

Mekong Policy Dialogue: Evolving sub-regional architecture and ACMECS

Summary Note

The inaugural Mekong Policy Dialogue was held on 27 June 2019, at the Banyan Tree Hotel in Bangkok, co-hosted by Australia and Thailand. The track 1.5 dialogue brought together 70 government participants from member countries (Cambodia, Lao PDR, Myanmar, Thailand, Vietnam) of the Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), as well as other regional partners (China, India, Japan, New Zealand, South Korea, United Kingdom, United States of America, and the European Union). The meeting also included representatives from relevant multi-lateral agencies (UN, World Bank, Mekong River Commission), think tanks, civil society, and universities.

The Mekong Policy Dialogue was framed broadly around key gaps, challenges, and opportunities associated with an abundance of sub-regional architecture. The primary objective of the dialogue was to provide ideas and inputs for ACMECS. Its central themes included shaping sub-regional architecture to better meet the needs of ACMECS countries, governance arrangements, and standards setting.

The dialogue was based on policy-relevant research prepared for the event, and additional analysis and commentary, including specific recommendations. This was for government officials to consider as they explore ways for ACMECS to provide a value-added role to the sub-region's diverse development and cooperation architecture. The event was timed to allow it to be an input for the ACMECS Senior Officials Meeting held in late July.

The dialogue produced several ideas and recommendations for further consideration by ACMECS officials. Some seemed almost unanimously accepted as advisable actions, while others received more conditional or tepid support, reflecting the diversity of views and interests expressed.

1. Communication and Coordination

There was broad agreement that the 13 intergovernmental Mekong frameworks and the six Mekong sub-regional countries, as well as their development partners, would benefit from more regular and organized communication and coordination. Specific recommendations included:

- 1.1. ACMECS should clearly articulate its core functions and value added vis-à-vis other sub-regional frameworks. A clear statement of core functions and intended contributions to sub-regional cooperation would help improve coordination with other sub-regional frameworks, and would facilitate greater engagement and support by development partners.
- 1.2. ACMECS could commission or lead a full and comprehensive review of all 13 sub-regional frameworks. The objective would be to review current modalities of coordination between the sub-regional frameworks, areas of overlap and complementarity, information accessibility, and standards.
- 1.3. ACMECS could develop a vision statement for Mekong sub-regional architecture and cooperation, similar to various ASEAN statements, that would inspire and inform sub-regional architecture generally and ACMECS specifically.

- 1.4. An umbrella mechanism could be established, possibly by ACMECS, to facilitate communication and coordination between and among the 13 frameworks to reduce redundancy and increase efficiency; as well as to engage collectively with development partners and other actors, including universities, civil society, and think tanks.

2. Information and Transparency

Dialogue participants emphasized the need for more access to (and exchange of) information by the various sub-regional mechanisms, to enhance cooperation, reduce overlap, and improve transparency. Specific ideas and recommendations included:

- 2.1. A virtual information repository or “clearing house” could be established by ACMECS, covering all of the sub-regional frameworks to reduce redundancy and uncertainties. This repository could include specific project information, budgets, expenditures, and commitments.
- 2.2. More track 1.5-level dialogues could be organized with ACMECS to inform future directions on sub-regional architecture. These forums are a useful platform to draw on diverse and informed views of academics, civil society, think tanks, and affected communities, via reports and articles and participation in dialogues. Future dialogues could help improve transparency, inform strategy, and improve safeguard requirements for ACMECS and other sub-regional mechanisms.
- 2.3. A “terms of reference” template (similar to that of the GMS) on projects could be developed and used by ACMECS and the other frameworks, for a consistent means of understanding and comparing projects in the sub-region.

3. Standards and Safeguards

Participants raised concerns on the current environmental and social norms and safeguards used by the various sub-regional frameworks. Specific ideas and recommendations included:

- 3.1. ACMECS could develop common social and environmental standards that would apply to (or create a model for) all frameworks.
- 3.2. ACMECS, in coordination with donors and development partners, could establish a Facility for preparing new projects, applying standards to lift the quality of project proposals. This would allow ACMECS and other frameworks to spend more time at the early project stage to screen, improve, and preempt potentially dangerous problems and costly corrections. At the same time, ACMECS and other frameworks could standardize approaches to financial/economic analysis and the application of safeguards, so that project options are assessed in comparable ways.
- 3.3. Given the extensive experience in safeguards globally, dialogue participants suggested that ACMECS could promote standards and norms, drawing on sub-regional and international models and experience. Relevant methods for improving the quality of sub-regional investment include: sector-wide, strategic assessments; standards-friendly contracts, procurement rules, and practices; third-party monitoring; project life-cycle monitoring; local grievance mechanisms; “blended” finance including investment with constructive conditions attached; and investments that specify how risks and adverse impacts will be mitigated.

4. Connectivity

Connectivity is a common theme for nearly all 13 Mekong sub-regional frameworks. The term is used for both “hard” infrastructure projects and “soft” people-to-people connections. Specific ideas and recommendations included:

- 4.1. ACMECS could lead a process with other frameworks to collectively clarify and prioritize the sub-region’s infrastructure connectivity needs. In this way, ACMECS could promote “healthy competition” in addition to complementarity, and identify and analyze trade-offs in addition to “win-win” scenarios.
- 4.2. ACMECS could lead a process with other frameworks to create uniform construction codes and approaches, to optimize integration of new infrastructure across borders. The challenge of different railway gauge settings was acknowledged as an example of poorly coordinated development that ACMECS could potentially address.
- 4.3. ACMECS could establish a single-visa scheme for mainland Southeast Asia in lieu and in advance of a comprehensive ASEAN scheme (“Five Countries, One Destination”).
- 4.4. ACMECS could promote the establishment of a “one-stop shop” for customs and border inspection, and review linkages between and among trade privileges, regulations, and requirements—particularly for SMEs.
- 4.5. Development partners should take into better account the absorptive capacity differences among ACMECS member states, being more realistic about what can actually be delivered, maintained, and sustained.

5. Water

The ACMECS Master Plan 2019-2023 includes reference to environmental cooperation, including for water resources management. The following ideas and recommendations were made:

- 5.1. ACMECS should strengthen linkages with and between water-focused frameworks.
- 5.2. ACMECS and other frameworks should be cognizant of whole-of-river-basin planning, underpinned by joint baseline assessments of the ecological and socio-economic status of various national and trans-boundary basins.
- 5.3. ACMECS should support and strengthen the participation of local communities in improving water resource management.

The background papers and presentations already provided, of course give much more detail for reflection.

On behalf of the Australian Embassy and The Asia Foundation, we wish to thank you for your participation and constructive contributions.

Paul Stephens
Deputy Head of Mission
Australian Embassy, Bangkok

Thomas Parks
Thailand Country Representative
The Asia Foundation, Bangkok

20 August 2019