



February 2015

Report on the Fifth Greater Mekong Subregion Summit

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Asian Development Bank

A. INTRODUCTION

1. The Fifth Greater Mekong Subregion (GMS) Summit was held on 19–20 December 2014 in Bangkok, Thailand. The Summit was attended by Prime Minister Prayut Chan-o-cha of Thailand, Prime Minister Hun Sen of Cambodia, Premier Li Keqiang of the State Council of the People’s Republic of China (PRC), Prime Minister Thongsing Thammavong of the Lao People’s Democratic Republic (Lao PDR), Prime Minister Thein Sein of Myanmar, and Prime Minister Nguyen Tan Dung of Viet Nam. ADB President Takehiko Nakao joined the GMS Leaders.

2. The Summit theme was “Committed to Inclusive and Sustainable Development in the GMS” which focused discussions on how to better ensure that the GMS Program remains on track toward sustained, inclusive, broad-based, and environmentally sustainable development. Among the key deliverables for the Summit were: (i) an Implementation Plan for the GMS Regional Investment Framework (RIF) that supports the GMS Strategic Framework by identifying the highest priority projects for implementation between 2014 and 2018; (ii) an initial review of the GMS Transport Sector Strategy (2006-2015) that assessed achievements in physical connectivity and identified remaining strategic priorities in the sector; (iii) a Development Partners’ (DP) Assistance Matrix, which is a compilation of DPs’ ongoing and planned activities in the GMS; and (iv) various publications on GMS cooperation, including a retrospective on the Phnom Penh Plan for Development Management.

3. **The GMS Program in a Nutshell and ADB’s Role in It.** The GMS Program is a prime example of ADB’s support for regional cooperation and integration as a means toward inclusive growth and poverty reduction. Over the past 22 years, the member countries of the GMS – Cambodia, PRC, Lao PDR, Myanmar, Thailand, and Viet Nam – have actively participated in this comprehensive program of economic cooperation covering several sectors including transport, energy, telecommunications, human resource development, environment, trade and transport facilitation, tourism, and agriculture. ADB helped to initiate the GMS Program by getting the countries together for the first time—after a long history of conflict—in 1992 to discuss shared development concerns. This marked the beginning of what would become a vibrant, pragmatic, and results-based subregional cooperation initiative. The GMS Program’s overarching strategy is focused on the so-called “3Cs” – increased connectivity, enhanced competitiveness, and a greater sense of community. The ADB has provided support to the program since its inception, serving as: (i) honest broker, fostering agreement among the countries on various issues; (ii) provider of knowledge inputs, helping the countries formulate frameworks and plans for the development of physical infrastructure as well as the required software; (iii) financier, providing loans and technical assistance for key subregional projects; (iv) lead development partner (DP), and mobilizing assistance from other DPs in the form of financial and other resources for priority GMS projects; and (v) secretariat for the various forums and working groups under the GMS Program.

B. HIGHLIGHTS OF THE FIFTH GMS SUMMIT

4. The Overall Program of the 5th GMS Summit is in **Appendix 1** and highlights of the component events are presented below:

- (i) **Investment Forum (IF):** The Forum, attended by over 250 participants from government, the private sector and DP organizations, showcased the investment opportunities and prospects in the subregion as outlined in the GMS RIF and its Implementation Plan. Presentations and open discussions addressed topics such

as building upon GMS connectivity, opportunities for tapping new sources of public and private sector financing, and promoting new business development in the GMS. Key messages arising from the Forum were presented to the Leaders at the Plenary Session of the Summit by the Forum Co-Chair.

- (ii) **GMS Business Forum (GMS-BF) Event:** Organized by the GMS Business Forum (GMS-BF), this event was attended by approximately 150 participants from the public and private sectors. Three private sector-led initiatives in the GMS were discussed, namely: national credit guarantee facilities aimed at improving small and medium enterprises' (SMEs) access to finance; the private sector's role in disaster risk reduction; and progress in cross-border transport and the role of the GMS Freight Transport Association (GMS-FRETA). The GMS-BF's Chairmanship was handed over from Myanmar to Cambodia, and the GMS-BF arranged exhibition booths at the Summit to showcase business opportunities in the GMS countries. The GMS-BF's statement to the GMS Leaders was presented at the Plenary Session by the outgoing GMS-BF Chairman.
- (iii) **GMS Youth Forum (YF):** The second GMS YF (the first one was at the Third GMS Summit in 2008) began with an 8-day caravan of 36 youth representatives from all six GMS countries who traveled across every GMS country prior to the Summit. The youth representatives adopted a youth message, in which they requested support from GMS governments, ADB and other development partners, the private sector and civil society to help GMS youth become better prepared for a more integrated region, contribute more directly to regional cooperation, and realize the benefits of a more integrated region. A youth representative from Thailand delivered this message to the Leaders at the Plenary Session.
- (iv) **Roundtable Meeting of Development Partners:** This meeting, attended by about 150 representatives of bilateral, multilateral, intergovernmental, and academic institutions, was organized by ADB to explore synergies and potential partnerships with DPs in assisting GMS countries to finance, implement, and monitor priority projects under the GMS RIF Implementation Plan. The DPs reaffirmed their commitment to support inclusive and sustainable development in the GMS and noted areas for future collaboration and improved coordination, as well as for promoting greater private sector participation. They expressed appreciation for the initiative of the Secretariat to prepare the Development Partners' Assistance Matrix, which summarizes ongoing and planned DP assistance to projects in the GMS countries. Key messages from the DPs were reflected in a statement presented to the Leaders at the Plenary Session by the President of the Neighboring Countries Economic Development Cooperation Agency of Thailand.
- (v) **Plenary Session:** The Plenary Session on 20 December 2014 consisted of two parts: (i) an Opening Session in which the Leader of the host country, Thailand, formally opened the Summit and welcomed the other Leaders and their delegations, followed by statements from all the Leaders on the Summit's significance and on the GMS Program in general; and (ii) a session where representatives from the events of the previous day presented their statements to the Leaders, followed by a response on behalf of all the GMS Leaders by the Prime Minister of Thailand.

- (vi) **Leaders' Retreat:** As in previous GMS Summits, the Leaders and the ADB President had a closed-door meeting or retreat. The Retreat provided a forum for the Leaders to interact with each other and share their views on broad directions for the GMS Program, as summarized below.

C. KEY POINTS RAISED DURING THE LEADERS' RETREAT

5. The Leaders' Retreat started with a Progress Report by the ADB President on achievements and activities under the GMS Program since the previous Summit. The meeting then discussed two issues, namely: (i) achieving inclusive and sustainable development in the GMS, and (ii) exploring linkages and coordination with other regional cooperation initiatives, and related approaches to resource mobilization.

6. In his Progress Report, President Nakao emphasized the strategic importance of the RIF Implementation Plan, a pipeline of 92 high priority investment projects across 10 sectors, with an estimated total cost of about \$30 billion. President Nakao also highlighted certain achievements, including: (i) expansion and improvements in GMS physical connectivity; (ii) advances in software connectivity; (iii) strengthening of GMS institutional connectivity; (iv) continuing progress in the agriculture, environment, and tourism sectors; and (v) a wide range of activities under the GMS Human Resource Development Strategic Framework and Action Plan. President Nakao also cited the Phnom Penh Plan for Development Management and its capacity building and training programs for more than 600 senior GMS officials in various areas of regional development, cooperation and integration. The Progress Report on GMS Achievements is in **Appendix 2**.

7. In their discussion of the two Retreat topics, among the key points that the Leaders raised were the following:

- Although much progress has been made in physical connectivity in the subregion, infrastructure gaps still remain, including gaps within countries that have to be addressed in order to improve access to economic opportunities and social services. In these efforts, transport connectivity will continue to play a central role.
- The Leaders reaffirmed the importance of economic corridors toward achieving inclusive and sustainable development in the subregion. Apart from a good transport network, a prerequisite for increased competitiveness and market development is an efficient and widely accessible logistics system. Industrial development was also emphasized, particularly through new industrial parks and special economic zones along the corridors, especially at border areas.
- Accelerated and more effective implementation of transport and trade facilitation measures is also vital to the success of the GMS corridors. Serious and comprehensive efforts must now be directed at simplifying, harmonizing, and expediting border procedures.
- Inclusive development also requires enhanced efforts in the "soft" sectors of cooperation. Greater investment in human capital is imperative, and a precondition to increased competitiveness and wider access to economic opportunities. Financing from regional financial institutions, DPs, the private sector, and governments needs to be tapped, as HRD is a public good.

- Both “hard” and “soft” infrastructure investment should be targeted to narrow development gaps, both regionally and within individual countries. In this regard, preference should be accorded efforts that target low-income and marginal groups.
- Strong support for activities to support environmental sustainability must continue and be further enhanced. These include building countries’ capacities to respond to and reduce the risks of natural disasters; to mitigate and adapt to the impact of climate change; and to strengthen their technical and institutional mechanisms for safeguarding and developing their natural capital in general.
- Greater effort must be directed at marshalling private sector support for and participation in GMS development. This involves not only mobilizing private sector resources for regional projects, through such means as public-private partnerships (PPP) and market-oriented investment modalities, but also by providing support for GMS businesses, particularly SMEs, to become more competitive and to enable them to participate in regional/global value chains.
- GMS countries must strengthen linkages and ensure alignment with other regional initiatives, particularly with ASEAN and ASEAN-China. It is particularly important to ensure that the GMS contributes to, as well as benefits from, the ASEAN Economic Community.
- The GMS RIF and its Implementation Plan provide a good and clear blueprint for GMS cooperative efforts in the medium-to-long term. However, effective implementation will require significant improvements in institutional capacities, both at the regional and individual country levels. It is particularly important to strengthen the GMS National Secretariats and the countries’ internal coordination mechanisms.
- The Leaders recognized the crucial role that DPs play in the success of their cooperation program. The Leaders expressed particular appreciation for ADB as the GMS Program’s principal development partner, and urged ADB to continue its strong support into the future.

8. At the end of their Retreat, the Leaders also considered and endorsed their Joint Summit Declaration (JSD), which basically also outlines the GMS Program’s achievements, the challenges it faces, and its strategic directions for the future. The 5th GMS Summit JSD is in **Appendix 3**.

D. CONCLUSION

9. The Fifth GMS Summit was successful, and yielded a number of significant results:
- (i) It provided the means for obtaining the imprimatur and commitment of the Leaders to the RIF Implementation Plan, which is the main instrument for realizing the goals set forth in the new GMS Strategic Framework, which broadly aims to ensure the sustainable and inclusive development of the subregion.
 - (ii) The Leaders fully appreciated, and committed to, advancing GMS cooperation to support the more complex “soft” infrastructure for subregional development, including enhancing institutional connectivity, facilitating trade and transport, and human resource development.
 - (iii) It provided the venue for the Leaders to acknowledge the importance of, and reaffirm their commitment to, wider regional integration, particularly with ASEAN.

- (iv) It also provided key GMS stakeholders, particularly the private/business sector, development partners, and youth, with the opportunity to interact and present their views and proposals to the Leaders.

10. The Fifth GMS Summit also brought to fore the key role of the ADB in the GMS Program, as the Leaders themselves expressed their trust and confidence in ADB, and their appreciation and hope for its continued support as the GMS countries' principal development partner.



FIFTH GMS SUMMIT OVERALL PROGRAM OF ACTIVITIES

Thursday, 18 December 2014		
	Arrival of Country Delegation and other Participants	
1400-1630	Onsite Registration (Foyer area, 2 nd Floor, Shangri-La Hotel)	
1830	Welcome Cocktails Venue: Salathip, Shangri-La Hotel Participants by invitation	
Friday, 19 December 2014		
PRE-SUMMIT EVENTS		
0800–0830	Registration (Foyer area, 2 nd Floor, Shangri-La Hotel)	
0830–1030	GMS Investment Forum Venue: Ballroom I (2 nd floor, Lobby Level) Participants: Private Investors/Businesses in the GMS, GMS Senior Officials, Representatives of Development Partners, and ADB Representatives	Youth Forum Venue: Ballroom III (2 nd floor, Lobby Level) Participants: GMS National Youth Representatives, Representatives from the GMS Governments, ADB officials and staff, and other invited guests
1030–1045	Break	Break
1045–1230	Cont. GMS Investment Forum	Cont. Youth Forum
1230–1400	Lunch (Angeline Restaurant and Next 2 Café Restaurant) All participants	
1400–1530	Development Partners' Roundtable Venue: Ballroom III (2 nd floor, Lobby Level) Participants: Representatives of Development Partners, ADB Representatives	GMS Business Forum Event Venue: Ballroom I (2 nd floor, Lobby Level) Participants: Private Investors/Businesses in the GMS, GMS Senior Officials, and ADB Representatives

1530–1600	Break
1600–1730	<p>Fifth Meeting of the Task Force for the Fifth GMS Summit <i>cum</i> Senior Officials' Meeting Venue: Ballroom III Participants: GMS National Coordinator, Summit Task Force Members, and ADB Representatives</p>
1915–1930	The GMS Photo Exhibition visit by the GMS Leaders
1930–2100	<p>Gala Dinner Venue: Shangri-La Grand Ballroom, (2nd floor, Lobby Level) GMS Leaders, GMS Ministers and other Ministers, GMS Delegates, and all participants</p>
<p>Saturday, 20 December 2014 PLENARY SESSION AND RETREAT Venue: Shangri-La Grand Ballroom, (2nd floor, Lobby Level)</p>	
0815	Registration (Foyer area, 2 nd Floor, Shangri-La Hotel)
0850–0900	The Leaders and ADB President will be escorted to the Holding Room.
0900–1000	<p>Plenary Session: Opening Session</p> <ul style="list-style-type: none"> • Video Presentation on GMS Achievements and Vision for the future • Group Photo of the Leaders • Remarks of the Leader of the Host Country • Statements by Other GMS Leaders and the ADB President <p>Participants: GMS Leaders, ADB President, GMS Ministers and other Ministers, GMS delegations, Development Partners, Private Investors/Business Representatives, Youth Representatives, ADB, and Media Representatives.</p>
1000–1100	<p>Plenary Session: Presentations to the Leaders</p> <ol style="list-style-type: none"> 1. Regional Investment Framework Implementation Plan (RIF-IP) H.E. Mr. Arkhom Termpittayapaisith Deputy Minister of Transport and Secretary-General, National Economic and Social Development Board (NESDB), Kingdom of Thailand 2. Statement from the Investment Forum Mr. Isara Vongkusolkit Chairman, Joint Standing Committee on Commerce, Industry and Banking (JSCCIB-Thailand), and Board of Trade of Thailand

	<p>3. Statement from the Development Partners Mr. Newin Sinsiri President, Neighboring Countries Economic Development Cooperation Agency (NEDA)</p> <p>4. Statement from the GMS Business Forum and Chairmanship Handover Mr. Win Aung Chairman, GMS Business Forum</p> <p>5. Statement from the Youth Forum [A presenter will be designated during Youth Forum]</p> <p>Response from the Leader of the Host Country (on behalf of all Leaders) to the RIF Implementation Plan, Statements of the Investment Forum, Development Partners, GMS Business Forum, and the Youth Forum</p>
1100–1115	Leaders’ Break and Transfer to Retreat Room
1115–1230	<p>Summit Retreat (Closed-Door Meeting of the Leaders) Venue: The Study Room</p> <ul style="list-style-type: none"> Participants: GMS Leaders and ADB President. Each Leader and the ADB President will be joined by five (5) other high-ranking officials.
1230–1245	Leaders transfer to Salathip B Restaurant for Lunch
1245–1345	<p>Leaders’ Lunch (Salathip B Restaurant) GMS Ministers, Other Ministers (Salathip A and C Restaurant) Other Participants’ Lunch (Angeline Restaurant and Next 2 Café Restaurant)</p>
1230	Chairman of Fifth Summit Transfer to Ballroom III for Media Briefing
1230–1300	<p>Media Briefing Venue: Ballroom III [Including Announcement of the Adoption of the Joint Summit Declaration and its Release to the Public] Participants: Chairman of the Fifth GMS Summit will serve as Host, accompanied by Ministers and other Officials, and Members of Media</p>



5th GMS Summit

PROGRESS REPORT TO THE LEADERS



Kingdom of Thailand

20 December 2014

This **Progress Report to the GMS Leaders** provides a summary of key achievements under the GMS Economic Cooperation Program since the last GMS Summit in Nay Pyi Taw, Myanmar on 20 December 2011. The achievements over the past three years represent important building blocks for implementing the **GMS Strategic Framework 2012-2022** and reflect the commitment of the GMS countries to further strengthen connectivity, competitiveness and community within the subregion.

New Strategic Directions and Plans of Action for the GMS

- The **GMS Regional Investment Framework (RIF)**, endorsed by the GMS Ministers in December 2013, defines a pipeline of priority investment and technical assistance projects for the third decade of the GMS Program, from 2013 to 2022. The RIF contains more than 200 projects across 10 sectors with an estimated investment cost of more than \$50 billion.
- The **RIF Implementation Plan**, a key deliverable at the 5th GMS Summit, provides an implementation plan and monitoring and evaluation system for the RIF projects prioritized for financing and implementation over the medium term, from 2014 to 2018.

Progress in Physical Connectivity Infrastructure

- The **Fourth International Mekong Bridge at Chiang Khong-Houayxay** was opened in December 2013 which completes the final missing link in the **GMS North South Economic Corridor (NSEC)** extending more than 1,400 kilometers from Kunming to Bangkok.
- Also along the eastern part of the NSEC, the 240-kilometer **Noi Bai-Lao Cai Expressway** in Viet Nam, one of the largest GMS infrastructure projects, was opened in September 2014.
- Extension of the **GMS East West Economic Corridor** is progressing with road construction from **Myawaddy to Kawkareik in Myanmar** expected to be completed in July 2015.
- Along the **GMS Southern Economic Corridor**, the **Mekong Bridge at Neak Loeng** is nearing completion and will further strengthen connectivity along the Phnom Penh – Ho Chi Minh City Highway.
- The **Southern Cambodia Railway Line** from Phnom Penh to Sihanoukville was completed and opened for commercial traffic in December 2012.

Progress in Institutional and Software Connectivity

- The MOU for the **Establishment of the Greater Mekong Railway Association (GMRA)** has been signed by all six GMS countries and provides the necessary institutional forum to address both physical and software constraints to connecting the GMS railways.
- All GMS countries have also signed the MOU for the **Establishment of the Regional Power Coordination Center (RPCC)**, which will serve as a permanent institution for enhancing regional power trade and implementing regional power interconnection projects.
- Two new studies on the GMS energy sector were completed, namely, **Strategic Environment Assessment for the GMS Regional Power Development Planning**, and **GMS Renewable Energy and Energy Efficiency Development**, providing guidelines for power development planning and identifying the potentials of pursuing renewable energy and energy efficiency in the GMS.
- The **Three-Year Blueprint for Transport and Trade Facilitation** was endorsed by the 4th Joint Committee Meeting for the Cross Border Transport Facilitation Agreement (CBTA) in November 2013 which reaffirmed the relevance of the CBTA, but also acknowledged remaining challenges in its implementation.
- The **Mid-term Review of the Transport and Trade Facilitation Action Plan** technical assistance project was completed in June 2014 and provided the necessary framework for the remaining scope of technical assistance to facilitate land-based cross-border transport and trade in the GMS.

Progress in the Environment and Agriculture Sectors

- **Phase 2 of the Core Agriculture Support Program (2011-2020)** is under implementation through technical assistance projects for controlling transboundary animal diseases, expanding cross-border trade in safe agricultural food products, building capacity in biotechnology and biosafety, and strengthening the GMS Agriculture Information Network Service.
- The **GMS Core Environment Program Phase II (2012-2016)** is well underway and focusing on the subregion's natural capital to promote an environmentally friendly and climate resilient GMS Program. Achievements include undertaking strategic level environmental assessments, strengthening environmental safeguards capacities, increasing awareness about climate adaptation and resilience, and promoting low carbon technology.

Progress in Tourism and Human Resource Development

- **Tourist arrivals in the GMS rose to a record 52 million in 2013**, at least partly due to initiatives under the **Refocused GMS Tourism Sector Strategy and Road Map for 2011-2015**, including the GMS Tourism Infrastructure for Inclusive Growth Project and technical assistance to strengthen the Mekong Tourism Coordinating Office. These initiatives are also helping to enhance marketing and product development to promote the GMS as a single tourist destination.
- The **GMS Human Resource Development Strategic Framework and Action Plan (2013-2017)** supports the preparation of a new framework for the mutual recognition of technical skills and qualifications, awareness campaigns for safe labor migration and HIV/AIDS prevention projects. A second phase of the **Communicable Disease Control Project** is focusing on diseases such as dengue, malaria, avian and swine flu in vulnerable populations along economic corridors and in border districts. The **Asia Pacific Leaders' Malaria Alliance**, whose Secretariat is ADB, will also be working closely with the GMS and other regional bodies to identify the key regional priorities to achieve elimination of malaria by 2030.
- The **Phnom Penh Plan for Development Management** has conducted more than 25 capacity building and training programs for more than 600 senior GMS officials since the last GMS Summit. Key topics discussed in these courses included economic corridors development, energy, agriculture, tourism, project management, monitoring and evaluation, and social protection in the GMS.

Progress in Urban Development and Economic Zones

- A **GMS Urban Development Strategic Framework** is under preparation to assist GMS countries coordinate their national urban strategies; identify priority areas for major investments in urban infrastructure, and promote exchange of knowledge and good practices on industrialization and urbanization. The first **Corridor Towns Development Project** is being implemented to support the development of competitive and environmentally friendly cities along the GMS economic corridors. The GMS countries have also gained a better understanding of **cross-border economic zones** and their potential contribution to developing the GMS economic corridors.



THE FIFTH GREATER MEKONG SUBREGION (GMS) SUMMIT

Bangkok, Thailand
19 – 20 December 2014

Joint Summit Declaration

“COMMITTED TO INCLUSIVE AND SUSTAINABLE DEVELOPMENT IN THE GMS”

WE, the Heads of the Governments of the Kingdom of Cambodia, the People’s Republic of China (PRC), the Lao People’s Democratic Republic (Lao PDR), the Republic of the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, on the occasion of the Fifth GMS Summit:

Abiding by the GMS tradition of pragmatic and results-oriented cooperation, strong country ownership, close consultations among member countries, and pursuit of mutual and inclusive benefits;

Reaffirming the broad directions, thrusts, and approaches contained in the GMS Strategic Framework (2012–2022), which we endorsed at the Fourth GMS Summit in Nay Pyi Taw, Myanmar on 20 December 2011;

Appreciating the tremendous efforts of our Ministers, senior officials, and all concerned parties in translating the GMS Strategic Framework into a Regional Investment Framework, in compliance with our directive to generate a portfolio of second generation GMS projects for the new decade;

Recognizing that efforts are now focused on the resolute and prompt implementation of the Regional Investment Framework to achieve the ultimate goal of inclusive and sustainable development in the GMS;

HEREBY JOIN FORCES toward the expeditious and successful execution of priority investment projects and other cooperative undertakings we agreed upon, and the realization of their benefits for the peoples of the GMS, guided by a clear and pragmatic implementation plan and mobilizing the support of all stakeholders.

I. Developments in the Regional and Global Context

1. The global economy is gradually recovering from the recent worldwide financial and economic crisis, with the major industrial economies making progress, although the overall

growth is still slow and uneven. The Asian economies have shown the greatest resilience in the aftermath of the crisis and are now leading the global economic recovery and making every effort to sustain their gains through sound fiscal policies and financial reforms.

2. Within Asia, increasing regional and sub-regional cooperation has greatly accelerated connectivity and integration. The ASEAN-member countries are making steady progress toward realization of the ASEAN Economic Community (AEC) with many measures of the AEC Blueprint now under implementation. Moreover, maturing trade and investment frameworks between ASEAN and other key countries in the region, including the Free Trade Area between ASEAN and the People's Republic of China, have led to substantial tariff reductions and increased flows of goods, investment and services across borders.

3. However, there are still a number of potential threats to the steady recovery as well as sustained long term growth of Asian economies, including global and regional environmental concerns, as well as the increasing severity of natural disasters, many of which can be attributed to climate change. The uneven levels of preparedness among ASEAN member countries for more integrated markets under the AEC also pose challenges, both to the public and private sectors.

4. Within the GMS, the opening up and integration of Myanmar into the regional economy has accelerated since the Fourth GMS Summit in Nay Pyi Taw three years ago, providing tremendous opportunities for closer cooperation within the GMS. This cooperation can translate into increased cross-border connectivity, greater trade and investment, and a brighter future for the people of Myanmar, as well as the people of the GMS.

II. Recent Results of GMS Cooperation

5. Against this backdrop of global and regional trends, continued cooperation within the GMS has yielded substantial results since our last Summit in 2011. First, we have carefully and clearly defined the strategic thrusts of the GMS Economic Cooperation Program for the medium- and long-term. Since our endorsement of the GMS Strategic Framework at the Fourth Summit, our GMS forums, working groups, task forces and senior officials finalized the Regional Investment Framework (RIF), a detailed and time-bound investment program to support the Strategic Framework. The GMS Ministers endorsed the RIF at the 19th Ministerial Conference last year.

6. Further, to ensure that the highest priority projects in the RIF pipeline attract the necessary financing and are implemented, a realistic and achievable RIF Implementation Plan has been prepared, together with a simple monitoring and evaluation (M&E) system. The RIF Implementation Plan, which identifies 92 high priority subregional projects for 2014-2018 with an estimated total cost of \$30.1 billion, not only provides a strategic roadmap and action plan, but it will also serve as an effective marketing tool in our efforts to generate broad support for key initiatives throughout the GMS.

7. Over the past three years, sustained cooperation at the sector level has also yielded significant results. In the traditional area of infrastructure connectivity, some notable achievements include:

- a. In transport, the infrastructure foundation of the GMS corridors was further bolstered by the completion of the Fourth International Mekong Bridge between Hoayxay, Lao PDR and

Chiang Khong, Thailand, the last missing link along the North-South Economic Corridor (NSEC), which was opened in December last year. Also, along the eastern part of the NSEC, the 240-kilometer Noi Bai-Lao Cai Expressway in Viet Nam, one of the largest GMS infrastructure projects, was opened in September this year. Preparations are underway to extend the East-West Economic Corridor (EWEC) into Myanmar, with project financing to be considered for approval in 2015. The Southern Cambodia Railway Line from Phnom Penh to Sihanoukville was completed and opened for commercial traffic in December 2012. The Memorandum of Understanding (MOU) for the Establishment of the Greater Mekong Railway Association (GMRA) was signed by all the GMS countries, and technical assistance from ADB is ongoing. This is a positive step toward the promotion of railways as an efficient and clean mode of transport. We also welcome continued efforts to maximize the economic and social benefits of GMS roads and bridges by facilitating cross-border transport through the GMS Cross Border Transport Facilitation Agreement (CBTA). Furthermore, an initial review of the GMS Transport Sector Strategy (2006-2015) was undertaken to assess achievements in physical connectivity and to identify strategic priorities for the transport sector in the coming years.

- b. In energy, all the GMS countries signed the MOU for the Establishment of the Regional Power Coordination Center (RPCC), intended to be a permanent institution owned by all GMS countries to enhance regional power trade and implement regional power interconnection projects. With this agreement coming into force, the process for selecting the RPCC host country is ongoing. The new studies on “Strategic Environment Assessment for the GMS Regional Power Development Planning” and “GMS Renewable Energy and Energy Efficiency Development” would provide useful guidelines for power development planning and identify opportunities to promote renewable energy and energy efficiency in the GMS.
 - c. In information and communications technology (ICT), the optical fiber interconnection among the GMS countries is now in place and an MOU on the Joint Cooperation in Further Accelerating the Construction of the Information Superhighway and its Application in the GMS has been signed by all countries, providing the roadmap and parameters for promoting universal access to ICT applications, particularly in the areas of e-commerce, rural ICT, and green ICT technology.
8. In the “softer” but equally important areas of GMS cooperation, we have witnessed substantial progress and important results:
- a. In transport and trade facilitation (TTF), efforts continued to implement bilateral and trilateral road transport agreements between GMS countries such as: (i) Cambodia and Viet Nam along the Southern Economic Corridor (SEC); (ii) the PRC and Viet Nam along the NSEC; (iii) Lao PDR, Thailand, and Viet Nam to extend the existing EWEC agreement to their respective capitals; and (iv) Lao PDR and Viet Nam to fully implement single stop, single window inspection at the Lao Bao-Dansavanh international border checkpoint by 2015. We encourage the PRC, Lao PDR and Thailand to fast-track the negotiations on their MOU to implement the CBTA along the NSEC, and for PRC and Myanmar to negotiate a MOU to facilitate cross-border transport and trade. The Action Plan for GMS Transport Facilitation (2013-2015) was endorsed by the 4th Joint Committee Meeting for the CBTA in November 2013, and a midterm review of the current Plan of Action for TTF in the GMS was completed in mid-2014. TTF initiatives over the medium-term will focus on building capacities of

- the CLMV countries and upgrading the CBTA to adopt regional and international best practices in order to facilitate cross-border transport and trade in the GMS.
- b. In agriculture, implementation of the second phase of the Core Agriculture Support Program is well underway, and this supports the strengthening of policy frameworks and capacities for agri-food quality management, introducing electronic trade for environmentally friendly food products, adopting gender-responsive and climate-friendly agriculture practices, and strengthening institutional mechanisms for regional cooperation on agriculture in the GMS.
 - c. In tourism, building on improved physical connectivity and simplified visa requirements, tourist arrivals to the GMS continued to rise, reaching 52 million in 2013. The GMS Tourism Infrastructure for Inclusive Growth Project was approved in 2014, and a new initiative to help strengthen the Mekong Tourism Coordinating Office (MTCO) is underway. Thailand, in cooperation with the Asian Development Bank (ADB), will proceed to establish MTCO's legal status and its registration in Thailand. An updated GMS Tourism Sector Strategy covering 2016-2026 is under preparation and will provide the blueprint for expanded subregional cooperation in this sector over the next decade.
 - d. In human resource development (HRD), implementation of the HRD Strategic Framework and Action Plan (2013-2017) has commenced. In line with the ASEAN Qualifications Reference Framework to facilitate the free flow of skilled labor and strengthen the competitiveness of the GMS labor force, a pilot framework for the mutual recognition of skills and qualifications has been implemented and will be expanded to cover more skill areas. The second phase of the Communicable Disease Control Project is further improving the GMS countries' capacities to respond to outbreaks and contain the spread of diseases across borders. We laud the Phnom Penh Plan (PPP) for Development Management after a decade of successful implementation. The PPP has helped our GMS officials, and our research and training institutions, to better manage the complex GMS development agenda, and laid a solid foundation for developing skills, sharing knowledge, networking, and strengthening institutional capacities throughout the GMS.
 - e. In the environment, the GMS Core Environment Program (CEP) Phase II (2012 – 2016) is continuing to focus on safeguarding and enhancing the natural resources upon which the subregion's food, water and energy security is largely dependent. With the added dimension of climate change considerations, priority undertakings include: the development of management strategies for transboundary biodiversity landscapes; the application of environmental management tools for infrastructure investments according to national circumstances, rules and regulations, as well as the level of development of each country; enhancement of the CEP website as a regional knowledge hub; and the strengthening of cooperation among governments, businesses, academia, and civil society groups.
9. In other emerging areas of cooperation, a GMS Urban Development Strategic Framework is being finalized under the auspices of the Urban Development Task Force created in July 2013. The first Corridor Towns Development Project is now under implementation to support the development of competitive and environmentally friendly cities along the GMS economic corridors, and further corridor town projects are in the pipeline. The development of

cross-border economic zones is being pursued, such as those between the PRC and Viet Nam and between the PRC and Lao PDR.

10. The Economic Corridors Forum (ECF) has completed this year its first full cycle of hosting of the Forum by all GMS countries. The ECF has served well its role as the main advocate, overseer and coordinator of all activities toward the development of the GMS economic corridors. It has facilitated networking and exchange of information, overseen the preparation of and endorsed strategies and action plans (SAPs) for specific economic corridors, identified the relevant corridor-related issues to be addressed, institutionalized the participation of local authorities, and enhanced the involvement of the private sector in economic corridor development.

III. Remaining Challenges

11. While the accomplishments under the GMS Program have been significant in recent years, we recognize that numerous challenges remain in furthering the subregion's connectivity, competitiveness and sense of community. Despite the advances in physical connectivity across the GMS, substantial infrastructure gaps remain, including the poor quality of secondary roads, missing railway links, inadequate maritime port and airport infrastructure, lack of logistics facilities, and insufficient power generation and transmission facilities to meet growing demand.

12. Moreover, despite enhanced subregional connectivity, the costs of cross-border trade in the GMS remain high and vary widely across countries, largely because of nontariff barriers, the remaining infrastructure gaps, complicated trade procedures and processes, and unreliable logistics services. The GMS was a pioneer in promoting a subregional framework for TTF under the CBTA; however, many factors have contributed to its delayed implementation, and now is the time to reinvigorate TTF efforts as a means to further strengthen the subregion's connectivity as well as competitiveness. We urge GMS countries to start full implementation of the CBTA by speeding up and concluding the ratification of its Annexes and Protocols and by accelerating the negotiation and implementation of bilateral and trilateral MOUs.

13. Achieving an integrated and prosperous GMS community is also at risk if the significant development gaps, both within and among countries, continue to widen. We need to ensure that past, ongoing and planned projects are inclusive so that their development benefits reach the poor. We also need to respond to the needs of the most vulnerable members of society by providing adequate social safety needs, while also meeting their basic needs in terms of food security, shelter, health, and education.

14. Rapid economic and population growth have increased the demand for energy, land, water and other resources. The GMS, its countries and local communities face many environmental challenges, some of which call for solutions through regional cooperation.

15. The long-term success of the GMS Program very much depends on more extensive and effective engagement with the private sector. Improving overall GMS competitiveness largely depends on the health and vitality of small and medium enterprises (SMEs), and on enabling them to tap into regional and global value chains. The private sector remains the primary source for new jobs, higher incomes and better opportunities for the youth of the GMS.

16. With more than two decades of successful cooperation, the GMS Program has matured and faces the management challenge of numerous, complex undertakings and initiatives.

Planning, financing and implementing the new generation of projects under the RIF will require even greater coordination and capacity within individual GMS countries. The GMS national secretariats have a tremendous responsibility to carry the GMS legacy forward. We welcome the continued support from ADB and other development partners in the areas of financing, knowledge sharing, and capacity building, but we also recognize the need for individual countries to endeavor to secure the human and financial resources needed to sustain the GMS Program into the future.

IV. The Way Forward

17. To achieve the goal of opening up new prospects for future cooperation, achieving common prosperity in the subregion, and realizing the GMS vision of greater connectivity, competitiveness and community, it is imperative to further strengthen partnerships among the GMS countries, align the GMS vision with national development strategies, and build an open economy in the subregion featuring integrated, innovative and interconnected development, in order to attain mutual benefits, and to ensure that future development is inclusive and sustainable.

18. The RIF Implementation Plan (2014-2018) provides us a strategic and results-based action plan to help us address many of these challenges in the coming years and also to seize new opportunities for sustaining GMS cooperation and development. We will need to work together to implement the plan and also to monitor its progress to ensure that development results and benefits are achieved.

19. As we are committed to continue our joint efforts to transform the GMS transport corridors into economic corridors, we task the GMS Ministers, senior officials, GMS working groups, forums, and task forces to implement the Strategy and Action Plans (SAPs) for the GMS Economic Corridors. Implementation of the SAPs should focus on selecting priority sections along the corridors which offer the greatest potential for attracting investment and yielding long-term development benefits. For these corridor sections, the identification of investment needs and opportunities should draw upon inputs from provincial and local government officials, the private sector and community residents.

20. Strengthening connectivity is conducive to generating new growth and fostering new competitive edge. Moreover, we commit to removing software constraints to cross-border connectivity. In this regard, we mandate the formulation of a clear, comprehensive and integrated TTF Action Program, covering all aspects affecting the cross-border flow of vehicles, goods and people, to be implemented in a highly coordinated and effective manner.

21. Our focus on economic corridors also requires that we make necessary changes to the GMS Program's institutional framework and mechanisms to help us respond effectively to emerging areas of cooperation, such as integrated urban development, CBEZs and logistics centers. We will also need to support the operationalization of new GMS institutions such as the GMRA, and ensure that the RPCC serves as a forum for addressing GMS power challenges and opportunities in the coming years.

22. Considering that ECF will play a more important role in promoting and developing GMS economic corridors and implementing the ten-year GMS Strategic Framework, we are committed to take concrete actions to strengthen the ECF framework. We welcome the *Action Agenda on Enhancing GMS Economic Corridor Forum (ECF) Framework* and instruct GMS

Ministers/Senior Officials to further study the document. We agree to maintain the current hosting order and the ministerial level of the ECF, recognizing that ECF participation could be by ministers or their designated senior officials. We agree that the GMS Governors Forum will be revitalized and held back-to-back with the ECF annually, and welcome the PRC's offer to organize the GMS Commodity Trade Fair and GMS Economic Corridor Week as supporting activities of the ECF in 2015.

23. The private sector should be the primary driver of economic corridor development, with the public sector establishing a conducive policy and regulatory environment, providing basic infrastructure, utilities and services, as well as facilitating cooperation and collaboration at the local, national and subregional levels. GMS governments should also ensure the success of private sector initiatives specifically aimed at improving subregional competitiveness, such as the GMS Freight Transport Association (FRETA) as well as the recently launched Mekong Business Initiative. We also urge ADB to further promote the development of the private sector in the GMS and also assist in removing constraints to SME growth such as access to finance, knowledge, and business support services.

24. Recognizing that the benefits of GMS cooperation can only be maximized and made sustainable by greater integration with the broader region, we will ensure that all efforts are aligned, and tap synergies with those of other regional groupings and initiatives, including ASEAN, ASEAN-China, and ASEAN + 3.

25. As we are well aware that the GMS and its people are highly vulnerable to the impacts of climate change and the risks of ever-worsening natural disasters, we will also pursue concerted efforts to develop and implement measures that reduce the risks and mitigate the impacts of climate change and other natural disasters, and to promote sustainable development including protection and efficient development of natural resources. Moreover, in light of the need to build stronger cooperation on the environment among GMS countries, we welcome the holding of the GMS Environment Ministers' Meeting in January 2015.

26. Recognizing that the success of all efforts, particularly the realization of the priority projects in the RIF Implementation Plan, crucially depends on the support of the development partners, the private sector, and many other stakeholders, we will endeavor to find ways to strengthen our partnerships and ensure that financial and other resources are sufficient to realize our collective commitment to inclusive and sustainable development in the GMS. Moreover, given the significant number of new generation projects in the RIF Implementation Plan that are both multifaceted and challenging, there is a crucial need to further strengthen the GMS National Secretariats' capacity to implement the plan and to respond to new challenges. In addition, we should utilize the Phnom Penh Plan to conduct more training programs for member countries.

27. We acknowledge and greatly appreciate the versatile role that ADB has played in the GMS Program, including as secretariat, coordinator, and a key financier. We trust that ADB and other development partners will heed our request for their continued support.

V. Conclusion

28. Over its more than 22 years of existence, the GMS Program has accomplished much for the subregion and its people, and it has also served as a model for other regional groupings by showing what can be achieved with genuine goodwill and cooperation among countries.

29. Now more than ever, we need to build upon our foundation of cooperation to address many new and emerging challenges in the GMS, and we are confident that we can leverage our cooperation under the GMS Program to achieve even greater benefits for the subregion and its people.

30. We agree to meet again at the Sixth GMS Summit to be held in Viet Nam in 2017.

Endorsed in Bangkok, Thailand on 20 December 2014.