Statement (JMS) issued at the conclusion of the meeting endorsed a number of recent sectoral and institutional initiatives, including the planned establishment of the Regional Power Coordination Center, action plans for human resources development and HIV reduction, the extension of the agriculture support program, and the decision to create a Greater Mekong Railway Association as a first step to boost cross border rail connectivity. The GMS Environment Atlas was also launched at the meeting, signaling the subregion's commitment to environmental sustainability (see article below). All of these recent GMS initiatives, as reflected in the JMS, encapsulated the Ministers' common position on key issues and themes that emerged from the conference discussions and signaled the GMS members' commitment to build on the gains of 2 decades of GMS cooperation through stronger country ownership and innovative sector interventions supported by ADB and other development partners.

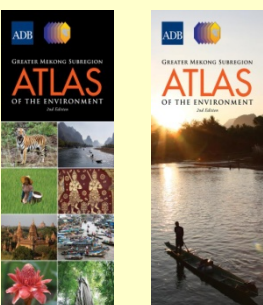
GMS ENVIRONMENT ATLAS (2ND EDITION) LAUNCHED AT THE 18TH GMS MC

At the conclusion of the formal Ministerial Meeting, the conference participants witnessed the launch of the second edition of the GMS Environment Atlas. The Atlas is an important publication that offers a unique overview of the exquisite beauty and diversity of the subregion's natural environment, and highlights the tremendous social and economic progress made by the GMS countries in the two decades of the GMS Program's existence. In his introduction, ADB VP Stephen P. Groff noted that strong economic progress



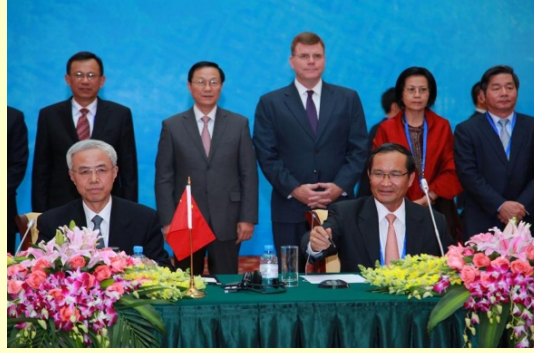
usually comes with serious environmental risks, which if left unaddressed, pose great threats to future prosperity, and added that "our response must be to work more closely together, embrace innovative ways to increase resource efficiency, and expeditiously move toward a more sustainable and greener path of development. Balancing economic growth and environmental sustainability is clearly a huge challenge we must all rise to meet." Mr. Kunio Senga, Director General, Southeast Asia Department of ADB, then formally presented copies of the Atlas to the GMS Ministers/ Heads of Delegations of GMS countries. The Atlas was produced by the GMS Working Group on Environment and the GMS Environment Operations Center, made possible through the generous funding provided to the Core Environment Program and Biodiversity Conservation Corridors Initiative by the governments of Finland and Sweden and PRC's Poverty Reduction Fund.

ADB VP Stephen P. Groff noted that strong economic progress usually comes with serious environmental risks which if left unaddressed, pose great threats to future prosperity.



The RPCC is expected to oversee the transition toward a more open, competitive but appropriately regulated GMS power market

MOU TO ESTABLISH THE REGIONAL POWER COORDINATION CENTER IS SIGNED AT THE 18th MC



The Signing Ceremony for the Inter-Governmental MOU for the Establishment of the Regional Power Coordination Center (RPCC) in the GMS was held after the launch of the GMS Environment Atlas. Mr. Kunio Senga, Director General (DG) of the Southeast Asia Department of ADB briefed the meeting on the MOU's objectives, explaining that the RPCC is being established to further step up GMS cooperation in building the GMS regional power market. He added that the RPCC is "envisioned to oversee the transition toward a more open, competitive

but appropriately regulated GMS power market...mainly responsible for coordinating synchronization of power systems operations and harmonizing the regulatory framework of the GMS power sector." The signing of the MOU by the duly designated signatory Ministers and representatives of 4 GMS countries (Cambodia, PRC, Lao PDR and Viet Nam), was witnessed by the other GMS Ministers and Vice Ministers, and the ADB Vice President and DG.

There was general agreement that transport remains the backbone of the GMS program, but the participants also recognized the need for new approaches in terms of widening and deepening the corridors, focusing on the needs of end-users, connecting centers of economic activity with one another...

16th SUBREGIONAL TRANSPORT FORUM (STF-16) MEETING: Moving GMS Transport Connectivity Forward to the Year 2022 (Nay Pyi Taw, Myanmar, 24-25 October 2012)

The Meeting, which was attended by more than 90 participants, including delegations from all GMS countries, development partner organizations, and ADB staff, had as its objectives, to: (i) conduct a final review of the progress of priority GMS transport projects in the Vientiane Plan of Action (VPOA) (2008-2012); (ii) introduce the process for preparing the new GMS ten-year Regional Investment Framework (RIF) (2012-2022); (iii) discuss possible GMS transport sector initiatives under the RIF; and (iv) explore possible GMS transport sector initiatives that can be pursued in Myanmar to strengthen both its internal and external connectivity. In the country delegations' reports, there was general agreement on the success of the GMS Program in terms of transport infrastructure development, particularly in terms of accelerating the completion of the main road corridors. However, much still needed to be done in terms of developing inter-modal links, particularly in terms of railway connectivity (although a broad strategic framework has been laid down earlier for this); establishing links with other subregions, e.g., South Asia; improving access from remoter and poorer areas to the main corridors; and providing adequate transport asset maintenance. There has also been limited progress in developing and implementing the needed software, with some success in forging bilateral agreements on exchange of traffic rights but delayed implementation of other aspects of the GMS Cross Border Transport Agreement (CBTA).



The country delegations' were also briefed on the ongoing Regional Investment Framework (RIF) process, which will prepare a pipeline of new generation projects, based on solid assessments and analytical work, to implement the thrusts and objectives of the new GMS Strategic Framework (2012-2022). There was general agreement that transport remains the backbone of the GMS program, but the participants also recognized the need for new approaches in terms of widening and deepening the corridors, focusing on the needs of end-users, connecting centers of economic activity with one another as well as with the hinterland, adopting integrated multi-sector approaches, developing logistics facilities and services, continuing work on comprehensive trade

and transport facilitation measures, and ensuring the sustainability and reliability of transport infrastructure through adequate maintenance and management. They also recognized the importance of developing and sharing knowledge and of strengthening institutions involved in both hardware and software aspects of the transport sector. This includes the proposed establishment of a Greater Mekong Railways Association (GMRA), the endorsement of which at 18th Ministerial Conference in December 2012 the countries agreed to work toward. The Meeting also took up the key findings of ADB's Transport Sector Assessment, Strategy, and Roadmap for Myanmar, and the country's transport officials in turn gave presentations on the key constraints and challenges as well as plans for their road and railway subsectors in their country.

11th MEETING OF THE WORKING GROUP ON HUMAN RESOURCE DEVELOPMENT (WGHRD-11): New GMS HRD Strategy and Action Plan (2013-2017) is Endorsed (Yangon, Myanmar, 1-2 November 2012)

The WGHRD-11 meeting endorsed the GMS HRD Strategic Framework and Action Plan 2013-2017 (SFAP 2013-2017). The new HRD SFAP, developed with ADB assistance and in close consultation with GMS countries and development partners, will focus on 7 strategic thrusts, including: (i) capacity development in the economic corridors; (ii) cooperation in technical and vocational education and training; (iii) cooperation in higher education and research; (iv) addressing subregional health issues; (v) facilitating safe cross-border labor migration; (vi) mitigating social costs in the economic corridors; and (vii) strengthening institutions and mechanisms for HRD cooperation. The action plan for the next 4 years is an evolving document that will consider changes in activities as new priorities emerge.

Also endorsed by WGHRD-11 was an Action Plan for 2012-2014 to implement the Memorandum of Understanding for Joint Action to Reduce HIV Vulnerability Related to Population Movement signed at the 4th GMS Summit in December 2011. The MOU serves as an enabling framework



for regional action and strengthened collaboration in building regional capacity to reduce HIV vulnerability among migrants and mobile populations. Several activities are planned to: (i) support enabling policy environment to reduce HIV vulnerability, stigma, and discrimination, and promote access to prevention, treatment, care and support; (ii) promote community-based strategies that reduce HIV vulnerability; (iii) support access to HIV and AIDS prevention, treatment, care and support; and (iv) monitoring and evaluation.

13th REGIONAL POWER TRADE COORDINATION COMMITTEE (RPTCC-13) MEETING: Finalizing the MOU to Establish the Regional Power Coordination Center (RPCC) (Yangon, Myanmar, 26-27 November 2012)

The RPTCC-13 meeting held on 27 November, provided updated information on the process of securing GMS members' internal clearances for signing the MOU to establish the RPCC, and initialed a further refined version of the draft MOU. It was determined that four countries committed to sign the MOU at the 18th GMS Ministerial Conference (*see article above on the actual signing*). A draft Articles of Association (AA) to provide administrative guidance to the RPCC was reviewed, and agreement was reached to circulate a revised version among the GMS members by 15 January 2013, with the deadline for submission of comments by the countries set on 15 March 2013. The RPTCC-13 meeting also continued the knowledge sharing tradition with topics covering (i) lessons from power pooling in other regions, (ii) GMS strategic environmental assessment activities, and (iii) the elements of the GMS regional investment framework for energy. The meeting announced that Cambodia would be the incoming RPTCC Chair, and that PRC would be the next meeting venue.

The Joint Meeting of the RPTCC Working Groups, namely, the WG on Performance Standards and Grid Code (WGPG) and WG on Regulatory Issues (WGRI), which was held on 26 November, adopted the agreements of their inception meetings, which essentially laid out the two WGs' priority work program for the next three years. For the WGPG, this included preparation of

The MOU (on HIV) serves as an enabling framework for regional action and strengthened collaboration in building regional capacity to reduce HIV vulnerability among migrants and mobile populations.

A draft Articles of Association (AA) to provide administrative guidance to the RPCC was reviewed, and agreement was reached to circulate a revised version among the GMS members by 15 January 2013

GMS regional grid guidelines by 2015, and for WGRI, this included completing the study on transmission pricing mechanisms within one year.

30th MEETING OF THE TOURISM WORKING GROUP (TWG-30): Implementing Priority Programs under the Refocused Tourism Strategy (Ninh Binh Province, Viet Nam, 4-6 December 2012)

The meeting reviewed the progress of implementation of priority programs under the refocused GMS Tourism Sector Strategy including priority tourism marketing and development programs. Representatives of GMS National Tourism Organizations, the Mekong Tourism Coordinating Office (MTCO), and development partners attended. Held back-to-back with TWG-30 were a meeting of the Steering Committee of the ADB-funded Sustainable Tourism Project that reviewed the progress of project implementation, and a meeting of the MTCO Board that reviewed MTCO's administrative and financial operations for 2012 and proposed work plan and budget for 2013. A conference to share best practices and lessons learned on tourism's role in poverty reduction was also held, participated in by tourism development practitioners from the private and public sectors, the donor community, and civil society. A brief meeting of the GMS Tourism Ministers is now being organized to be held on 20 January 2013, back-to-back with the ASEAN Tourism Forum in Vientiane, Lao PDR, to provide additional policy guidance for the tourism sector under the Regional Investment Framework now being developed to implement the new GMS Strategic Framework.



8th GMS DEVELOPMENT DIALOGUE (GDD): Social Security for Migrant Labor in the GMS (by Videoconference, 18 December 2012)

The Phnom Penh Plan for Development Management (PPP) conducted the 8th GDD on the topic of "Social Protection for Migrant Labor in the GMS" on 18 December 2012 via video-link among ADB Resident Missions in the GMS with host site at the ADB Resident Mission in Phnom Penh, Cambodia. The GDD was divided into 4 sessions that aimed to foster awareness of the issues, discuss implications in the design of national policies, and identify possible approaches that could be pursued within the framework of GMS cooperation. It featured presentations by experts on an overview of social security for migrant labor in ASEAN and the GMS, a case study of Thailand as the hub of labor migration in the GMS, and social security for migrant workers in the GMS based on ILO standards and other international conventions. Participants from GMS countries shared information and ideas on their respective social protection systems, needed reforms, and how the GMS Program could be used as a platform to help improve social protection systems for migrant labor. The GDD is a key activity meant to complement the learning experience of GMS countries under the PPP; it is envisaged to help decision makers broaden their perspectives, appreciate the wider implications of critical policy choices, and identify areas for possible collaboration.

The meeting reviewed the progress of implementation of priority programs under the refocused GMS Tourism Sector Strategy including priority tourism marketing and development programs

The GDD is a key activity under the PPP envisaged to help decision makers broaden their perspectives, appreciate the wider implications of critical policy choices, and identify areas for possible collaboration

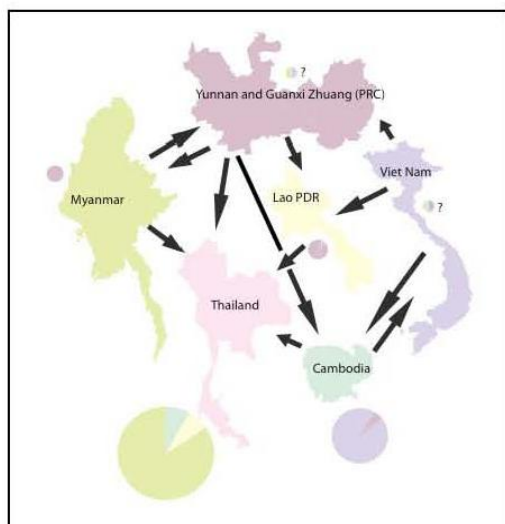
Featured Article

FACILITATING SAFE LABOR MIGRATION IN THE GMS: Issues, Challenges and Forward-Looking Interventions

Editor's Note: Following endorsement of the new GMS Strategic Framework (SF) at the 4th GMS Summit in December 2011, it was agreed that a Regional Investment Framework (RIF) be formulated to translate the new SF into action. The RIF (featured at the 4th Qtr of 2011 edition of the GMS Newsletter) would identify and develop an investment pipeline as well as software and other aspects of regional cooperation (including, but not limited to ADB's priorities). Formulation of the RIF has proceeded during 2012 through analytical work undertaken from both a country and a sector/ program perspective under an ADB TA project "Support for Multisector RIF for GMS Development Phase 1". Country assessments looked at national priorities and their overlap with the subregional approach under RIF. At

the sector level, a dual approach involved the use of existing strategies combined with new assessments. RIF formulation has drawn on existing sector strategies approved recently for agriculture, environment, HRD and tourism. New assessments were undertaken for transport and related services, energy and urban development, as well as for migration trends (which is subject of this feature article²).

Migration within the Greater Mekong Subregion (GMS) can be categorized as international migration, internal migration, and border mobility. Labor migration in the GMS is widespread and concerns at least 3 to 5 million workers. However, a precise estimate is difficult because very little data are available. Thailand is the subregional hub for labor migration and host of 60 percent of the total migrants, 80 percent of which are from Myanmar. The bulk of labor migrants work in low-skilled jobs and are irregular workers.



Lao PDR = Lao People's Democratic Republic,
PRC = People's Republic of China.

Note: The circles illustrate the migrant stocks in each country (colors indicate the origin of migrants, the surface of the circle illustrates the size of the stocks). Question marks indicate uncertainty in the ratio.

Source: Drawn according to the data presented in this paper.

Migration is driven by economic disparities between countries and by demographic inequalities (aging populations and labor shortage in the most developed countries, labor surplus in the poorest countries). The improved connectivity brought about by infrastructure related to the GMS economic corridors also increases mobility, directly impacting migration.

Other factors also facilitate migration. Long porous borders and weak governance strongly contribute to the spread of irregular migration, which is often related to smuggling activities, overstaying, or changing employers. These factors give no incentives to migrants to become regular workers; even if laws exist to protect them, they are rarely enforced. This undermines the sovereignty of the states, which lose control on the import of labor and are not able to estimate their labor force. Irregular migration is a complex issue, determined by the diversity of stakeholders, from the migrants themselves to brokers, recruitment agencies, employers, police, and other civil servants involved in migration management. To decrease irregular migration, regular migration must be attractive to migrants. Empowering migrants by allowing them to organize into unions would be a first soft step toward regular migration.

Sudden and unforeseen events also impact migration. Natural disasters drive mobility not only of the affected populations, but also of labor migrants who are employed in reconstruction projects. Similarly, political events can impact labor migration. For example, the recent opening of Myanmar is likely to change future migration patterns, as business opportunities are blossoming in the country, and this is likely to decrease the fluxes to Thailand. In this case,

Thailand will have to turn toward a less labor-consuming economy to keep its competitiveness. However, the effects of the opening of Myanmar on migration patterns have yet to be established through evidence-based surveys. Nonetheless, these events are likely to affect investors' decisions, affecting, in turn, migration patterns.

International intra-GMS migration is mainly directed toward Thailand and concerns low-skilled migrants. Internal migration is the more prevalent type of migration. It can take place from rural to urban areas, as is more and more the case in all the GMS countries, but also rural to rural, as in Cambodia. In some cases, rural-urban migration can drive migrants from neighboring countries, which seasonally fill the labor gap in agricultural work. Border mobility is induced by the GMS economic corridors. It takes place in border towns along the corridors, where migrants from within the countries gather to fill the labor gaps created by the recent, very dynamic, and often informal economies that blossom along the borders. This modality of migration still has to be deeply understood through qualitative research, to address the vulnerability it creates. However, as it concerns special economies along the borders, the status of these migrants should be considered as related to particular economic mechanisms and mainstreamed into the economic and urban policies created for these borders.

Migration outside the GMS mainly concerns migrants from Thailand, Viet Nam, and the People's Republic of China (PRC). The main issue related to this migration lies in the weak enforcement of the regulations regarding recruitment agencies, which encourage debt bondage and exploitation. Remittances remain a very strong rationale for migration. Data on these remittances are hardly available, however, as most intra-GMS remittances pass through informal channels. The main issues related to labor migration in the GMS are the following:

- **Readiness for economic integration in the framework of the Association of Southeast Asian Nations' Economic Community.** The transition toward a knowledge-based economy needs mechanisms to recognize the emerging skills and an environment attractive to highly skilled migrants. However, this transition should take place not to widen the existing gaps between the countries, but to ensure GMS competitiveness as a whole.

² This article is based on a report prepared as a collaborative partnership between the ADB and the International Organization for Migration (IOM). Under the RIF TA, IOM was commissioned by ADB to undertake a research study to review the trends and patterns of labor migration in the GMS and contribute to the dialogue process that would look at labor migration as contributing to and resulting from the regional integration dynamics in the GMS.

- **Regularization of migration.** Irregular migration should be curbed by creating an environment in which regularization is sustainable to migrants
- **Migrant workers' rights.** Rights and protection of migrant workers are not yet ensured, even if laws that address regular migrants exist. This is part of the environment that makes regular migration non-sustainable for migrants.
- **Migration of women and children.** The concerns about female migration should be mainstreamed into migration policies to protect women and children.
- **Data availability.** There is a serious lack of knowledge on labor migration. Research should be encouraged through both quantitative and qualitative surveys. The latter will allow greater understanding of how migration works within the subregion.

International, bilateral, and national legislation provide the legal framework for addressing migration issues. However, gaps still exist, cooperation could be enhanced, and governance issues still slow the process down. Taking into account the reality of the stakes and the stakeholders, recommendations include the following:

- Increase protection mechanisms for migrants in cross-border settings
- Strengthen capacity and legal framework in managing labor migration
- Enhance social protection for migrants and their families
- Promote ethical recruitment and employment
- Strengthen return and reintegration support to migrants
- Increase knowledge management mechanisms
- Promote effective use of remittances

Upcoming GMS Events

Fourth GMS Tourism Ministers' Meeting (Vientiane, Lao PDR, 20 January 2013)

A brief meeting of the GMS Tourism Ministers on 20 January 2013, will be held back-to-back with the ASEAN Tourism Forum in Vientiane, Lao PDR. This will provide additional policy guidance for the tourism sector under the Regional Investment Framework (being developed to implement the new GMS Strategic Framework, 2012-2022).

Senior Officials' Meeting cum Regional Investment Framework Steering Committee (Venue: TBD; Date: March 2013 TBC)

The SOM-RIF Steering Committee meeting will be held to take forward the RIF work in 2013, by reviewing results of remaining analytical work and the conduct of regional programming with GMS members, in preparation for the convening of the GMS Investment Conclave for resource mobilization (back to back with the 5th Economic Corridors Forum in mid-2013).

Links:

- [GMS Tourism Sector Strategy Midterm Review & Road Map 2011-2015](#)
- [GMS Core Environment Program](#)
- [Development of Economic Corridors](#)
- [GMS Road Map for Expanded Energy Cooperation](#)

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