

# Implications of a Crowded Field:

Sub-regional architecture in ACMECS Member States

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# IMPLICATIONS OF A CROWDED FIELD: SUB-REGIONAL ARCHITECTURE IN ACMECS MEMBER STATES

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## Introduction

Sub-regional architecture in mainland Southeast Asia is becoming more complex and competitive, reflecting its growing geopolitical importance. ACMECS member states (Cambodia, Lao PDR, Myanmar, Vietnam and Thailand; CLMVT) are seeing important new opportunities, but also challenges from the suite of other sub-regional initiatives. Thirteen Mekong-related intergovernmental cooperation frameworks have been established since 1957. Within this crowded field, the CLMVT countries face the challenge of advancing a coherent and progressive agenda for themselves.

This paper is intended to outline the 13 Mekong-related frameworks from a “big picture” standpoint, focusing on how they resemble, complement, overlap with, and potentially compete with one another. How are the 13 frameworks similar? How are they different? What are their principles, partnerships, and priorities? What are the implicit or explicit trends that define some or all of the frameworks collectively? And what could be done—by ACMECS or others—to compensate for any gaps or add clear value?

This paper is based on desk research of publicly available information found in websites, press releases, public statements, news articles, and organizational reports. Most comes from the frameworks themselves.

Abbreviations are used throughout for the following 13 frameworks:

- Ayeyawady-Chao Phraya-Mekong Cooperation Economic Strategy – ACMECS
- Agreement on Commercial Navigation on Lancang-Mekong River – ACN
- ASEAN-Mekong Basin Development Cooperation – AMBDC
- Cambodia, Laos, Myanmar, Vietnam cooperation – CLMV
- Cambodia, Laos, Vietnam cooperation – CLV
- Greater Mekong Subregion (economic cooperation chaperoned by ADB) – GMS
- Initiative for ASEAN Integration – IAI
- Lancang-Mekong Cooperation (led by China) – LMC
- Lower Mekong Initiative (led by the US) – LMI
- Mekong-Republic of Korea cooperation – Mekong-ROK
- Mekong-Ganga Cooperation (led by India) – MGC
- Mekong-Japan Cooperation – MJC
- Mekong River Commission – MRC

## The Big Picture

There are many “Mekongs”: delta, river, basin and sub-region. Five of 13 sub-regional frameworks invoking the Mekong were founded by non-regional countries, four of them since 2007. This reflects not only the sub-region’s importance to countries outside of mainland Southeast Asia, but also how that has increased in recent years. The MGC was established by India in 2000; the MJC by Japan in 2007; the LMI by the US in 2009; and the Mekong-ROK by South Korea in 2011.

China’s LMC framework is the most recent (2015) and the most unique. While China is adjacent to mainland Southeast Asia, it has great influence on the sub-region, as it is the largest trading partner for all five countries and a rapidly growing source of infrastructure finance. China also hosts roughly half of the Mekong River’s length in its southern Yunnan province, and is the only entirely upstream country. The LMC is thus both an external and internal framework.

Because of their non-regional status, the nations behind these initiatives have been forthcoming in explaining their interest and involvement. For example, India has noted that the Mekong sub-region “has geopolitical significance and economic weight” and is “located at the juncture of enormous emerging markets of Asia, such as China, India and other ASEAN countries, with a population of ... nearly half the entire world.” Indeed, the combined population of China, India, and ASEAN alone is over 3.3 billion. In early 2018, China described the LMC as a response to a “rising backlash against globalization and protectionist sentiments and a lack of momentum in East Asian cooperation”.

All eight of the other intergovernmental cooperation frameworks (including ACMECS) were established by or for riparian Mekong nations, demonstrating their indigenous nature, and all were founded before 2004. Several are very specific to the Mekong River or its basin, evidencing the early recognition by states that coordination was necessary to ensure that the river’s use, resources, and economic potential would be mutually beneficial.

Not only are national resources and responsibilities divided among the 13 Mekong frameworks, but within the relevant countries, division also exists as to the lead and auxiliary ministries and individuals. Frameworks are typically led by either foreign affairs, finance, or development planning agencies. Current trends show that foreign affairs-led frameworks are the pre-dominant form since the early 2000's, as compared to technical or development planning ministries. At the same time, all of the initiatives rely on line ministries or development agencies for project implementation, and call upon the technical input and expertise of other ministries on an as-needed basis. The MRC is different from the others in that it is a river basin organization. Its secretariat focuses on technical exchange and facilitating water-related diplomacy, and its Joint Committee comprises bureaucrats from water or natural resources and environment ministries.

In Thailand, for example, while only the CLMV and MJC make express reference to foreign ministries' "Economic Ministers," in fact the International Economic Affairs Department of the Ministry of Foreign Affairs is the lead actor in all five frameworks founded by non-regional countries, as well as ACMECS. The GMS also involves the International Economic Affairs Department, but relies substantially on Thailand's National Economic and Social Development Board. The AMBDC is overseen by the Ministry of Commerce, and the IAI by the ASEAN Department of the Ministry of Foreign Affairs. Both departments of the Foreign Ministry oversee the CLV. The MRC is different in its engagement primarily by Thailand's Office of National Water Resources.

This country-level division is an important factor determining the priorities and operating model of each framework, and increases the challenge of any single Mekong nation to formulate a coherent and strategic agenda, as opposed to one that is piece-meal and reactive. It is also a cause and effect of political prioritization among national leadership, which in turn affects the commitment of human and financial resources. Frameworks, ministries, and departments with the most political clout—via funding, press officers, well-connected officials—often take precedence for reasons that do not necessarily reflect national development needs or priorities.

## Membership and Meetings

Membership in the five "external" frameworks generally reflects their founders' geopolitical perspective and priorities. Yet all 13 frameworks include at least three ASEAN member states. Thailand is member of ten initiatives, Myanmar 11 (plus observer status in the MRC), Cambodia and Vietnam 12. Laos PDR is the only nation represented in every initiative. China, as a non-ASEAN state but Mekong-sharing country, is a member of four frameworks (plus observer status in the MRC).

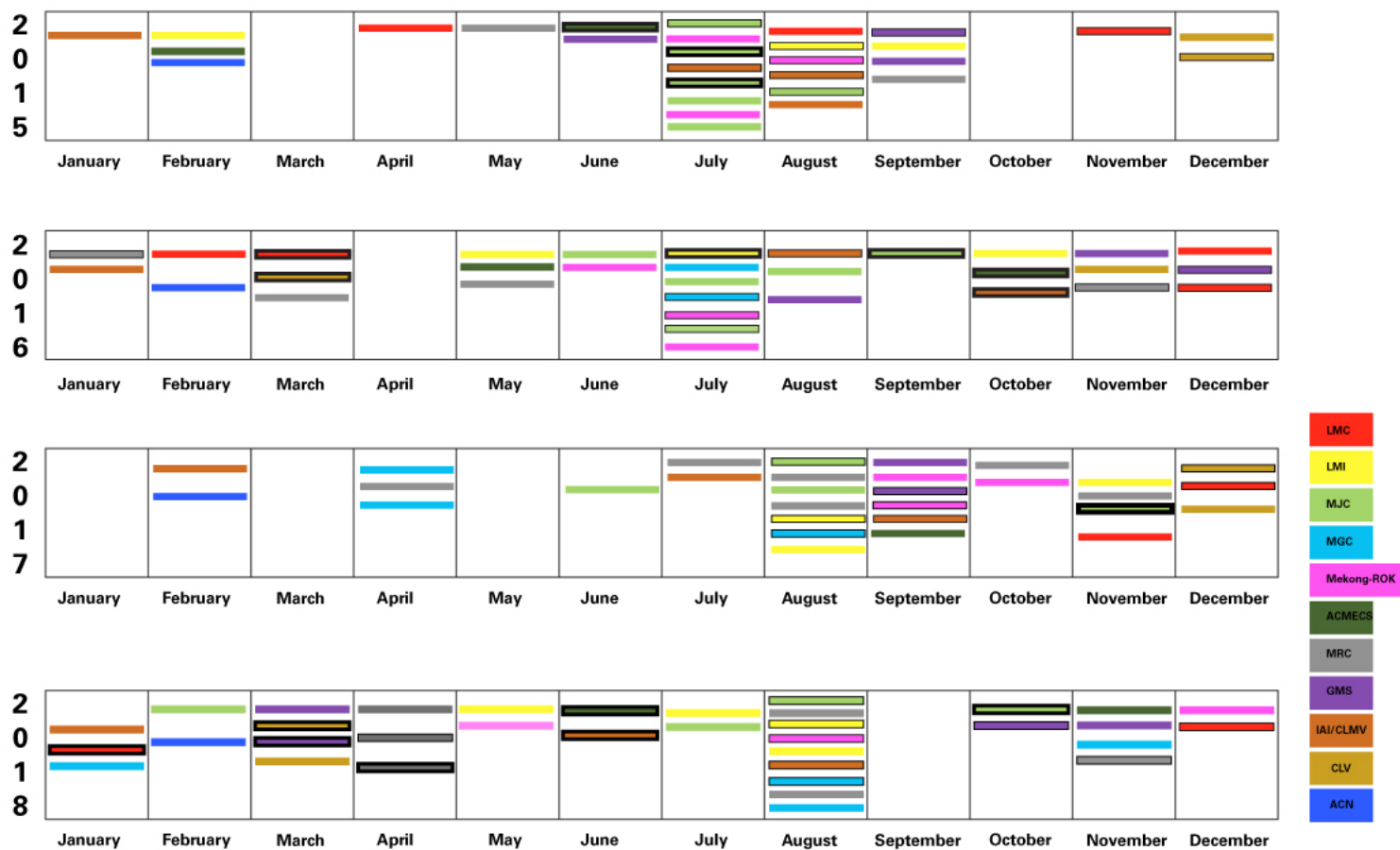
Eight of 13 frameworks meet at the national leadership level. The MRC does so every four years; the GMS every three years; and the LMC, ACMECS, CLMV, and CLM every two years (exceptionally, ACMECS had summits in both 2015 and 2016). Only the MJC meets at such a high level annually. The AMBDC has not had a leaders meeting since 2013.

Eleven of 13 frameworks aim to meet at the ministerial level on an annual basis, although such frequency is not always maintained. Neither the IAI nor the ACN meets at this level. ACMECS did not have ministerial meetings in 2015-2018. The CLV has had 12 such meetings since its founding in 2000 (including in 2015 and 2017). The MGC has met at the ministerial level annually since only 2016. The AMBDC has not had a ministerial meeting since 2014.

Ten of 13 frameworks include meetings or committees expressly composed of senior-level officials (Senior Officials Meetings; SOMs). Neither the IAI, MRC, nor ACN has formal Senior Officials Meetings as such, although many of the MRC's meetings are composed of senior officials and the ACN meets regularly as the Joint Coordination Committee for Cooperation of Commercial Navigation (JCCN). The AMBDC has a senior-level steering committee, but has been inactive since 2014.

SOMs of the CLVM meet twice per year. Those of the LMI are designed to be held on an "as needed" basis, but have been held annually since at least 2015. The remaining seven frameworks hold SOMs on a yearly basis, although the MGC only began doing so in 2016.

## A Busy Schedule



In addition, at least six—and likely more—of the 13 frameworks pertaining to the Mekong sub-region include working group meetings. Only the Mekong-ROK, the IAI, and the ACN expressly exclude such groupings. Tasked with addressing the frameworks’ themes and priorities, working groups generally meet at least once or twice per year in support of the SOMs. On account of its extensive and technical mandate, the MRC’s working-level meeting schedule is notably busy: it held at least 125 meetings from 2015-2018.

### Development Partners

Three intergovernmental initiatives include formal Development Partners, while four others have them in practice. Development Partners provide advice and input on policy and technical issues, as well as provide financial aid or assistance. ACMECS recently invited a first “batch” of partners: Australia, China, India, Japan, South Korea, and the USA. They are being asked to contribute to at least one of ACMECS’s three pillar areas (especially a Smart and Sustainable ACMECS), including via feasibility studies.

The MRC’s current Development Partners include Australia, the EU, France, Germany, Japan, Luxembourg, Morocco, New Zealand, Sweden, Switzerland, the US, and the World Bank. The MRC also engages regularly with the ADB, ASEAN, and the FAO. It is in the process of transitioning from a largely Development Partner-funded to a fully member country-financed framework by 2030.

The ADB is the lead financier of the GMS. Development Partners of the GMS include Australia, the EU, Germany, Japan, New Zealand, South Korea, Spain, Sweden, Switzerland, and the US. Others are the AIIB, the Export-Import Bank of Korea, JICA, and the World Bank. A Development Partners Forum is held annually as part of GMS ministerial meetings. Partners participate in working groups, and have shown interest in working with the private sector.

The LMI’s “Friends of the Lower Mekong” play a development role in the framework, including by partner activity mapping. Such Friends include Australia, ASEAN, Denmark, the EU, Finland,



Germany, Japan, the Netherlands, New Zealand, South Korea, and Sweden, as well as their respective donor agencies (if applicable), the World Bank, and the ADB. The MRC has also attended. The group meets annually.

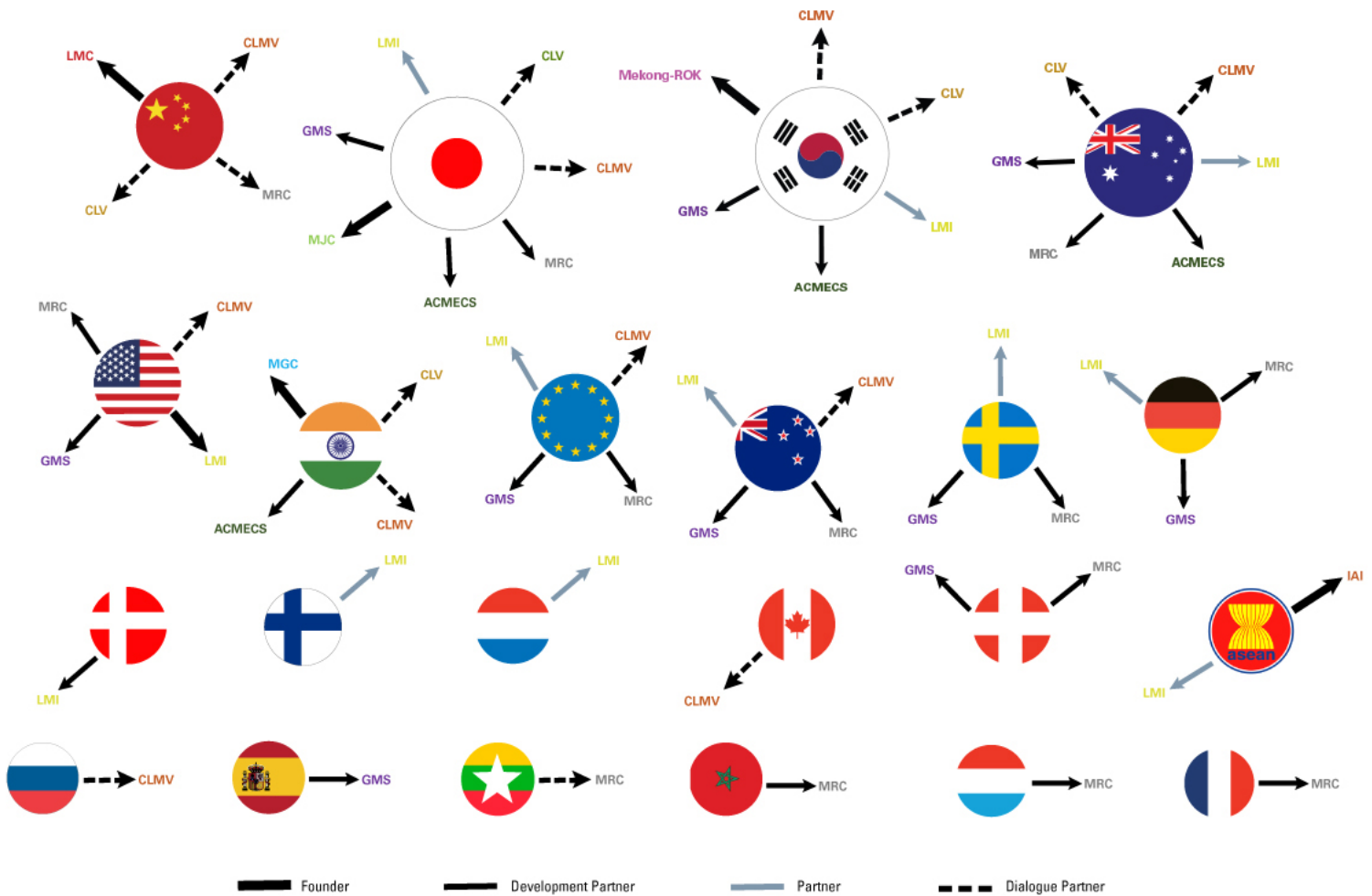
The MJC cooperates extensively with JICA, which in turn works with the Neighbouring Countries Economic Development Cooperation Agency (NEDA), the Thailand International Cooperation Agency (TICA), the ADB, the Economic Research Institute for ASEAN and East Asia (ERIA), and the ASEAN Promotion Centre on Trade, Investment and Tourism (ASEAN-Japan Centre). JICA and NEDA also join the five lower Mekong nations, Australia, South Korea, and the US

at a biennial Green Mekong Forum, where funding is discussed among other issues.

The CLV framework receives most of its funding from Japan and the ADB. First-time attendees at the CLV's Tenth Summit in 2018 included the ADB, ASEAN, and the World Bank. Similarly, the AMBDC does not have formal Development Partners, but notes that "Governments of non-core group countries and international and regional institutions are involved in cooperative ventures," and that the initiative works with development agencies and the private sector.

The remaining six initiatives do not have Development Partners.

## International Engagement with Mekong Architecture



## Dialogue Partners

Four frameworks expressly include Dialogue Partners, which provide advice and input on policy and technical issues but generally do not provide funding, while three others do so in practice. The Mekong-ROK's Dialogue Partners are unclear, but they meet annually. The MRC's Dialogue Partners are China and Myanmar. Under the IAI umbrella, the CLMV's Dialogue Partners are technically (if not entirely in practice) those of ASEAN: Australia, Canada, China, the EU, India, Japan, New Zealand, Russia, South Korea, and the US. Some (Australia, China, India, Japan, and South Korea) and perhaps all of the same serve as Dialogue Partners for the CLV as well.

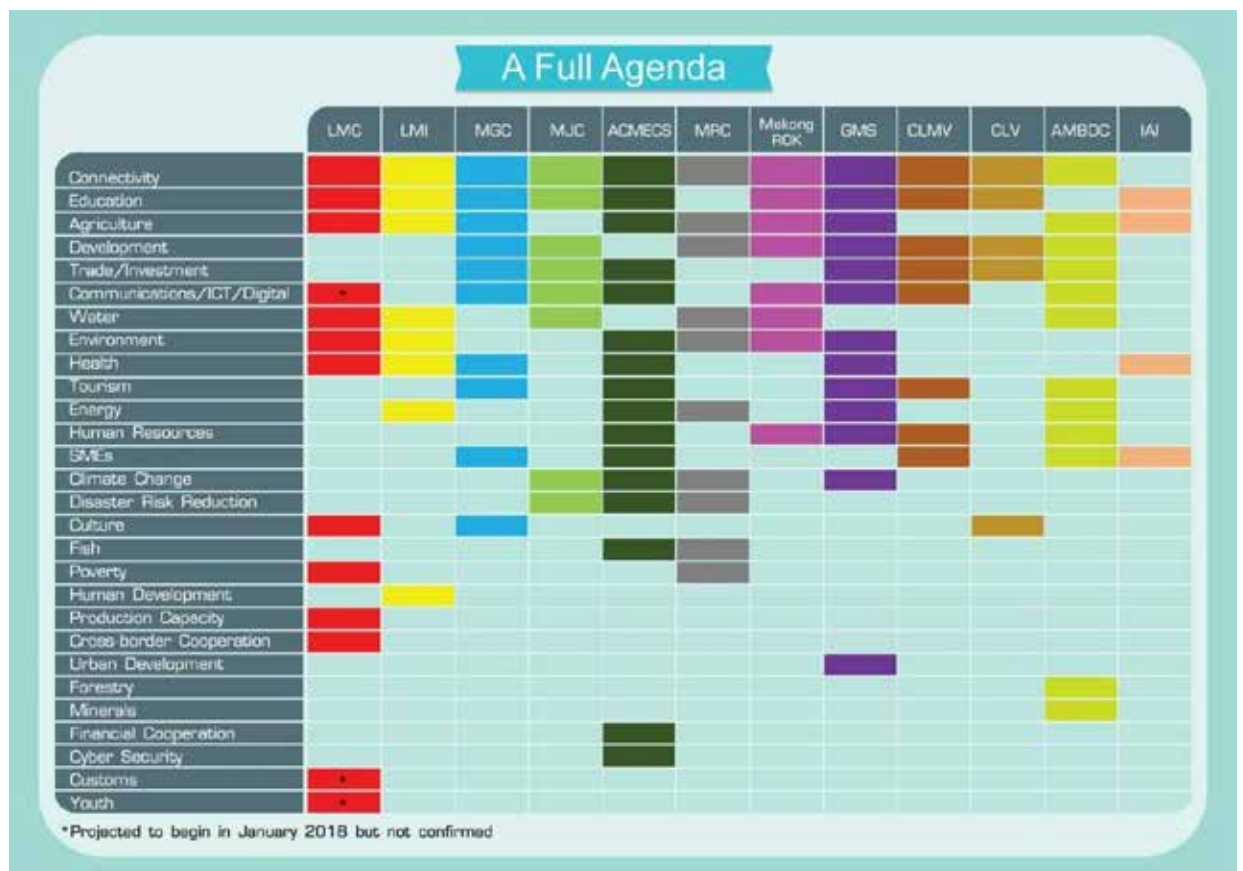
Some of the LMI's "Friends of the Mekong" act as partners in dialogue only. Meeting annually at the senior official or ministerial level, their agenda includes non-traditional and transnational security issues, such as environmental degradation, climate change, health risks, trafficking, and migration. The LMI also has a Track 2 Eminent and Expert Persons Group (EEPG) composed of two experts from the political, academic,

cultural, economic, or business circles from each LMI member country, who make recommendations on the strategic direction of the LMI.

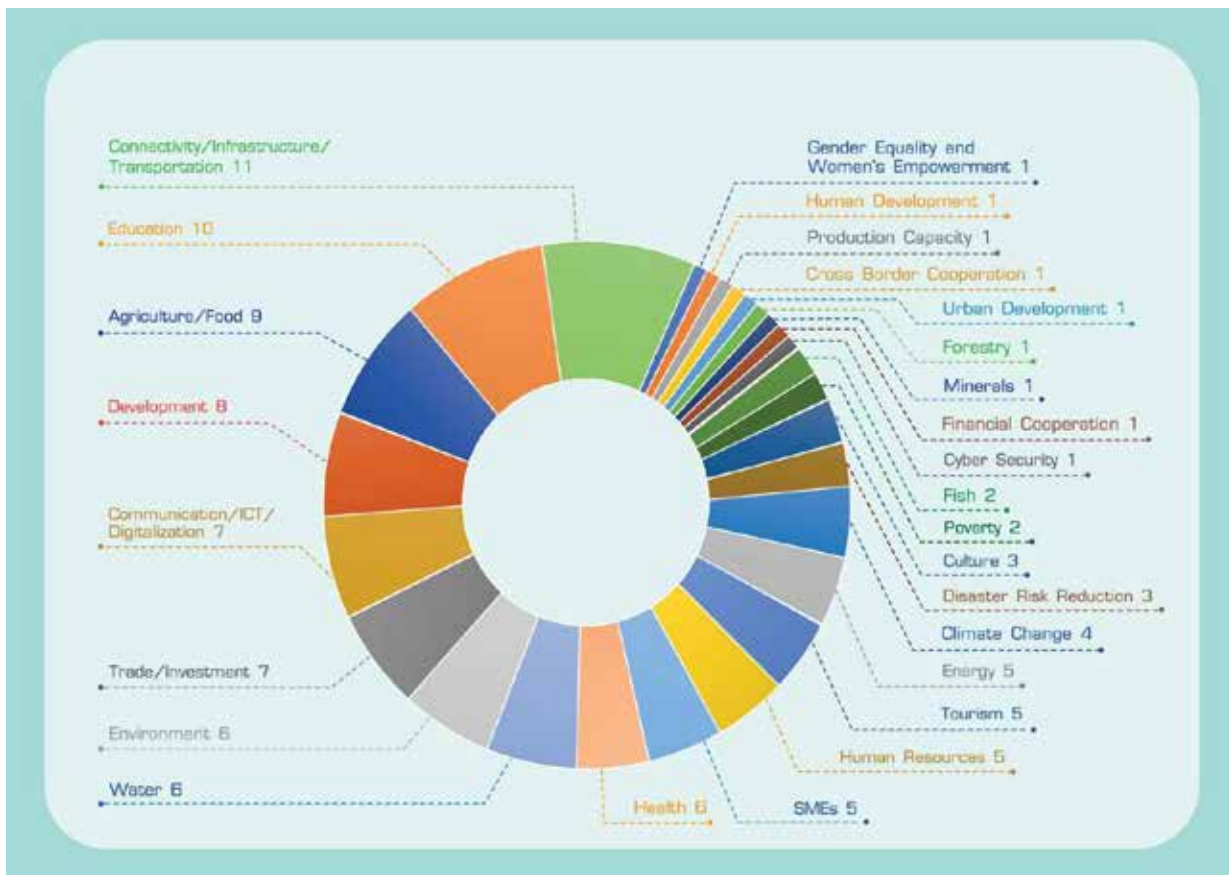
Similarly, at its Green Mekong Forum, the MJC welcomes the MRC and Thailand's Chaipattana Foundation, and focuses the bulk of its discussion on sustainable development-related issues: renewable energy, data collection, information sharing, climate change adaptation, and disaster risk reduction.

And at its annual Development Partners Forum, the GMS widens attendance to include the MRC, the International Organization for Migration (IOM), the UN Development Program (UNDP), the UN Economic and Social Commission for Asia and the Pacific (ESCAP), the World Health Organization (WHO), the ASEAN Economic Ministers-METI Economic and Industrial Cooperation Committee (AMEICC), the Mekong Institute, and the GMS Business Forum for substantive discussion.

The remaining six frameworks do not have Dialogue Partners.







## Pillars and Priorities

Among the 13 frameworks pertaining to the Mekong, considerable overlap exists in their areas of priority and focus. These are either expressly named and listed by the frameworks, or become readily apparent in how more general areas of focus are defined. In some cases, the overlap among them has resulted in more than one framework at least listing the same project(s). The overlap generally reflects parallel efforts to address clearly established needs where there is a broad consensus among regional and partner governments, as well as the frameworks' capacity and capabilities. ACMECS has the most priority areas in 16, followed by the GMS with 13. The CLV has the fewest with four.

Nine priority areas are shared by at least six frameworks: Connectivity / Infrastructure / Transportation (11), Education (10), Agriculture / Food (9), Development (8), Trade / Investment (7), Communications / ICT / Digitalization (7), Water (6), Health (6), and the Environment (6).

Tourism, Energy, Human Resources, and SMEs feature in five frameworks; Climate Change in four.

Disaster Risk Reduction and Culture are priorities of three frameworks, while Poverty and Fish are a focus of two.

Priorities of single frameworks are Human Development, Production Capacity, Gender Equality and Women's Empowerment, Cross-border Economic Cooperation, Urban Development, Forestry, Minerals, Financial Cooperation, and Cyber Security.

More broadly, in articulating their general and more thematic areas of attention, four non-regional initiatives include at least one “soft” or people-centered area, in addition to their “hard” areas expressed in physical outputs. “Social, Cultural, and People-to-People Exchanges” and “People-Centered Society” are “pillars,” respectively, of the LMC’s and MJC’s three-pillar frameworks. The ROK-Mekong features “People-Orientated Development” among three “areas of cooperation.” From the sub-region itself, the CLV includes “People-to-people connectivity” as one of three parts of its Action Plan for Economic Connectivity 2030.

## A Deeper Look: Railways

As noted, 11 of the 13 intergovernmental frameworks (excluding the IAI and ACN) pertaining to the Mekong sub-region have an express focus on connectivity, transportation, or infrastructure—the latter quite broadly defined. Little to no information readily exists on the connectivity projects of the LMI and MRC, while information varies in quantity and detail among the nine others.

Among them, seven—the LMC, MJC, ACMECS, GMS, AMBDC, CLV, and Mekong-ROK—claim involvement in the construction and maintenance of railways. While the member states of the CLMV certainly host most of the railways in the sub-region, the framework itself focuses primarily on roads in its connectivity projects. The extent (if any) of MGC railway projects is unclear, but as it “actively supports” the ASEAN Master Plan on Connectivity, the MGC at least complements regional railway initiatives.

Indeed, the ASEAN Transport Strategic Plan for 2016-2025 (December 2015) as well as the ASEAN Master Plan on Connectivity (December 2017), both inform and provide centrality for all of the frameworks’ railway projects. The Transport plan focuses exclusively on the Singapore-Kunming Rail Link (SKRL), a grand and inclusive project of which shorter rail projects are either part or connected. The plan lists two major “missing links” in the SKRL equal to 384 kilometers; seven sections totaling 2,826 kilometers in need of upgrading or reconstruction; and feasibility studies on four other “spur lines”—all in the five lower Mekong nations.

The more recent Master Plan states that, “The implementation of Singapore-Kunming Rail Link (SKRL) sections from Singapore to Phnom Penh are on schedule. However, the SKRL sections from Cambodia to Viet Nam as well as those in Lao PDR are still seeking funding

for project implementation.” It outlines progress on three of the sections mentioned in the Transport plan, and introduces four more—all part of the SKRL.

The CLV also focuses on the SKRL’s sections within its three member states, and before its activity ceased, in 2013 the AMBDC described the SKRL as a “flagship project”:

In mid-2018, ACMECS indicated that it was to focus on five sections of the SKRL railway, three that appear in both ASEAN plans (Myanmar only; Myanmar-Thailand; Laos-Vietnam), one that was new to the Master Plan (Cambodia-Laos), and one that is new entirely (Cambodia-Laos-Vietnam). Reflective of how railways expand not only outwards (via stations that extend the line), but inwards as well (via stations that lessen the distance between two others), ACMECS merely lists the Laos-Vietnam line as “Vientiane-Vung Ang.” Indeed, while the ASEAN Master Plan on Connectivity breaks it down into three different lines (Vientiane-Thakhaek-Mu Gia (466 km), Mu Gia-Tan Ap-Vung Ang (119 km), and Mu Gia-Vung Ang (119 km)), the latter two are actually the same. The naming of the intermediate station of Tan Ap is the only difference. This also makes counting rail lines challenging.

ACMECS is also to focus on another line (Thailand only) that appears in the Master Plan but not as part of the SKRL. The plan includes 12 other non-SKRL regional railway projects as well.

ACMECS is not the only sub-regional framework to include Master Plan rail projects among its proposed, shovel-ready, or already underway initiatives. In fact, three of the Master Plan / ACMECS projects are also supported by the GMS:

- Vientiane-Thakhaek-Mu Gia-Tan Ap-Vung Ang (also part of the SKRL)
- Dawei-Mawlamyine (also part of the SKRL)
- Baan Pai-Mahasarakham-Roi Et-Mukdahan-Nakhon Phanom (listed as Ban Phai-Mukdahan-Nakhon Phanom by ACMECS)

The GMS supports six other rail projects of the ASEAN Master Plan on Connectivity:

- Loc Ninh-Ho Chi Minh (also part of the SKRL)
- My Thuy Port-Dong ha-Lao Bao-Savannakhet (listed as Lao Bao-Savannakhet by the GMS) (also part of the SKRL)
- Vientiane-Boten
- Single rail transfer operator at Laem Chabang Port
- Den Chai-Chiang Rai-Chiang Khong
- Railway access link to new Phnom Penh Port

The GMS also supports three railway projects that are not part of the Master Plan:

- Thanalaeng-Nong Khai

- Yuxi-Mohan
- Dali-Ruili

Only one railway project of the ASEAN Master Plan on Connectivity, the Hanoi urban railway, is supported by the MJC. However, the MJC is considering support for nine other rail projects proposed by ACMECS:

- Ho Chi Minh City urban railway
- Phnom Penh urban railway
- Bangkok-Chiang Mai high-speed railway
- Bangkok Red Line urban railway
- Bangkok Orange and Purple Line urban railway
- Yangon-Mandalay
- Yangon circular railway
- Bangkok airports high-speed railway
- North-South high-speed railway

Likewise, the LMC supports one Master Plan railway project: the China-Laos, China-Thai high-speed railway.

The AMBDC became inactive before the Master Plan was formulated, but was supporting the Yuxi-Mengzi railway through 2013.

## Funding and Expenditures

It is difficult to assess the funding and expenditures of the 13 intergovernmental frameworks. This is partly because of differences among funds requested, pledged, delivered, and spent—both generally to/from the frameworks and specific to individual projects. It is also due to overlap in funding and expenditure cycles, as projects vary in length and funds might be split or carried over into more than one budget cycle. The multiplicity and overlap of donors and donor streams—including direct bilateral funding and indirect multilateral funding for a framework or project—is a further complication. Some funds are granted, others are loaned at varying rates and periods of interest. Non-regional donors (including China in this case) sometimes conflate money given to the “Mekong sub-region” with that given to a particular framework(s). Finally, most of the frameworks are relatively non-transparent outside of official circles. For example, the compendia of proposed projects with estimated costs are usually not publicly available. For most frameworks, funding commitments are reported inconsistently and non-systematically, and actual expenditure information for all 13 frameworks is either unavailable or difficult to access.

Funding is a central element of the five non-regional Mekong frameworks, which are partly designed to assist nations with fewer financial resources. As is true in any area involving outside funding, however, loans and grants of money and in-kind assistance are accompanied by political leverage. This can be overt and intentional or implicit and incidental, but it

invariably has effects on the ground. It can affect the identification or prioritization of projects; the speed and quality of projects; the level and frequency of meetings; the size of national units or secretariats; and the public profile and perception of the frameworks and their initiatives.

There is evidence of growing competition and political influence among sub-regional intergovernmental frameworks as well, albeit to smaller degree. Thailand and Vietnam have substantially larger economies than those of Cambodia, Myanmar, and Laos, which can afford them proportionately greater say in what frameworks and projects receive funding. In the GMS and AMBDC contexts, the same is true of the world’s second largest economy in China. At the same time, any nation might simply have greater funds allocated or available (including from outside actors) than others for specific projects, allowing a national priority to come to the fore over those of a framework’s larger membership.

In the case of development and dialogue partners, although their “outside status” would suggest less overt and intentional political leverage, many (as shown above) are the founders of non-regional Mekong frameworks and/or support more than one framework. Dialogue partners do not have direct “stakes” in the development and implementation of projects, but some countries are a dialogue partner of one or more framework and a development partner of other(s).

The bullets below represent information on funding and expenditures readily available from the websites, press releases, or public statements of eight frameworks from 2015 through May 2019:

### LMC

- RMB10 billion yuan concessional loan (Mar 2016)
- US\$10 billion credit line, including US\$5 billion preferential export buyers’ credit (Mar 2016)
- \$300 million LMC Special Fund in coming five years to support small- and medium-sized cooperation projects (Mar 2016)
- Planned provision of special loan / credit line of \$5 billion for industrial capacity cooperation is over-fulfilled (Dec 2017)
- Equipment installation started at Vinh Tan thermal power plant in Vietnam with investment of US\$1.7 billion (Dec 2017)

### LMI

- This year, \$1.5 million will be spent on Smart Infrastructure for Mekong (SIM) projects in Mekong sub-region (Feb 2015)



- State Department to contribute \$500,000 in support of MRC study on impacts of hydropower on community and environment (Feb 2015)

#### **MGC**

- US\$1 billion concessional Line of Credit for enhancing Connectivity made in November 2015 (Aug 2017)

#### **MJC**

- Approximately 600 billion yen of ODA support over three-year period Japan announced three years ago has been achieved (Jul 2015)
- Japan will provide 750 billion yen of ODA support to Mekong sub-region over next three years (Jul 2015)
- In collaboration with ADB, Japan committed to promote "quality infrastructure investment" totaling approximately \$110 billion over five-year period (Jul 2015)
- G7 nations committed to provision of approximately \$200 billion in funds over next five years (Jul 2016)
- Japanese companies have invested more than 2 trillion yen in Mekong sub-region over past three years (Jul 2018)
- Japan's completed commitment to implement ODA exceeding 750 billion yen during last three years (Oct 2018)

#### **Mekong-ROK**

- Seven Projects under Mekong-ROK Cooperation Fund that ROK has contributed to amount to 1 million USD annually since 2015 (Jul 2016)
- Project to "Make Legal Arrangements, Laws, Legislations and Regulations, in Force in the Industry Commerce Area more Electronically / Available and Accessible to Public and Poor Districts in Lao PDR" worth about \$423,000 (Jul 2016)
- ROK has allocated US\$1 million per year to Fund since 2015 (Sep 2017)

#### **GMS**

- Of projects currently identified with available financing, 70% for government financing, 18% for ADB financing, 6% for financing through other development partners, and 6% for private sector investment or public-private partnerships (Mar 2018)
- 56% of projects listed in RIF 2014-2018 have financing, representing 85% of estimated total costs. Of investment projects, 30% have commenced implementation, of which 14 are

in the transport sector. Of feasibility studies that commenced for another 18 projects (30%), 14 also in transport sector (Mar 2018)

- Of \$20.7 billion total cost of 86 ADB-supported GMS investments (loans and grants) as of December 2017, 39% provided by ADB, 35% by development partners, and 26% by GMS governments (Mar 2018)
- GMS Regional Investment Framework 2022 covers pipeline of priority projects that include 143 investment projects, requiring \$65.7 billion, and 84 technical assistance projects requiring \$295 million (May 2019)
- 121 projects still have financing gap amounting to \$27 billion (May 2019)

#### **IAI**

- Since start of first IAI Work Plan, more than 600 projects and activities worth over \$102 million implemented. However, while over 280 projects worth over \$40 million undertaken, implementation rate less than 45% (Sep 2016)

#### **IAI: CLMV**

- In 2015, combined merchandise trade amounted to \$385.5 billion and contributed 16.9% to ASEAN's total trade, compared with 14.1% in 2014. In same period, FDI into four countries totaled \$17.4 billion, which constituted 14.6% of total inward direct investment to ASEAN (Aug 2016)
- In 2016, combined merchandise trade grew by 6%, amounting to \$407.9 billion and contributed 18.2% to ASEAN's total trade, compared with 16.9% in 2014. FDI into four countries continued upward trend and grew by 8.9% in 2016, amounting to \$18.9 billion (Sep 2017)
- CLMV's total merchandise trade amounted to \$490.1 billion, which contributed 19% to ASEAN's total merchandise trade. FDI into CLMV grew by 20.7% in 2017, amounting to \$22.8 billion, compared to \$18.9 in 2016 (Aug 2018)

#### **CLV**

- Vietnam has invested in 113 projects worth \$3.6 billion in Cambodia and Lao (Nov 2018)
- Vietnam gave Cambodia concessional loan of \$26 million to build 70-kilometre road connecting Banlung to Ou Ya Dav in Ratanakiri Province (Nov 2018)
- Five Vietnamese provinces attracted 233 projects from 20 countries and territories with total registered capital of \$2.3 billion (Nov 2018)

## A Deeper Look: Education

Education and training programs are to “soft” connectivity what railways are to physical, or “hard” connectivity. The split between five non-regional and five sub-regional frameworks that prioritize education is even. More telling is that all non-regional entities offer educational programs and training opportunities to Mekong nations.

This suggests a conviction held by China, the US, Japan, and India, and South Korea that they have knowledge, skills, technology, and/or experience that sub-regional nations lack and would benefit from obtaining. As educational structures generally exist in some form already and are readily adaptable and scalable, it may also indicate that training opportunities are favored at least as much by the benefactor nations as the beneficiaries. Such opportunities result in measurable deliverables, the numbers and figures of which lend themselves to public remarks and documents.

At the same time, teaching and training projects developed within the sub-region are evidence—like the frameworks behind them—of clearly local assessments and a rejection of “beggar thy neighbor” policies. They also place greater emphasis on qualitative improvements in education (such as access to education, participation in international testing programs, development of national qualifications frameworks, and raising English language proficiency) than on quantitative outputs.

Characterizing nearly all of the education and training initiatives is focus on both traditional students of secondary school or university age, as well as on professionals, workers, and officials. In early 2018, the LMC stated that more than 12,000 students from Mekong countries had received Chinese government scholarships over the previous two years, and that 100 scholarships for four-year undergraduate study were slated for the coming year.

In March 2016, the LMI noted a partnership with 12 sub-regional universities and institutions “to empower students with essential skills to thrive in the workplace,” via its Connecting the Mekong through Education and Training (COMET) program. Thailand’s Mahidol University and Maptaphut Technical College were two such institutions, for example, which were in turn partnered with Cisco, Intel, Google, Microsoft, and local employers for student-industry connections. Over 44,000 sub-regional students had participated in the partnership by August 2018.

In September 2016, the MJC announced a plan to accept 1,000 students over the ensuing five years from “Asian developing countries,” including Mekong nations, under Japan’s Innovative Asia program. Also in mid-2016, the MGC stated that sub-regional students were eligible for the over 900 scholarships offered annually under the Indian Technical and Economic Cooperation (ITEC) scheme, including at Nalanda University. The Mekong-ROK is among the primary funders of the Mekong Institute at Thailand’s Khon Kaen University, whose Training Center includes programs for students.

Similarly, sub-regional frameworks with a focus on education account for traditional students. In March 2018, the GMS noted its cooperation in higher education under ASEAN programs concerning academic credit transfers, quality assurance, and mutual recognition. The IAI’s Work Plan (2016-2020) contains eight education projects, six of which remain ongoing. Those open to younger students include Basic, Intermediate, and Advanced English Language Skills; Note-taking and Project Proposal Writing; and Effective Public Speaking and Negotiation Skills.

Under the IAI umbrella, a CLMV Scholarship Program is funded by Vietnam for students from the other three nations through 2020. Consistent with efforts by the GMS and other sub-regional frameworks—and likewise supported by the ADB—the CLV stated in June 2018 that it was seeking to improve the access and quality of technical and vocational education and training (TVET) services. Finally, ACMECS has proposed sub-regional open education resources and equipping public schools with connectivity and ICT infrastructure.

Professional training holds a higher profile than secondary or university-level education among both non-regional and regional Mekong frameworks. In January 2018, the LMC stated that its Yunnan-based Lancang-Mekong Vocational Education Base had trained over 10,000 professionals from Mekong countries. It added that over 3,000 “staff members” had attended seminars or training sessions in China over the previous two years. For 2018 itself, the LMC stated that China would provide Mekong countries with 2,000 opportunities for short-term workshops and on-the-job education. Looking further forward, it pledged to invite medium and senior ranking officials to China for training in agriculture, medical and health care, water conservancy and other areas; and to provide staff training for the LMC’s national secretariats/coordination units of the five Mekong countries.

Over the five years of the LMI's Professional Communication Skills for Leaders (PCSL) program, which concluded in 2017, over 1,800 provincial and technical teachers, 528 government officials and researchers, 100 young leaders, and 20 teacher-trainers received English language training in technical areas. The LMI mentioned separate engagement with sub-regional scientists on joint scientific projects. Although their current status is unclear, Women's Entrepreneurial Centers of Resources, Education, Access, and Training for Economic Empowerment (WECREATE), designed for women to access education and resources to start and scale businesses, were noted in mid-2015.

In 2017, the MJC stated that 12,000 people from the Mekong nations had received training during the previous year via Japan's Industrial Human Resource Development Cooperation Initiative. It hoped to train 40,000 within three years. "To realize development of industries, including in AI," in October 2018 the MJC noted that Japan planned to train some 30,000 people by the end of 2020.

Many of the 900-plus scholarships under India's ITEC program have been utilized to train faculty members from MGC countries in Centres for English Language Training, Entrepreneurship Development Centres; and Vocational Training Centres. In 2017, India announced 50 new ITEC scholarships for MGC citizens in the areas of culture, tourism, engineering, management, teachers training, and film, as well as new Centres of Excellence in Software Development and Training. Five new scholarships in museology and conservation were announced in mid-2018. The majority of trainings and programs held at the Mekong Institute's Training Center, heavily funded by the Mekong-ROK, are geared toward professionals and officials.

At the same time, Thailand's readiness to host the Mekong Institute and its announcement in the MGC context of training courses in tourism management, food security, climate change, SDGs, and its Sufficient Economy Philosophy, shows the growing role of sub-regional countries in supporting one another's professional needs. The GMS provides training in technical and vocational areas that "cater to the unique characteristics and needs of domestic labor markets." In late 2016, the CLMV began promoting joint exchange programs between educational leaders, senior officials, experts, teachers, and administrators among its four member nations, and the selection of priority professions for common core standards development. In 2018, the Vietnam-funded CLMV Scholarship Program was extended to include sub-regional officials. And ACMECS's recent education

proposals apply to teachers and teachers training, in addition to traditional students.

## Deliverables

In contrast to funding and expenditures, the 13 frameworks' deliverables are generally highlighted on their websites and in statements to the press and public. Privilege is frequently afforded deliverables that can be quantified in numbers, lengths, percentages, years, or other metrics. No such information is available from four initiatives, however. Below are the relevant public figures from nine frameworks between 2015 and May 2019.

### LMC

- Nearly 100 early harvest first batch projects outlined (Mar 2016)
- 13 early harvest second batch initiatives by China (Dec 2017)
- LMC Special Fund for 132 projects proposed by six countries (Jan 2018)
- 45 early harvest projects identified in Mar 2016 (Jan 2018)
- China supporting over 20 major infrastructure and industrialization projects (Jan 2018)
- China to provide 2,000 opportunities for short-term workshops and on-the-job education, and 100 scholarships for four-year undergraduate study (Jan 2018)
- China to implement 100 medical and health care projects in next three years (Jan 2018)
- Over past two years, cooperation covering more than 200 projects (Jan 2018)
- Nearly 800 cataract patients with eyesight corrected (Jan 2018)
- Over past two years, more than 12,000 students have received scholarships, and over 3,000 staff members have attended seminars or training in China (Jan 2018)
- Lancang-Mekong Vocational Education Base has trained over 10,000 professionals (Jan 2018)

### LMI

- Partnership with 12 universities and vocational institutions (Mar 2016)
- During year five, over 1,800 provincial and technical teachers, 528 government officials and researchers, 100 young leaders, and 20 teacher-trainers received training in English. Over five years, more than 3,800 have received training (Dec 2017)
- Training 182 government, university, non-profit, and industry professionals in development of national and regional One Health networks (Aug 2018)



- Over 44,000 youth trained for workplace via shared cutting-edge educational approaches and technologies (Aug 2018)

#### **MGC**

- Five Quick Impact Projects (QIPs) for Vietnam, 10 for Cambodia, three for Laos, and two for Myanmar. In Cambodia and Viet Nam, five each under implementation (Jul 2016)
- 50 new ITEC scholarships in addition to 900 scholarships already given every year (Mar 2017)
- Three QIPs in Laos and two in Myanmar under consideration, in addition to nine in Cambodia and five in Vietnam already under implementation (Mar 2017)
- Almost 50% of scholarships utilized in 2016-17 (Aug 2017)
- Nine QIPs in Cambodia and four in Vietnam being implemented, one project in Cambodia completed. Four new QIPs approved for 2017-2018 in Cambodia and five for Vietnam; three proposed by Laos (Aug 2017)
- 900 scholarships annually, and India to offer five scholarships in museology and conservation techniques (Aug 2018)

#### **MJC**

- Industrial Human Resource Development Cooperation Initiative (IHRDCI) aims to train 40,000 people over three years (Jul 2016)
- Roughly 1,000 Japanese companies started businesses over past three years (Sep 2016)
- Japan to accept 1,000 foreign students over five years from fiscal 2017 (Sep 2016)
- Over one year from 2016, 12,000 people trained in IHRDCI (Nov 2017)
- Japan to train approximately 30,000 people over coming three years (Oct 2018)

#### **Mekong-ROK**

- Seven Projects since 2015 (Jul 2016)
- Five new projects to be financed through the Mekong-ROK Cooperation Fund (MRCF) (Sep 2017)
- Six projects to be funded by MRCF (Aug 2018)

#### **GMS**

- From 2013–2022, more than 200 investment and technical assistance projects (Mar 2018)
- 36 priority transport investment projects substantially completed or ongoing, and nearly 10,000 kilometers of road built with ADB's financial support from 2002 to 2016 (Mar 2018)
- Up to 500 GMS road transport permits to be issued in 2017 (Mar 2018)

- Developing three GMS priority economic corridors (Mar 2018)
- In 2015, share of long-haul markets visiting GMS at 30% and share of multi-country trips reached 3.4 million (Mar 2018)
- Strategic cooperation agreements signed by four e-commerce enterprises (Mar 2018)
- GMS Regional Investment Framework 2022 covers 143 investment projects and 84 technical assistance projects (May 2019)
- 121 projects still have financing gap (May 2019)

#### **IAI**

- More than 600 projects and activities worth over \$102 million implemented. However, while over 280 projects worth over \$40 million undertaken, implementation rate less than 45% (Sep 2016)

#### **IAI: CLMV**

- Action Plan 2015, almost half of activities implemented (Aug 2015)
- Action Plan 2014 saw 14 activities completed (Aug 2015)
- Action Plan 2016, six of ten activities already implemented or ongoing and two projects scheduled for end-2016. 72.7% of Action Plan 2015 realized (Aug 2016)
- In 2016, combined merchandise trade grew by 6% and contributed 18.2% to ASEAN's total trade, compared with 16.9% in 2014. FDI into four countries grew by 8.9% in 2016. Contribution of CLMV countries to total inward direct investment to ASEAN increased from 14.3% in 2015 to 19.6% in 2016 (Sep 2017)
- CLMV's merchandise trade contributed 19% to ASEAN's total merchandise trade. Foreign direct investment into CLMV grew by 20.7% in 2017, compared to \$18.9 in 2016. CLMV's contribution to ASEAN's total FDI grew from 15.4% in 2016 to 16.7% in 2017 (Aug 2018)
- Number of tourists into CLMV countries doubled since 2010, amounting to 22.2 million in 2016 compared to 10.9 million in 2010. Tourist arrivals into CLMV contributed 19.2% to ASEAN's total tourist arrivals in 2016, compared to 14.7% in 2010 (Aug 2018)
- 2 self-funded trade fairs organized, with four others planned for 2018 (Aug 2018)

#### **CLV**

- Vietnam has invested in 65 projects in Laos and 48 in Cambodia (Nov 2018)
- Vietnam gave Cambodia concessional loan to build 70-kilometre road (Nov 2018)

- Five Vietnamese provinces attracted 233 projects from 20 countries (Nov 2018)
- Since 1992, more than 10,000 kilometres of road in GMS built or rehabilitated, bulk in CLV (Nov 2018)

## ASEAN Synergy

A common purpose among 12 of 13 Mekong frameworks is aspirational or achieved synergy between an individual framework and some other entity or entities. This substantiates the argument that some overlap in the frameworks' pillars and priorities is very much by design, as reinforcement rather than redundancy. Similar to the frameworks' deliverables, this synergy is openly publicized and encouraged. Not surprisingly, common to all 12 initiatives are explicit references to ASEAN member states, projects, documents, or mechanisms.

As far back as 2013, the AMBDC expressed its support for the ASEAN Economic Community, which was to be realized by the end of 2015. The MGC and LMI did the same in 2015, while the IAI referenced the ASEAN Single Market in 2016. The AMBDC also seeks to "Strengthen interconnections and economic linkages between ASEAN member countries and Mekong riparian countries".

The LMC seeks to advance the China-ASEAN strategic partnership, ASEAN Plus Three, and the ASEAN Regional Forum, and to "synergize with relevant development programs of ASEAN". ACMECS aims to connect itself with ASEAN and ASEAN Plus Three, while the MRC desires "concrete cooperation with ASEAN". One of three main "areas of cooperation" for the Mekong-ROK is "ASEAN Connectivity". The MJC aims to "reinforce the Japan-ASEAN Integration Fund".

The AMBDC's Steering Committee cooperates with ASEAN's Secretary-General and/or a member of the ASEAN Secretariat. For the CLMV, the ASEAN Secretariat mobilizes resources to implement priority projects, and in 2016 hosted an "attachment programme" for CLMV officials. This is natural insofar as the CLMV falls under the umbrella of the IAI, which occupies its own division of the ASEAN Secretariat. The IAI's Task Force is comprised of the Permanent Representatives to ASEAN and reports to the ASEAN Coordinating Council. Criteria for projects under the IAI's Work Plan (2016-2020) include their alignment with ASEAN sectoral work. Finally, the MJC includes "triangular cooperation" with, among other entities, the Economic Research Institute for ASEAN and East

Asia (ERIA) and the ASEAN Smart Cities Network (ASCN).

Six frameworks refer to ASEAN documents or standards, especially "ASEAN 2025: Forging Ahead Together" (also known as the ASEAN Community Vision 2025). The LMC seeks to synergize China's Belt and Road Initiative (BRI) with the document's contents, the LMI aims to work in tandem and complement it, and the CLV wants to be an "indispensable part" of it. The MGC references it as well. As an ASEAN entity itself, the IAI's Work Plan (2016-2020) includes being an "integral part" of "ASEAN 2025: Forging Ahead Together". Under the IAI umbrella, the CLMV's Action Plan (2017-2020) also expressly takes the document into account.

The LMC also aims to synergize both China's BRI and its own plan on connectivity with the "Master Plan on ASEAN Connectivity 2025". The AMBDC references it as well. The LMI places "emphasis on institutional alignment with ASEAN regional priorities in support of ... the ASEAN Master Plan on Connectivity objectives". The MGC "actively supports" the master plan, and the CLV's "Action Plan for CLV Economic Connectivity 2030" is modeled on the same.

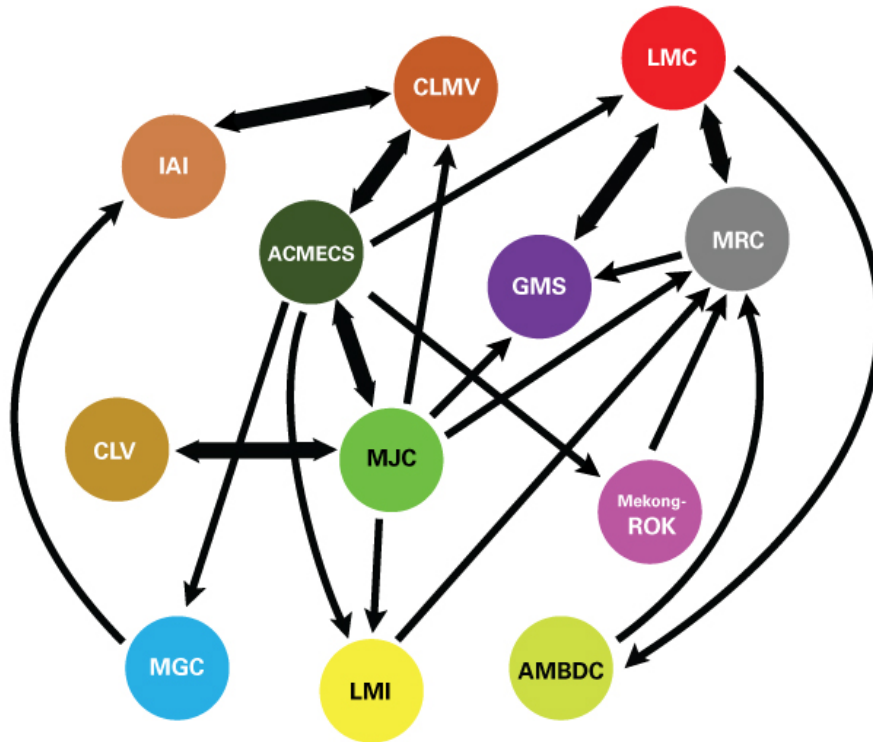
The IAI's Work Plan (2016-2020) is designed to support the implementation of the three ASEAN Community Blueprints 2025; criteria for IAI projects include alignment with the blueprints. The CLMV's Action Plan (2017-2020) takes the documents into account as well, particularly the "ASEAN Economic Community (AEC) Blueprint 2025". The GMS's work on tourism in the Mekong sub-region includes human resource development through training "linked to standards of ASEAN".

## Intra-Mekong Synergy

Twelve of 13 frameworks reference at least one other initiative, expressing synergy, support, and/or a desire for new or further cooperation. The same frameworks sometimes do not reference each other, however.

The IAI and CLMV—the latter falling under the umbrella of the former—have obvious and open synergy. The LMC also references the MRC and GMS, both of which reciprocate, with the GMS noting that the LMC's "purpose are akin" to its own. ACMECS expressly seeks greater connection to the CLMV; and the CLMV wishes to "Strengthen synergy" with ACMECS. The MJC and ACMECS, and the MJC and CLV, also reference one another.

## Synergy Among Mekong Architecture



Otherwise, there is no public reciprocity where the:

- LMC references the AMBDC;
- AMBDC references the MRC;
- Mekong-ROK expresses its intention to “expand cooperation with the MRC”;
- LMI mentions working with and complementing “other country and regional plans” and specifies the MRC;
- MRC notes “concrete cooperation with the GMS”;
- MGC notes “active support” for the IAI;
- MJC notes cooperation with the LMI, MRC, GMS, and the CLMV; and
- ACMECS references the LMC, LMI, MGC, Mekong-ROK, and GMS.

### Other Synergy

Four frameworks—the LMC, MRC, MJC, and MGC—make explicit reference to the UN’s Sustainable Development Goals, indicating synergy among them and with the UN.

Eleven other non-Mekong-specific entities appear among the 13 relevant frameworks—ten of which are expressly mentioned by ACMECS: the Regional Comprehensive Economic Partnership (RCEP), the Free and Open Indo-Pacific (FOIP) strategy, the BRI, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Asia Cooperation Dialogue (ACD), the Asia Infrastructure Investment Bank (AIIB), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Paris Agreement, the Indian Ocean Rim Association (IORA), and the South Asia Subregional Economic Cooperation (SASEC).

The LMC also references the AIIB, while the MJC expresses support for the FOIP and the Paris Agreement. The LMC and MJC both reference the RCEP. The LMC and GMS join ACMECS in supporting the BRI. The LMI takes the BRI and FOIP “into account”: ROK-Mekong accounts for the eleventh non-Mekong entity: South Korea’s New Southern Policy.



## Transparency and Standards

The 13 Mekong-related frameworks vary in the quantity and quality of information they make readily available via their websites, public statements, press releases, and other open-source materials. Among the non-regional frameworks, the MJC is by far the most forthcoming with information, followed by the LMC. Sub-regionally, the GMS, IAI, and MRC make the most information available. The IAI falls under the broader ASEAN framework of course, and in turn encompasses the CLMV. ACMECS activity has ebbed and flowed considerably since its founding in 2003, but its website has not been updated since 2013.

As noted above, logically the non-regional frameworks seem to be compelled to justify and publicize their efforts in a sub-region they are not part of geographically, aided by their funding bases and focal points in the foreign ministries. In 2018, the LMC suggested designating the third week of March each year “LMC Week,” to publicize the framework among the other Mekong nations. Yet as “outsiders,” these frameworks are also sensitive to potential accusations of interference or overstepping, and so have other reasons to promote their initiatives in only general and platitudinous terms.

Two of the five non-regional Mekong frameworks suggest consultation with national governments and/or local communities. The LMC is explicit that it relies on “leaders’ guidance” and a “top-down decision-making model,” but it also claims “broad participation” and “mutual consultation.” It is also committed to “take into account the development needs of the six LMC member countries.” Suggesting consultation at the local level, in January 2018 the LMC stated that China would host the “second LMC Village Head Forum” in Yunnan province. The MJC both has “inclusiveness” among its basic principles or processes, and places “importance on the consensus building based on the initiatives among the Mekong countries.”

Sub-regional frameworks also face competing incentives: national governments need to justify their use of time and resources and want to promote their deliverables, but can be leery of public scrutiny by the media and civil society. Only four sub-regional frameworks note consultation at the national government or more local level. In stating that it “works directly with governments,” the MRC suggests

consultation and input-seeking—although such could be said of all 13 member-based frameworks. The MRC is also unique in that its activities are relatively available online for review, but are also the most technical; more in the purview of environmental scientists than of diplomats, much less average citizens.

Similarly, ACMECS states that its Master Plan’s goals “reflect the ... priorities and needs of the ACMECS countries.” In March 2018, the GMS noted that “Regional Investment Framework consultations took place,” and that “partnerships with stakeholders, including community-based groups, have been incorporated into project interventions.” The CLMV stated that, “National consultations, participated in by relevant ministries and agencies, the private sector and other stakeholders, were held in capitals in August 2018.”

Despite or because of the limited statements on national and local consultation, no information at all was found regarding the standards being applied by the frameworks in determining priorities and implementing projects. It is also not clear whether these standards are further applied to other activities, such as social and environmental impact assessments, which are either legally required or plainly advisable. Such assessments would involve additional, issue-specific standards as well. The LMC is increasingly discussed in relation to a “Green BRI”; the LMI promotes “Women’s Empowerment” as a cross-cutting focus; the MJC mentions “quality infrastructure” and sponsors a “Green Mekong Forum.” The GMS mentions “connecting safe and environment-friendly agro-based products value chains,” while ACMECS is seeking funding for an “exchange of good practices in climate change.” Nearly all inter-governmental frameworks include “public-private partnerships” on some level.

Finally, even assuming that standards are appropriately rigorous and applied to rights, safety, and sustainability concerns, there is no information on safeguards already in place or agreed upon if needed in response to assessments. While there is precedent for the alteration, suspension, and even discontinuation of projects in response to unforeseen effects or new insights, there does not seem to be a clear, proven, and relevant set of safeguards adopted by any of the 13 frameworks.





## The Asia Foundation

Improving Lives, Expanding Opportunities

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The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and in Washington, DC. Working with public and private partners, the Foundation receives funding from a diverse group of bilateral and multilateral development agencies, foundations, corporations, and individuals. In 2017, we provided \$83.7 million in direct program support and distributed textbooks and other educational materials valued at \$8.7 million.

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