

THE SIXTH GREATER MEKONG SUBREGION SUMMIT

Ha Noi, Viet Nam
31 March 2018

Joint Summit Declaration

Leveraging 25 Years of Cooperation for a Sustainable, Integrated and Prosperous GMS

WE, the Heads of the Governments and delegations of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, on the occasion of the Sixth GMS Summit:

Acknowledging the successful results of the GMS Economic Cooperation Program as we celebrate its 25th Anniversary *and embracing* a new era of development in the subregion;

Appreciating that success has been achieved with strong ownership and commitment of GMS countries, featuring principles of consensus, mutual respect, equality, mutual consultation and coordination, common contributions and shared benefits, and win-win cooperation;

Recognizing new opportunities and emerging challenges presented by globalization and the importance of relevant development initiatives, such as the United Nations 2030 Agenda for Sustainable Development, the ASEAN Community, and the Belt and Road Initiative, which generate complementarity and synergy with the GMS Program and provide new platforms for global, regional and subregional cooperation;

Noting that tasks remain to narrow development gaps within and among GMS countries, and to ensure everyone benefits from increased interconnectedness and interdependence;

Recognizing that to effectively support member countries, seize new development opportunities and meet emerging challenges, the Strategic Framework guiding the GMS Program needs periodic refinement;

Appreciating the proactive work of our Ministers, senior officials, and other stakeholders in reviewing experience under the current Framework, and formulating an action plan and investment priorities for the next five years;

NOW THEREFORE REAFFIRM OUR COMMITMENT to the advancement of GMS Economic Cooperation Program and continuing support for the principles underlying the GMS Framework ***AND ENCOURAGE*** all stakeholders to begin considering the way forward to address the gap between the success of the past 25 years and full realization of a sustainable, integrated and prosperous subregion.

I. 25 Years of GMS Transformation and Program Achievements

1. As we celebrate the landmark occasion of the GMS at 25 years, it is appropriate to reflect on the subregion's transformation that has yielded unprecedented favorable outcomes.

2. From having several least developed economies at the beginning, the GMS now has some of Asia's and the world's most vibrant middle income economies. Over a quarter century the subregion's

annual economic growth has averaged 6.3% and per capita growth has been 5%. Intra-subregional trade has increased 90-fold. Our people have a better quality of life and the subregion is heading toward high-quality development.

3. The policies, project investments and knowledge exchanges under the GMS Program have contributed in practical ways to this transformation. Indicative of the Program's relevance is the USD 21 billion that has been mobilized to finance these GMS initiatives.

4. **Connectivity, competitiveness and community are the core building blocks of the Program.** We appreciate the report on recent outcomes, which confirms the appropriateness of focusing on three Cs for delivering our pragmatic, action-oriented and results-focused Program.

5. **Physical connectivity**, emphasizing rehabilitation and construction of transport and energy infrastructure, has had many notable achievements, including new airports, 80 bridges, 10,000 kilometers of roads, 500 kilometers of railways, 3,000 kilometers of power transmission lines and distribution lines, and installation of 1,570 MW of generation capacity. Since our last meeting in 2014, we note that connectivity has proceeded at a brisk pace with broad scope, including completion of the GMS Transport Sector Strategy 2030.

6. We strongly support the economic corridor approach, adopted in 1998, that transforms transport networks into transnational economic corridors, linking production, trade and infrastructure. Secondary and provincial roads extend the reach of the three flagship economic corridors, thereby contributing to inclusive development. The approach leverages limited resources by focusing on locational advantages that maximize employment and incomes along the corridors, and gives remote areas access to development opportunities.

7. We welcome the decision in 2016 to extend the corridor network as a response to the subregion's dynamism. Over the past three years the Economic Corridors Forum continued to serve as advocate, facilitator and coordinator, augmented by the Governors' Forum and Economic Corridors Week. We support these platforms for enhanced policy dialogue among local authorities and to help identify project-based cooperation in priority areas along corridors.

8. **Connectivity software** is an essential complement to physical infrastructure. Since the previous Summit in 2014, we are pleased that all members have ratified the GMS Cross Border Transport Facilitation Agreement (CBTA), and its Annexes and Protocols, and agreed on the MOU for "Early Harvest" implementation of CBTA, allowing subregional movement of commercial vehicles and containers to begin. We welcome establishment in 2015 of a full single stop inspection at the Lao Bao-Dansavanh border between Viet Nam and Lao PDR. We appreciate contributions from the Greater Mekong Railway Association and GMS Freight Transport Association for advancing cross-border flows and supporting development of the logistics service industry.

9. We are similarly encouraged by developments in power exchange to facilitate expansion from the current bilateral cross-border connections to multi-country networks through refinements in trading principles and systems, which will contribute to establishing an integrated regional power market.

10. We note that GMS **competitiveness** has continuously improved through measures that facilitate seamless cross-border movement of people, goods and services and through integration of markets, production and value chains. This is reflected in the subregion's growing trade with the rest of the world and increasing FDI inflows to the subregion.

11. At the sector level, the Core Agriculture Support Programs has strengthened regional cooperation, increased capacity in agri-food quality management, promoted adoption of gender-

responsive and climate friendly agriculture. The agriculture competitiveness has also benefited from the Program to increase the subregion's producers' access to international agricultural value chains and promote environment-friendly agricultural practices. We note this will benefit smallholder farmers, rural women, and small and medium enterprises, thereby addressing poverty, reaching marginalized groups and increasing the reach of inclusive development. In tourism, successful campaigns to market GMS as a single destination have helped more than double tourist arrivals from 26 million in 2008 to 60 million in 2016.

12. Innovation, new technologies and digital transformation are critical new sources of growth. We commend the establishment of the GMS Cross-border e-Commerce Cooperation Platform in 2016 and its progress report, including its alliance with private businesses. This facilitates growth of e-commerce for higher efficiency, better connectivity and transformation of micro, small and medium enterprises.

13. To address challenges of increasing urbanization, the GMS Urban Development Strategic Framework 2015-2022 has been operationalized through urban development planning and management projects for several towns along the economic corridors, as well as through the development of special economic zones, including at border areas.

14. We are gratified that the Program has helped **build a GMS community** with a shared future through projects and programs addressing common social and environmental concerns. Human resource development projects have improved country capacities to respond to disease outbreaks and contain the spread of communicable diseases, supported mutual recognition of skills and qualifications to strengthen the GMS labor force, and facilitated safe cross-border labor migration. The flagship Phnom Penh Plan for Development Management strengthened the capacity of over 2,500 GMS government officials and competencies of our research institutions to support the subregion's development agenda. We welcome the contribution made by GMS members through various training and capacity building programs. Environmental cooperation has achieved success under the GMS Core Environment Program and the Biodiversity Conservation Corridors Initiative, in response to critical risks of environmental degradation and climate change and towards green and sustainable development.

15. The Program's success relies on **strong, deep and broad partnerships**, primarily at government-to-government level, and also benefits from partnerships among other stakeholders including private sector, local administrations and communities, academia and media. We acknowledge financial and knowledge support from bilateral and multilateral development partners, including ADB which also supports the Program as Secretariat. The private sector is increasingly important in a partnership that began formally with the GMS Business Forum (now Council) in 2000, and expanded with the Mekong Business Initiative, the Freight Transport Association, forums for agriculture and tourism, the e-Commerce Platform and the recent Finance Sector and Trade Finance Conference. We appreciate that thousands of individual farmers and businesses are partners in, and empowered by, the GMS Program.

II. The Way Forward

16. The Program has been delivered under two strategic frameworks, most recently for 2012-2022. A mid-term review of the current framework in 2017 confirmed the continuing relevance of its core principles, but recognized the need for fine tuning to better respond to the needs of member countries in a changing development landscape. Thus, the **Ha Noi Action Plan (HAP) 2018–2022** was developed to provide necessary adjustment and sharpen the focus to ensure maximum effectiveness of the GMS Economic Cooperation Program's. To support the HAP, **Regional Investment**

Framework 2022 was formulated, identifying a pipeline of 227 projects with an indicative cost of USD 66 billion.

17. We commend our Ministers, development partners and other stakeholders for preparing these documents. We hereby adopt and give full support to the HAP and RIF, which will guide the GMS Program in the medium term. The RIF is a “living pipeline” of projects that will be reviewed and updated regularly to adapt to changing conditions and priorities.

18. We commend the dedicated work of officials, the private sector and other stakeholders for preparing sector studies, strategies and action plans that have been presented to us. They provide essential guidance for the GMS Program development. We especially note recently completed strategies for tourism (2016-2025), safe and enviro-friendly agro-based value chains (2018-2022), environment (2018-2022) and transport (2018-2030). We are committed to further fostering cooperation in health, urban development, hardware and software connectivity and economic corridors, and doubling related capacity building efforts.

19. While the HAP and RIF will support the Program in the medium term, **longer term regional and global developments will alter the landscape**, creating new opportunities and challenges and requiring new policies. GMS development will face increasingly rapid change and emerging trends such as increasing impacts of climate change and environmental degradation; an aging demographic profile; cross-border migration creating issues of social protection, especially for unskilled labor; disruptive technologies of the fourth industrial revolution that are radically transforming social and economic systems; socio-economic pressures created by increasing urbanization and establishment of border economic processing zones; and development gaps within and among members countries.

20. A regional approach, on the basis of consultation, joint efforts and shared benefits, is appropriate for addressing these developments. We therefore task our Ministers and senior officials, and encourage other stakeholders, to **begin considering the nature of our journey and future directions beyond the 2022 horizon of the current strategic framework** and how the framework can be strengthened and reconfigured to remain flexible, responsive and relevant.

21. We reaffirm our commitment to sustainable development of the GMS through full implementation of the **UN 2030 Agenda for Sustainable Development**, in pursuing innovative, coordinated, green, inclusive and open development for everyone, and achieving a balance over its three dimensions of economic, social and environmental development. We also stress the importance of full implementation of the **Paris Agreement on Climate Change** at regional and national levels. As our countries are linked by land and river, we are committed to strengthening our cooperation in sustainable use and integrated management of natural resources, including land, water resources and forest, through transboundary cooperation and collective efforts, in achieving the subregion’s food, water and energy security.

22. We recognize that **globalization brings significant benefits** to our countries and the subregion. We are committed to harnessing its positive effects, strengthening it, making it more open, inclusive balanced and sustainable, and ensuring that benefits are enjoyed by all. We are determined to devote more attention to vulnerable groups and to work hard on targeted poverty alleviation so that no one is left behind. Relatedly, we are committed to building open economies for our individual countries and for the subregion by deepening economic integration, boosting trade and investment liberalization and facilitation, and supporting multilateral trading systems and opposing all forms of protectionism . We encourage greater cooperation among member countries in undertaking trade promotion activities, accelerating the development of economic corridors and cross-border trade infrastructure, and improving trade management capacity. We encourage implementation of China-

ASEAN Free Trade Area and early conclusion of the Regional Comprehensive Economic Partnership (RCEP).

23. We are aware that strengthened connectivity generates new sources of growth and fosters a competitive edge. We commit to take concrete actions to improve infrastructure, policy, trade, financial and people-to-people connectivity among the GMS countries. At the same time, we recognize the **significant challenges in generating the required financing**, narrowing the financing gap of infrastructure investment, fostering a long-term, diversified and sustainable financing system, enhancing financial infrastructure connectivity and encouraging development financial institutions to play active roles. We are encouraged by the interest expressed in investing in GMS projects by existing partners, including ADB, and new development financing institutions and funds, such as the Asian Infrastructure Investment Bank and the ASEAN Infrastructure Fund. We note the intention to expand public private partnerships and other financing modalities in the subregion.

24. **A sustainable GMS will be regionally integrated and globally connected.** We recognize the crucial development role of regional cooperation and integration and support the principles of open regionalism. Thus, we will seek to tap synergies and complementarities between the GMS program and other global and regional initiatives, including the ASEAN Community, the Belt and Road Initiative, the Mekong-Lancang Cooperation mechanism, the Cambodia-Lao PDR-Myanmar-Viet Nam Cooperation, and the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy and other regional cooperation frameworks. These provide additional impetus for our own efforts for GMS development to build a sustainable, integrated and prosperous sub-region, and the GMS Program will work cooperatively with them. We support the concrete steps being taken towards the full realization of the ASEAN Community and the outcomes of the Belt and Road Forum for International Cooperation that enhance regional connectivity.

III. Conclusion

25. Over the past 25 years our joint undertakings and the tangible results have nurtured the strong sense of community with a shared future for GMS countries. The coherent approach of the GMS Strategic Framework and Program has yielded a rich tapestry of transformation.

26. We believe our approach to the way forward is realistic. We are optimistic about our subregion's future and its capacity to adapt and meet challenges. We see a brighter future featuring high-quality and sustainable development, enhanced policy coordination, deeper economic integration, greater regional connectivity, closer trade links and financial cooperation, consolidated people to people bonds, and closer links with the rest of the world. We will take concrete actions to achieve this vision and full realization of the GMS 3 Cs.

27. To further underwrite our shared future within the GMS we commit to strengthening our partnerships, based on mutual respect, trust, inclusiveness, and win-win cooperation. The GMS Program will continue to be an essential platform for enhanced connectivity, competitiveness and community and advancement toward a sustainable, integrated and prosperous GMS.

We agree to meet again at the Seventh GMS Summit to be held in Cambodia in 2021.

Endorsed in Ha Noi, Viet Nam on 31 March 2018.