


# KUNMING DECLARATION

## A STRONGER GMS PARTNERSHIP FOR COMMON PROSPERITY

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### **Preamble**

1. We, the Heads of Government of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam, met in Kunming, China for the Second GMS Summit. We were pleased to be joined in our discussions by the President of the Asian Development Bank (ADB).

2. At the First GMS Summit in Phnom Penh three years ago, we set our vision of an integrated, harmonious and prosperous sub-region, and our vision of a GMS characterized by steady economic growth, social progress and environmental sustainability. With our joint efforts, our vision is gradually being turned into reality.

3. Today, we reaffirm the commitments to our vision. We are determined to carry forward our development agenda that seeks to fulfill its vast potential, lift people from poverty and promote sustainable development for all. And we resolve to achieve that goal by further enhancing connectivity, competitiveness and community building.

### **I. Achievements and Challenges**

4. We are encouraged by the success of GMS cooperation over the past 13 years and appreciate the significant progress achieved so far, particularly since the first GMS Summit. We are satisfied with the evolvement of a more integrated, focused and policy-oriented

cooperation process, a stronger partnership among member countries and other stakeholders, as well as practical results generated from a wide range of specific projects and initiatives.

5. We acknowledge our individual and collective efforts and achievements obtained in enhancing important infrastructure and reducing non-physical barriers, especially in the energy and transport sector, in order to create a more desirable and competitive trade and investment environment. We also take note of our expedited and deepened cooperation in such fields as telecommunication, environment, tourism, agriculture and human resources development, all of which are inherent components for advancing the GMS program. In particular, we are pleased with the significant progress in the alleviation of poverty in the GMS.

6. We witness the regional and global situation undergoing profound changes. Threats, old and new, are intertwining. We shall carry forward our future cooperation to tackle the threats confronting us, which include poverty, development gaps and emerging threats to human security, such as terrorism and cross-border crimes, especially drug smuggling and trafficking of human beings. The spread of infectious diseases such as HIV/AIDS, Avian Flu, environmental degradation, and the menace of natural disasters are also serious threats that call for greater surveillance and response preparedness.

7. To meet the challenge, we shall sharpen our vision and redouble our efforts for the future. We shall also consolidate the fundamental principles underpinning our success and reaffirm our commitment to partnership.

## **II. Guiding Principles for GMS Cooperation**

8. Throughout the GMS process, some commonly accepted principles have gradually developed from our cooperation. These principles have been playing a catalytic role in maintaining the momentum of the GMS process by laying down the ground rules, shaping our common agenda, and keeping us focused on the most pressing priorities. We highly value and, when moving ahead, shall stand steadfastly by the principles.

9. The principle of equality and mutual respect has constituted a solid foundation for our cooperation since the inception of GMS. GMS members share common aspirations for common prosperity of the sub-region. All members, despite the diversity in geographic and economic conditions, are equal partners in GMS cooperation and can exert concerted and

collaborative efforts in the pursuit of common goals.

10. Consensus-building in decision-making has been instrumental in enhancing solidarity in the sub-region. Coupled with flexibility on inter alia, timing and participation, this approach, to the largest possible extent, accommodates the different needs and concerns of different members while reflecting the common interests of all. We have managed to build broad-based support for our common development agenda, and above all, for advancing our process at the project-level by conducting thorough consultations and pooling our comparative advantages and strengths.

11. Pragmatism and an outward-looking orientation are key to bringing about the GMS vision. One of the most important lessons we have learned is that we can only be as successful as we are action-oriented, result-based and need-driven in our approach. By taking this approach, the GMS program has delivered practical results in a wide range of specific areas and brought significant benefits to our people.

12. The step-by-step approach has proven to be pertinent and effective in promoting the GMS cooperation. Given the enormous tasks ahead of us, we should expand and deepen our cooperation gradually, focusing on both short-term urgent priority programs and strategies based on longer-term needs. By doing so, we will cooperate in an orderly and effective manner with tangible results.

### **III. Road Ahead towards Sustainable Development**

13. In line with our vision, we reaffirm our commitments in pursuing the Millennium Development Goals (MDGS). We undertake to adopt appropriate policies and measures to accelerate GMS cooperation agenda as reflected in the GMS Strategic Framework. To this end, we will redouble our efforts in the following four key areas.

#### **\* Reinforcing Infrastructure for Development**

14. Cross-border infrastructure is key to economic development and prosperity in the region. A well-built, seamless, multi-modal infrastructure is essential to the facilitation of trade, movement of people and the provision of basic services throughout the whole region. We therefore commit ourselves to fully 'connecting GMS'. To that end, we commit to sustained and greater inputs to strengthen the sub-regional infrastructure linkages through a multi-sector and

holistic approach.

15. We support the development of a sub-regional transport sector strategy next year that will identify critical transport links not only among the GMS countries but also with our neighbors in South and Southeast Asia. We agree to complete the major transport links along the East-West corridor by 2008 and along the North-South and Southern Coastal corridors by 2010. To promote greater efficiency, we have agreed to expand cooperation in transport infrastructure to include railways, air transport and waterways.

16. We are encouraged by the considerable progress in negotiating the annexes and protocols of the Cross-border Transport Agreement and the commencement of its implementation. We instruct our ministers to complete the negotiations of the remaining annexes and protocols by the end of 2005 and to move with speed and purpose to implement the Agreement at an increasing number of border crossings. We will take all necessary domestic measures to ensure that the Agreement can be implemented starting in 2006.

17. We urge the accelerated completion of the telecommunications fiber optic network. We will work together to harness the power of ICT to transform the digital divide into a digital dividend by using it to empower people and build knowledge-based economies. The implementation of the GMS Information Super Highway will be at the core of this endeavor.

18. We are also committed to move swiftly to complete the work on the power trade operating agreement that will create transparent rules and regulatory framework for regional power trade. We have agreed to ensure sub-regional energy security by expanding energy cooperation to include improvement of energy efficiency and alternative sources of energy especially on biofuel by making use of our agricultural products that are available within the sub-region.

**\* Improving Trade and Investment Environment**

19. The GMS is committed to creating a conducive and competitive environment for trade, investment and private sector development. To strengthen market fundamentals, we will promote financial efficiency, a sound policy and institutional, legal and regulatory framework, and undertake further facilitation and harmonization of trade and investment regimes.

20. We endorse the GMS Strategic Framework for Action on Trade Facilitation and Investment

(SFA-TFI) that commits to time-bound, specific measures to reduce trade and business transaction costs in the sub-region. We direct the ministers and officials to develop and implement concrete plans of actions to give effect to the SFA-TFI in close collaboration with our development partners, including the private sector.

21. We recognize the private sector as the engine of GMS growth and value its contribution. We must make greater efforts to build the capacity of GMS Business Forum and to ensure a more active role for it. We welcome the fruitful outcomes from the dialogue between us and the business community on 4 July. To maximize the potential of the private sector, we will ensure that industry and business are involved in the planning and implementation of GMS programs so that these become relevant and responsive to their needs.

**\* Strengthening Social and Environmental Infrastructure**

22. Social infrastructure holds another key to realizing our vision for reduced disparities and common prosperity because it enables social equity and the harmonization of our community. Hence, we affirm our unyielding commitments to accelerate domestic and sub-regional efforts to create an enabling environment for improving social infrastructure including increasing human and institutional capacity building.

23. We affirm that poverty alleviation remains at the core of our development efforts. Despite the considerable progress made, poverty endures. The levels of poverty are still unacceptable. The high rates of economic growth we have recently witnessed motivate us to further eradicate poverty so that the benefits of growth are equitably distributed. We shall continue to direct our regional initiatives to impact positively on the poor. In order to maximize these efforts, we shall call for more holistic community based actions which integrate all efforts from multi-sectors and stakeholders by providing them with greater opportunities for economic and social infrastructure.

24. We are aware that the agricultural development is essential to poverty reduction since poverty is largely a rural phenomenon across the GMS. Thus, we pledge to accelerate cooperation in the agriculture sector, giving priority to improving farmers' livelihood and ensure food security for the poor through technical assistance such as the launching of the GMS agricultural information website. We will focus on collaborative efforts on the cross-border dimensions of agriculture. We therefore call for the early convening of the meeting of the GMS

agricultural ministers. We also agree to take up the issue of prevention and control of animal epidemics among GMS countries.

25. We emphasize the importance of knowledge and technologies in improving our competitiveness. We are also convinced that human resource development represents great potential for development in the sub-region. We are determined to better empower our people and enhance human capacities to face the challenges of globalization. Our public institutions have to be better equipped to design and manage a complex development agenda. We acknowledge the effective role of Phnom Penh Plan in building capacity and urge the expansion of this well-designed program to maximize coverage and to expose our officials to cutting edge development technologies. To bridge the knowledge gap and give us the competitive edge in world markets, we will also step up efforts at building knowledge-based society through expanded cooperation in education and training and by way of developing tertiary education institutions and promoting their networking.

26. In the wake of new health threats such as SARS and avian flu, we will step up cooperation in health programs. In 2005, a communicable disease control program will be established. It will strengthen surveillance and coordination systems at our borders. In this context, we urge the Ministers to consider establishing a continuing mechanism to strengthen health surveillance and coordination.

27. Environmental conservation and sustainable management and use of shared natural resources in the Mekong river basin are vital to the sustainable development in the sub-region. We are determined to protect our natural environment and are committed to use our natural resources wisely. We reaffirm to undertake our commitments to the environmental protection as set out in the Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity adopted on 29 November 2004, Vientiane, Lao PDR. We welcome the recommendations by the ministers on the implementation of core environment program, together with local communities and development partners at their meeting in Shanghai, China in May 2005. We congratulate the GMS Environment Ministers for launching the Biodiversity Conservation Corridors initiative and the three-year action plan. This will conserve our terrestrial biodiversity and protected areas in the economic corridors as they are developed.

28. Tourism is a key job creator in the GMS and brings particular benefits to local communities.

It is universally recognized as an area of GMS comparative advantage. We welcome the recommendations of the GMS Tourism Strategy Study to support a more holistic and coordinated approach to tourism development, including the implementation of identified high-priority projects, and the promotion of pro-poor and environment-friendly tourism. We urge the marketing of the GMS as a single tourist destination and encourage further work to develop a GMS visa.

29. The considerable initiatives in physical, environmental and social infrastructure, and in trade and investment, will require strengthened GMS institutional capacities, and especially, in the GMS national secretariats. We are committed to strengthening those capacities to better coordinate and manage GMS Program.

**\* Mobilizing Resources and Deepening Partnership**

30. We have to find the significant financial resources to implement our priority development programs. The development community has become our staunch ally. We greatly value its contribution to our cooperative efforts. We will strengthen and expand our relationships with development partners to draw on their considerable reservoirs of expertise and resources. We will also intensify partnerships with the private sector, academe and civil society organizations.

31. We recognize and highly appreciate the unique and dynamic role that ADB has played in catalyzing and supporting the GMS program. Its task, however, has become more complex and urgent. ADB needs to play an even larger role and to support us at higher levels of resource and knowledge transfers. Its role in bringing the GMS onto the center stage of economic integration in Asia will be crucial.

32. We look forward to meeting again at the 3rd GMS Summit in Lao PDR in 2008.

**33. In conclusion, we pledge ourselves to a closer and stronger GMS partnership for common prosperity. We are confident that with our concerted effort the vision we embrace here will over time come to full fruition.**