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**An Introduction to Greater Mekong Subregional Cooperation**

**Chheang Vannarith**

**Cambodian Institute for Cooperation and Peace**

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Cambodian Institute for Cooperation and Peace, CICP  
Pum Paung Peay, Sangkat Phnom Penh Thmey, Khan Russey Keo,  
Phnom Penh, Kingdom of Cambodia  
P.O.Box 1007, Phnom Penh, Cambodia  
Phone: 85512 819953  
Tel: 85516 982558  
Fax: 85516 982559  
Email: [cicp@everyday.com.kh](mailto:cicp@everyday.com.kh)  
Website: <http://www.cicp.org.kh>

**Abstract:**

Mekong region, one of the most important economic and strategic gateways in the region, has become the focus of cooperation, integration, and development in the context of Southeast Asian and East Asian regionalism. It emphasizes that Greater Mekong Subregional development is a precondition towards Southeast Asian and East Asian community construction through the reduction of development gap between the Mekong riparian countries and other more developed countries in the region. There are still many challenges for Mekong countries to develop and fully integrate into regional economic system due to the lack of infrastructure, human and institutional capacity to deal with economic and environmental issues. The rapid development of the Mekong River, particularly a series of dams construction, plus climate change have put the river in danger if there are no functional and effective institutions to direct the development projects in a proper and sustainable way. In such circumstance, Mekong region has attracted attention and support from different countries and donor community.

**About the Author:**

Chheang Vannarith has been serving as an executive director of CICP since May 2009. He got his doctoral degree in Asia Pacific Studies from the Ritsumeikan Asia Pacific University in Japan. He got MA in International Relations from the International University of Japan and BA in International Relations from the Diplomatic Academy of Vietnam. He got a graduate certificate in Leadership from the East West Center, Hawaii. His research interest includes international relations and political economy of regional integration in the Asia Pacific region, human security, sustainable development, and climate change.

# **An Introduction to Greater Mekong Subregional Cooperation**

**By**

**Chheang Vannarith**

## **Introduction**

Mekong River originating from south-eastern Himalaya Mountains of China's Tibetan region and discharge into the South China Sea crossing Yunnan Province of China, Myanmar, Laos, Thailand, Cambodia, and Vietnam, is one of the biggest rivers in the world. Mekong River has a length of approximately from 4200 km to 4889 km. It has annual discharge of 475 billion cubic meters. For nearly half of its length, Mekong River flows through Yunnan Province then crosses the "Golden Triangle" region, where it forms the border between Myanmar and Laos, and then a border between Laos and Thailand. The river then flows into Cambodia and Vietnam before ending in the South China Sea.

Mekong River not only creates the borders among the riparian countries but also construct a subregion which share many interests especially in transboundary water resource, economic relations, and other social and cultural exchanges. There are about 73 million people living along the river and this number will reach approximately 120 million by 2025<sup>1</sup>. About 85 per cent of the river basin inhabitants rely on the river for their livelihood such as fishing, rice production, crops production, and other social daily life support.

The Greater Mekong Subregion (GMS) is defined according to the flow of the Mekong River. Greater Mekong subregion thus includes China (Yunnan Province), Myanmar, Laos, Thailand, Cambodia, and Vietnam. The concepts of GMS focus more on regional economic cooperation and integration rather than water resources management. The Mekong River Commission (MRC) is in charge of Mekong Basin Development

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<sup>1</sup> Kristensen, J. (2001b). Making best use of the Mekong poses a huge challenge, Bangkok Post 21 May 2001

project with special attention to integrated water resources management and environmental preservation. Energy has become also the important program of the MRC.

This paper aims to provide a background and analysis of the regional cooperation and integration in the Greater Mekong Suregion within the context of ASEAN community building.

## **1. Historical Background**

After WWII, The Economic Commission on Asia and Far East (ECAFE), created in 1947, provided some development projects on the Mekong River in 1956. One year later the Mekong Committee was established. The committee had function to give financial and technical support to the development projects, including dam construction generating hydropower. This committee only consisted of Cambodia, Laos, Thailand, and South Vietnam because People Republic of China was not yet internationally recognized and Myanmar was reluctant to joint the committee. The committee lasted from 1957 to 1975.

The Mekong Committee could not realize its vision of large, multi purpose dams on the lower Mekong River. In 1960s only a small number of hydropower dams were constructed in Vietnam, Laos and Thailand. However, the committee did a great job in producing a strategic management of the water resource. Extensive data on basin hydrology, geology, engineering studies, as well as social and economic aspects of water resources were gathered and disseminated. The committee had only interim status from 1978 to 1995 when Cambodia was absent from 1978 owing to the civil war. The Interim Mekong Committee continued its work on hydrologic data gathering, water quality sampling, and flood forecasting and warning. The most important outcome of the studies is the publication of the 1987 Indicative Basin Plan. This plan made quite substantial changes in water resources management paradigms and approaches, such as new emphases on environment and resettlement<sup>2</sup>.

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<sup>2</sup> Jacobs, Jeffrey (2002). The Mekong River Commission: transboundary water resources planning and regional security. *The Geographical Journal*, Vo.168, No.4, December 2002, pp.354-364

In 1990s, the end of the cold war led to stronger cooperation in the region. The subregion has received funding from ADB and World Bank, EU, and other donor organizations. In 1992, ADB proposed Greater Mekong Subregion Economic Cooperation Program (GMS). In April 1995, Cambodia, Laos, Thailand, and Vietnam signed an agreement on `The cooperation for the sustainable development of the Mekong River Basin`. This agreement gave birth to the Mekong River Commission (MRC) which replaced the Mekong Committee.

The Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin came into being as the four countries saw a common interest in jointly managing their shared water resources and developing the economic potential of the river. Signed on 5 April 1995, it set a new mandate for the organization "to cooperate in all fields of sustainable development, utilization, management and conservation of water and related resources of the Mekong River Basin". Since the 1995 Agreement, the Mekong River Commission (MRC) has launched a process to ensure "reasonable and equitable use" of the Mekong River System, through a participatory process with National Mekong Committees in each country to develop procedures for water utilization. The MRC is supporting a joint basin wide planning process with the four countries, called the Basin Development Plan, which is the basis of its Integrated Water Resources Development Programme. The MRC is also involved in fisheries management, promotion of safe navigation, irrigated agriculture, watershed management, environment monitoring, flood management and exploring hydropower options. The MRC is funded by contributions from the four member countries and from aid donors. Formal consultation with the donor community is carried out through an annual Donor Consultative Group meeting.

The lower Mekong cooperation is quite progressive through the MRC which plays very important role in bringing together all the four lower Mekong countries to discuss and manage the river. However, the activities of MRC mainly focus on technical cooperation rather than political and economic front. Moreover, the upper Mekong countries, China and Myanmar are not members of the MRC. Their absence inhibits a comprehensive management of the river.

## **2. Key Actors**

***United Nations.*** In 1957, under the United Nations' support, the Mekong River Committee was established in which four lower Mekong countries are the member: Thailand, Laos, Cambodia, and Vietnam. In 1995, with the consultation and negotiation between UNDP and the members of MRC, an Agreement on Cooperation for the Sustainable Development of the Mekong River Basin was signed. MRC is an implementing agency with its headquarter now in Vientiane. In 1996, Myanmar and China assumed observer status. The MRC's mission is to "promote and coordinate sustainable management and development of water and related resources" for the benefits of the all people in the region. The main challenge for the MRC is the lack of capacity to address adequately the threats to the river and its people.

***Asian Development Bank.*** In addition to the work of MRC, with the support from the Asian Development Bank, Greater Mekong Subregion (GMS) cooperation framework was established to promote economic cooperation between six countries in the region and to provide international recognition of a subregional growth zone. In 1992, with ADB's assistance, the six countries entered into a program of subregional economic cooperation, designed to enhance economic relations among the countries. The program has contributed to the development of infrastructure to enable the development and sharing of the resource base, and promote the freer flow of goods and people in the subregion. It has also led to the international recognition of the subregion as a growth area. A wide range of programs have been designed and implemented such as agriculture, energy, environment, human resource development, investment, telecommunications, tourism, trade, transport, multisector, and development of economic corridors. In addition several working groups were established to discuss and determine challenges and development trajectory for the Subregion such as working group on agriculture, human resource development, and HIV/AIDs.

***ASEAN.*** To link GMS with ASEAN, the 1995 ASEAN Summit created the ASEAN-Mekong Basin Development Corporation (AMBDC). The main pillar of the AMBDC is a

proposed railway corridor from Singapore to Kunming, Yunan through peninsular Malaysia Thailand, and Laos, with branches connecting Cambodia and Myanmar. However, after a decade of its ineffective and inefficient work, ASEAN decided to dissolve the autonomous AMBDC Council in 2006 and bring oversight of the AMBDC back to the ASEAN finance ministers.<sup>3</sup>

**China.** Mekong region is the strategic and economic backyard of China. China always pays serious attention to this region in multidimensional ways (politics, economics and culture). China has increased economic and strategic interests in the Mekong region in the last decades and now China is becoming the top trader, investor, and aid donor in the region. China becomes dialogue partner of the Mekong River Commission in 1996 and provides upstream hydro-meteorological data during the wet season since 2002.

Key areas of functional cooperation include energy, security, trade and investment, infrastructure development (road connection), financial assistance, and people diplomacy. China's charming aid diplomacy has gotten effective strong political support from the region especially Cambodia.

Regarding the joint development of the Mekong River, China has been actively engaged with the Mekong countries especially after Chinese representative attended the Mekong Summit in Thailand in 2009. At the meeting of Mekong leaders in April 2010 in Thailand, China agreed to provide hydro-meteorological data concerning the operation of its dams on the mainstream Mekong during the current dry season. In addition, in June 2010 China allowed experts and policy makers from the Mekong region to visit the hydropower dams located in Yunan Province in order to increase mutual understanding and to. In June 2010, China provided a training course on flood and disaster management for the Mekong countries. In general China is strengthening dialogue and partnership with the Mekong countries in managing regional public goods.

**India .** Since 1989, under the Look East Policy, India has engaged in the Mekong region and ASEAN quite actively. The Mekong Ganga Cooperation (MGC) was established on

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<sup>3</sup>Weatherbee, Donald E. (2009). International Relations in Southeast Asia, The struggle for autonomy. Lanham: Rowman & Littlefield Publishers, pp.121-122.

10 November 2000 at Vientiane in the First MGC Ministerial Meeting. It comprises of six Member countries, namely, Thailand, Myanmar, Cambodia, Lao PDR, Vietnam, and India. There are four key cooperation areas: tourism, culture, education, and transportation linkage in order to be solid foundation for future trade and investment cooperation in the region.

The working mechanism for MGC consists of the Annual Ministerial Meeting (back to back with ASEAN Ministerial Meeting), the Senior Officials' Meeting, and the five Working Groups namely: Working Group on Tourism, Working Group on Education (HRD), Working Group on Culture, Working Group on Communication & Transportation, Working Group on Plan of Actions.

**Japan.** Japan is actively engaged in Mekong development mainly through infrastructure development, human resources development, and technical support. Japan-Mekong initiative is marked by the Japan-Mekong exchange year 2009 and the first Japan-Mekong Summit in November 2009. There are three pillars under the Japan-Mekong Initiative: comprehensive development in the Mekong Region, Environment, Climate Change/Overcoming Vulnerability, and Expansion of Cooperation and Exchanges.

For the first pillar, Japan further develops the infrastructure for business opportunities through development of networks which connect production sites and industrial areas which dispersed across the Mekong region. Japan promotes public-private sector cooperation and assists developing harmonized economic rules and systems in each country of the Mekong region thereby improving region-wide economic activities particularly, logistics.

Regarding the second pillar, supports the Mekong region's efforts on issues of environment and climate change, particularly in reduction of green house gas emission and adoption of negative influences by climate change, by expanding financial and technical assistance, as well as by closely watching the progress of international negotiations. In addition, Japan helps ensure social stability and self-sustaining growth in the Mekong region and to facilitate further development, through providing assistance to overcome vulnerability for the cross-border issues such as infectious disease, and negative impacts of economic growth, such as expansion of economic disparity.

Concerning the third pillar, Japan actively promotes exchanges on parliamentarians and political parties, tourism by the joint efforts of private and public organizations and supports the protection of cultural heritages.

*United States.* 2009 marked the return of the United States to the Mekong region. The first US-Lower Mekong Meeting in Phuket, Thailand, marked the milestone of the relationship. Three top priority areas that US are supporting the Mekong region are environment, health, and education. As far as environment is concerned, US spends more than \$7 million in 2009 on environmental programs in the Mekong Region. Programs in this area include: Development of “Forecast Mekong,” a predictive modeling tool to illustrate the impact of climate change and other challenges to the sustainable development of the Mekong River Basin; An agreement between the Mekong River Commission and the Mississippi River Commission to pursue a “sister-river” partnership to improve the management of trans-boundary water resources; Support for projects that promote the sustainable use of forest and water resources, preserve the tremendous biodiversity of the Mekong Basin, and increase access to safe drinking water; The U.S. is seeking Congressional approval for an additional \$15 million in 2010 for assistance related to improving food security in the Mekong countries.

U.S. assistance to the Mekong countries in the health field is over \$138 million in 2009, and focus on the following areas: HIV/AIDS – working in partnership with Mekong countries, ongoing U.S. assistance has contributed to the 50% reduction in HIV/AIDS infection rate in Cambodia, and provided treatment and prevention services to over 2 million people across the region; Pandemic influenza – the U.S. has provided \$95 million since 2006 to support ongoing programs in Mekong countries to prepare for, and respond to threats from, outbreaks of pandemic influenza. Malaria and tuberculosis – U.S. assistance supports the tracking, identification and treatment of multi- drug resistant malaria and TB in the Mekong region.

U.S. assistance in the area of education for 2009 totals \$16 million, including: Support for more than 500 student and scholarly exchanges with Mekong countries each year through the Fulbright Program and other educational programs; Support for increasing basic education enrollment and expanding broadband Internet connectivity in

rural communities; Plans to hold a “U.S.-Mekong Forum on the Internet, Education and Development” to promote best practices and regional collaboration on the use of internet connectivity to foster development.

### **3. Environmental Cooperation**

***Basin Development Plan.*** The Basin Development Plan (BDP) is a core program of the MRC which contribute to acceleration of interdependent sub-regional growth base on investment and sustainable development. BDP covers all major type of water related activities areas such as irrigation, watershed management, fisheries, hydropower, navigation, flood management and mitigation and domestic and industrial use of water. This is such a good coverage for development sectors since each country has different kind of resources and potential, according to where that country is geographically located. For example country of the upper Mekong might possibly get more chance to develop in hydropower while the lower basin countries focus more on fisheries and agriculture productions.

Within the framework of GMS, there is a comprehensive program under the name GMS Core Environment Program and The establishment of the Biodiversity Conservation Corridors Initiative (BCI), which intensify integrated and multi-sectoral planning and development approaches that promote sound environmental practices in the GMS economic corridors.

***Water Utilization.*** Water resource of the Mekong River is an important source for lives, especially to people who live along the basin. Water can provide a lot of potential benefit; of course, water can be used in many purposes in socioeconomic of development. Simply speaking, water of the Mekong is the main source for producing drinking water, for irrigation, fisheries and agriculture and so on. Therefore, the significant aspect of water utilization will become a domain factor that has to be paid much attention in the course of management and sustainable development.

**Environment.** Mekong Basin is considered a rich environment, ecosystem and biodiversity. This is one of the potential factors that have been naturally ascribed to the region and people. The lower Mekong River Basin has a population of approximately 70 million and the great majority of the inhabitants are farmers and fishers, depending directly on the natural resource base. The integrity of the Basin's ecology is thus vital to their social, cultural and economic well-being. Such environment which has been formed by nature is an immense resource for the people through out generations. Moreover, the soil of the Mekong is fertile enough for various kinds of plant and crop. That's why people who live along the basin have their farm full of different types of plants and vegetation through out the year.

Regarding environmental protection, there are two key strategies: Establish common framework and necessary operational capacity for addressing environmental protection and management challenges of the GMS Economic Cooperation Program and Prevent and mitigate environmental hazards and threats from environmental degradation in the subregion.

Although the Basin is relatively unpolluted, rapid economic development coupled with increasing population pressure is degrading the environment and the Basin's resources at an increasing rate. It is imperative to do something now to have a positive impact on the future. This is why the environment program aims to maintain the health of the river through a strategy of monitoring, management and education. According to the World Bank report on water quality survey, water quality is declining, especially in the lower reach of the Mekong River. Water pollution of the Mekong River is a core issue that must be taken measure to prevent. Unclean water will badly affect people's health and socioeconomic development. Recently, in Cambodia, the water of Mekong River was polluted by increasing number of textile, dyeing, manufacturing and extractive industries that where located nearby the main stream of the Mekong. Those factories might discharge wastewater into the river even though they are required by the authority to have wastewater effluent standards and the requirement of an effluent discharge permit. So, I think this might not be the only case for Cambodia related to the problem of water pollution, but it is a possible problem that might happen to other member countries of the

Mekong Basin, especially, those countries that develop their industrial sector without environmental protection mechanism.

***Fisheries.*** Fisheries play a vital role providing food security and hard income for many impoverished rural families. The total value of the fisheries is about US\$2,000 million. This estimate certainly understates the macro-economic significance of the fisheries sector because it does not include the incremental value derived from resale, exports or associated industries. Even so, the fisheries make significant contributions to the economies of all four riparian countries.

***Agriculture and Irrigation.*** Most of the countries in the Mekong basin are agriculture based countries or at least millions of populations who are residing around the basin are farmers. I think this is the beneficial factor that allows various agriculture activities. Therefore, member countries want to maintain the function of watersheds for the future. It also looks at how the management of these watersheds can interact positively with holistic access to the development of tourism and recreation sectors, fisheries development and flood management efforts. I think countries of the lower basin have strong capacity to involve in development of various kinds of agriculture products such as rice plantation.

***Hydropower.*** Main Stream of Mekong River and its tributaries are a potential source for construction of hydropower and dams. There are clear purposes to identify the best option for sustainable hydropower development in order to strengthen member countries' capacity for hydropower planning and development. Hydropower development of the Mekong Basin is not only referred to the construction site on the Mekong River itself but also included those tributaries along the Mekong. Associate with the development of hydropower, several significant hydropower dams are already taking place in Laos and Vietnam. As for the Upper Mekong Basin, China proposed several dams construction project. Most countries in the region are facing high demand of electricity for the future development of their industrial sector; thus they need to get hydropower from the Mekong and its tributaries.

***Fisheries problem.*** Fisheries are one of the sources of protein for population around the basin. The countries in the lower Mekong basin can make large income from fisheries production. However, in the near future, fish from the natural river might become scarce and eventually unable to provide enough quantity and quality to the basin population if no sustainable fishing methods are introduced. Lack of law enforcement on fishing will cause serious damage to the fish production in the local and regional basin. Authority of each member country should pay attention to prevent fishing during the hatching season. About 1,200 species of fish have been identified in the Mekong River system. Several fish species in the sub-region's rivers are already endangered and, if protective measures are not taken soon, many more could become endangered. The problem of fish shortage might relate to many possible reasons within the context – increasing number of population, lack of law enforcement to protect certain species that tend to extinct.

***Impacts of the hydropower development.*** Although the dams provide lots of benefits for electric power, irrigation system and flood control, they can change the flow of the river. It is a physical barrier to fish migration. Also dams that substantially regulate flow will typically decrease wet season flows and increase dry season flows. However there is a potential for conflict among major water use interests in the region if hydropower is allowed to develop indiscriminately. This would be the case particularly if the hydropower operations significantly altered the flow pattern of the mainstream Mekong changing the water quality regime or blocking the free passage of fish and other aquatic organisms. It is important to consider about a balance development of hydropower in relation to other water use in the main river and its tributaries. I think the course of hydropower development on the Mekong system should be carefully considered to manage a balance advantage and disadvantage between member countries; because some of them might get serious impact from dams' construction – for instance the lower basin countries that base on agriculture and irrigation system.

More than that, hydropower construction will be an impact to socio-economic and environmental issues such as – destruction of forest and biodiversity around the site due to construction of access road and construction camp and so on. Destruction of forest has

a dual negative impact – it reduces the biodiversity value of the area and endangers rare or threatened species. At the same time deforestation destroys the flood buffering and soil protection capacity of the river catchments. Hydropower dams will result in changing of flood pattern of the main stream and tributaries. Therefore, it will seriously affect fish production, life cycle, and traditional land use and ecological conditions which are adapted to the seasonal flood pattern. Consequently, resettlement and compensation for loss land and income opportunity are key problems when land is taken for reservoir or necessary structures. More or less, they will damage indigenous culture of the local people – ethnic minority groups. If this is the case, I think this is a sign of development that will increase refugees due to relocation of local people; eventually they might become landless or homeless.

***Flood disaster problem.*** Every year, flood of Mekong River and its tributaries cause tremendous catastrophe to the villages of the lower basin. It destroys many lives, properties, lands and agriculture products and so on. Usually, between June and September the level of river bed gradually rises due to rainy season and water that is collected from tributaries. So, flood is a major concern for people of the lower basin; needless to say, it is an obstacle to socio-economic development, especially irrigation and agriculture sector.

**Climate change.** Climate change has impacted the Mekong region to some extent and its potential impact is really huge. The changing seasonal rains have changed the normal flow of the Mekong River and adversely impacted on the crop cultivation. The sea level is rising in the Mekong Delta of Vietnam which is threatening ten of thousands of people whose livelihood rely much on fishery and agriculture. Responding to such risks, the leaders from the Lower Mekong countries (Cambodia, Laos, Thailand, and Vietnam) issued a joint statement during the meeting in Hua Hin, Thailand in April 2010 to prioritize climate change and adaption mechanism.

#### **4. Economic Cooperation**

***Energy cooperation.*** Energy cooperation is one of the top cooperation agendas in the Greater Mekong Subregion. It aims to enhance access to modern energy to all sectors/communities, develop/ utilize low carbon and renewable domestic resources while reducing oil dependence, improve regional energy cooperation and security, and promote private participation in GMS energy development.

Four key strategies for energy cooperation include broadening GMS energy cooperation through enhanced efficiency and security, and sustainable development of energy resources; regional power trade development: building capacity for power trade operation, coordination and grid interconnection; regional power trade development: Implementing key GMS interconnection projects; regional power trade development: developing generation projects for power exports

***Infrastructure Connectivity.*** North-South Corridor and East West Corridor are the two backbones of road connection and integration in the GMS. It is believed that through infrastructure connection, economic corridor can be created. Key strategies for infrastructure connectivity are:

- Complete key parts of the GMS transport network and improve links with other regions and subregions
- Transform transport corridors into economic corridors
- Mobilize private sector participation in transport sector activities
- Promote the development of modes other than road transport and competition between transport modes
- Facilitate implementation of transport-related training programs
- Address transport-related negative impacts

***Telecommunications.*** Telecommunications play significant role in pushing economic integration through communication cost reduction, policy coordination, and information sharing. The GMS Information Superhighway Network is being implemented.

Key strategies for telecommunication cooperation in the GMS are:

- Establish sustainable mechanisms for cooperation in the telecommunications sector
- Strengthen capacity for the operation and management of the telecommunications sector
- Formulate and implement telecommunications sector policy reforms, and develop strategy and plan to enhance private sector participation in the sector
- Complete the GMS Information Superhighway Network and Telecoms Backbone
- Promote Information and Communications Technology applications for development and poverty reduction in the GMS

**Tourism.** There is a plan to promote the subregion as a single tourism destination and develop tourism-related infrastructure. For example, *Visit Mekong Years* (2009-2010) campaign was created to attract more tourists to the region.

Strategies for tourism development in the region are:

- Foster the development of multi-country tourism in the subregion by stimulating demand from appropriate high-yield markets and products through joint promotional activities
- Upgrade the skills of tourism leaders and tourism trainers of the subregion
- Promote higher standards in managing natural and cultural resources for conservation and tourism purposes, and enhance measures to manage the negative social impact of tourism
- Help reduce the incidence of poverty and increase rural incomes in poor areas
- Encourage private sector participation and partnerships in planning, investment, and marketing of the tourism sector
- Identify and address impediments to travel to and within the subregion
- Jointly plan and develop tourism infrastructure to ensure a wider distribution of tourism benefits and support pro-poor tourism development in designated priority zones

***Agriculture.*** Agriculture is the main contributor to the economic development and poverty reduction in the Mekong region given more than 70 percent of the total population are living in the rural area and their livelihood rely much on agriculture. Agricultural cooperation the region aims to further promote cross-border agricultural trade, ensure food safety, and improve farmers' livelihoods.

Key strategies for this area are:

- Facilitate cross-border trade and investment in agriculture
- Promote public-private partnership in sharing agricultural information
- Enhance capacity in agriculture science and technology
- Establish emergency response mechanisms for agriculture crises
- Strengthen institutional linkages and mechanisms for cooperation in agriculture

**Human Resources.** The lack of human resources is the main constraint in developing the region. It is necessary for the Mekong countries to invest more in education and training. At the regional cooperation level, there is a need for regional countries to assist each others in education, training, and research.

Working plans for human resources development are:

- Develop and implement cooperative arrangements for addressing human resource issues in health, education, and labor, with focus on impacts of cross-border activities on human resources, and human resource development activities with cross-border implications
- Facilitate opportunities for expanded networking arrangements among academic and research institutions/networks in the GMS to foster complementation and synergy of programs, and for pooling of resources to achieve long-term sustainable capacity building and competitiveness
- Support transfer of knowledge and experience leading to improved skills and competence of the subregion's labor force, and contribute to improved capacity to respond to labor-related issues

- Strengthen the subregion's human resource capacity in harnessing the benefits from advanced science and technology

**Trade and Investment.** The regional leaders are trying to create a conducive, favorable, and competitive environment to facilitate trade and investment in the region. Through trade and investment, the region will become a single market, single regional production base or network, and attractive investment destination for the investors from the region and outside.

There are several tools to support this plan:

- Implement the Strategic Framework for Action on Trade Facilitation and Investment
- Implement the GMS Cross-Border Transport Agreement
- Help eliminate impediments to the freer flow of trade and investment in the subregion
- Foster private sector participation in the GMS Program through the development of network of private sector institutions and organization of conferences on investment opportunities, marketing of shared subregional products, and access to technology

## **Conclusion**

Environmental and economic cooperation in the Mekong region is pushed by both international and external actors. With the financial and technical support from the United Nations, Asian Development Bank, ASEAN, and regional superpowers, Mekong region has been evolving quite robust. There are several key players in Greater Mekong subregion such as China, India, Japan, US, ASEAN, UN, and ADB. These actors both cooperate and compete each others to gain influence in the region.

Mekong region is embedded with both opportunities and challenges for regional cooperation. Different national interests are the main constraint towards common

regional interests. Through institutional improvement especially the Mekong River Commission and Greater Mekong Subregion Project, the region can better cope with challenges. The future of Mekong Subregion lies on the cooperation among the key actors and the strengthening of the regional institution. It calls for the support international donor community to implement the nine priorities adopted in the joint statement by the Mekong leaders in April 2010.

- Adopting and implementing the IWRM-based Basin Development Strategy;
- Intensifying efforts to effectively manage the risks from flood, drought and sea level rise including establishment of forecasting and warning systems across the whole basin;
- Facilitating an international legal framework that encourages river navigation and trade;
- Researching and addressing the threat to livelihoods posed by climate change and cooperating with other regional partners in addressing haze pollution;
- Monitoring and taking measures to improve water quality in priority areas of the Basin;
- Sustaining the existing and future uses of water and related resources, and aquatic biodiversity, wetlands and forests in the Basin;
- Identifying and advising on the opportunities and challenges of hydropower and other infrastructure development in the Basin, especially risks as they pertain to the protection of food security and livelihoods;
- Continuing to improve the implementation of the Procedures for Data and Information Exchange and Sharing, the Procedures for Water Use Monitoring, the Procedures for Notification, Prior Consultation and Agreement and the Procedures for Maintenance of Flows on the Mainstream and finalize the Procedures for Water Quality;
- Exploring and identifying opportunities for expansion of cooperation between the organization's current Dialogue Partners and Development Partners, in particular to address common water resources and climate change challenges, as well as identifying new Development Partners and other stakeholders.

**Map 1: Greater Mekong Subregion**



**Map 2: Infrastructure connectivity in GMS**

