

## **Implications of a Crowded Field: Sub-regional Architecture in ACMECS Countries**

*Policy Brief*

*Benjamin Zawacki, The Asia Foundation*

### **Key Findings**

- Five of 13 Mekong frameworks were founded by non-regional nations, four since 2007. All eight others, including the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), were established by or for Mekong nations before 2004. The Lancang-Mekong Cooperation (LMC) is the most recent and unique as both an external and sub-regional framework.
- Frameworks led by foreign ministries, as compared to technical or planning ministries, have been pre-dominant since the early 2000's. Such division reflects and causes political prioritization, which can result in frameworks with the most political clout taking precedence for reasons not necessarily consistent with national needs or priorities.
- The multiplicity of frameworks challenges governments in coordinating policy-shaping processes, with many of the same officials involved and discussing the same issues in parallel. Administratively, servicing the frameworks via voluminous meetings is equally challenging.
- Considerable overlap exists in the frameworks' priority areas, resulting in at least potential redundancy. The overlap also reflects a broad consensus among governments on clearly established needs, as well as the frameworks' capacity and capabilities.
- The 13 frameworks are relatively non-transparent regarding their funding and expenditures, and sometimes conflate money given to the "Mekong region" with that given to a particular framework(s). Funds and in-kind assistance are accompanied by political leverage expressed in the identification or prioritization of pillars and 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.
- Twelve of 13 frameworks publicly reference at least one other initiative, expressing synergy, support, and/or a desire for new or further cooperation. The same frameworks often do not reference each other, however, suggesting greater emphasis on rhetoric than on real and operational reciprocity.
- The frameworks vary widely in the quantity and quality of information shared with the public, via their websites, public statements, press releases, and other open-source materials; including on the criteria and standards applied in determining priorities and implementing projects. Whether social and environmental impact assessments are conducted, and whether safeguards exist in response to assessments or projects' negative impacts, is not clear.

### **Summary**

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) are seeing important new opportunities, but also challenges from the suite of other sub-regional initiatives.

Five of 13 frameworks currently active in mainland Southeast Asia were founded by non-regional nations, including four since 2007. This reflects not only the sub-region's importance to nations outside of mainland Southeast Asia, but also how that importance has grown in recent years. The Mekong-Ganga Cooperation (MGC) was established by India in 2000; the Mekong-Japan Cooperation (MJC) in 2007; the Lower Mekong Initiative (LMI) by the US in 2009; the Mekong-ROK by South Korea in 2011; and China's LMC in 2015. All eight of the other intergovernmental cooperation frameworks (including ACMECS) were established by or for riparian Mekong nations, and all were founded before 2004.

China's LMC is the most recent and the most unique, as it is both an external and internal framework. 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.

One important factor determining the priorities and operating model of each framework is the lead government agency at the national level. 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.

The various divisions also reflect and necessitate 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.

The complex array of frameworks also increases the burden on member state governments. Finite national resources and specific responsibilities are divided between multiple competing initiatives. There is also growing complexity and coordination challenges as a result of the division of responsibility between lead and auxiliary ministries. The graphic "A Busy Schedule" illustrates the crowded calendar for government representatives meeting from 2015 through 2018: At least 16 meetings at the leadership level, 37 meetings at the ministerial level, and 78 meetings of senior officials over a four-year period. In addition, at least six—and likely more—of the 13 frameworks include working group meetings. On account of its extensive and technical mandate, the MRC held at least 125 working-level meetings from 2015-2018.

External powers are deeply engaged in the 13 sub-regional frameworks, though the patterns of engagement vary considerably. 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. Indeed, promoting dialogue on sub-regional issues is also a clear priority for many frameworks. Four frameworks expressly include Dialogue Partners, which generally do not provide funding, while three others include them in practice.

However, there is little effort to coordinate or combine these policy-shaping processes, indicating that they may be discussing the same issues in parallel, with many of the same officials involved—or even unintentionally engaging at cross-purposes. The graphic “International Engagement with Mekong Architecture” illustrates the many and diverse linkages of 22 nations or entities with the 13 frameworks.

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 sub-regional and partner governments, as well as the frameworks’ capacity and capabilities.

The diagram titled “A Full Agenda” illustrates the 27 priority areas addressed by at least one framework. Connectivity and education lead the field in being a focus of 11 and ten frameworks, respectively. Seven claim involvement in the construction and maintenance of complex and overlapping railway projects, while all five non-regional frameworks offer educational programs and training opportunities to Mekong nations. More broadly, in articulating their general and more thematic areas of attention, five frameworks include at least one “soft” or people-centered area, in addition to their “hard” areas expressed in physical outputs.

It is difficult to assess the funding and expenditures of the 13 intergovernmental frameworks. This is partly because of the difficulty in tracking 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 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. In contrast, 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.

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. Influence by external partners often comes in the form

of identification or prioritization of pillars and 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 the ASEAN Mekong Basin Development Cooperation (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.

Concerning Development and Dialogue partners, although their non-member status would suggest less overt and intentional political leverage, many Development Partners are the founders of other frameworks and some 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 frameworks and a Development Partner of other(s).

A common purpose among 12 of 13 Mekong frameworks is aspirational or achieved synergy between an individual framework and 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 projects, documents, or mechanisms.

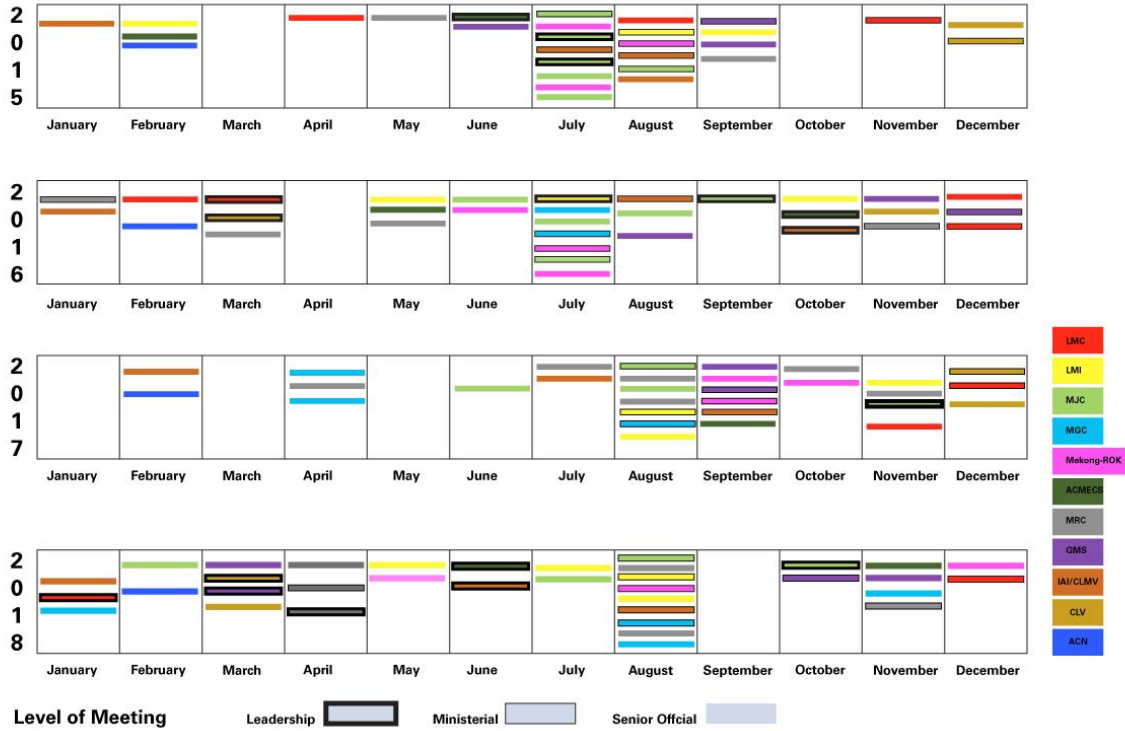
Twelve of 13 frameworks reference at least one other initiative, expressing synergy, support, and/or a desire for new or further cooperation. The same frameworks sometimes do not reference each other, however. The graphic "Synergy Among Mekong Architecture" illustrates this dynamic. For example, in the public sources reviewed, there is no expressed reciprocity where the:

- LMC references the AMBDC;
- MRC references the GMS;
- MCG references the Initiative for ASEAN Integration (IAI);
- LMI, AMBDC, and Mekong-ROK reference the MRC;
- MJC references the LMI, MRC, GMS, and the CLMV; and
- ACMECS references the LMC, LMI, MGC, Mekong-ROK, and GMS.

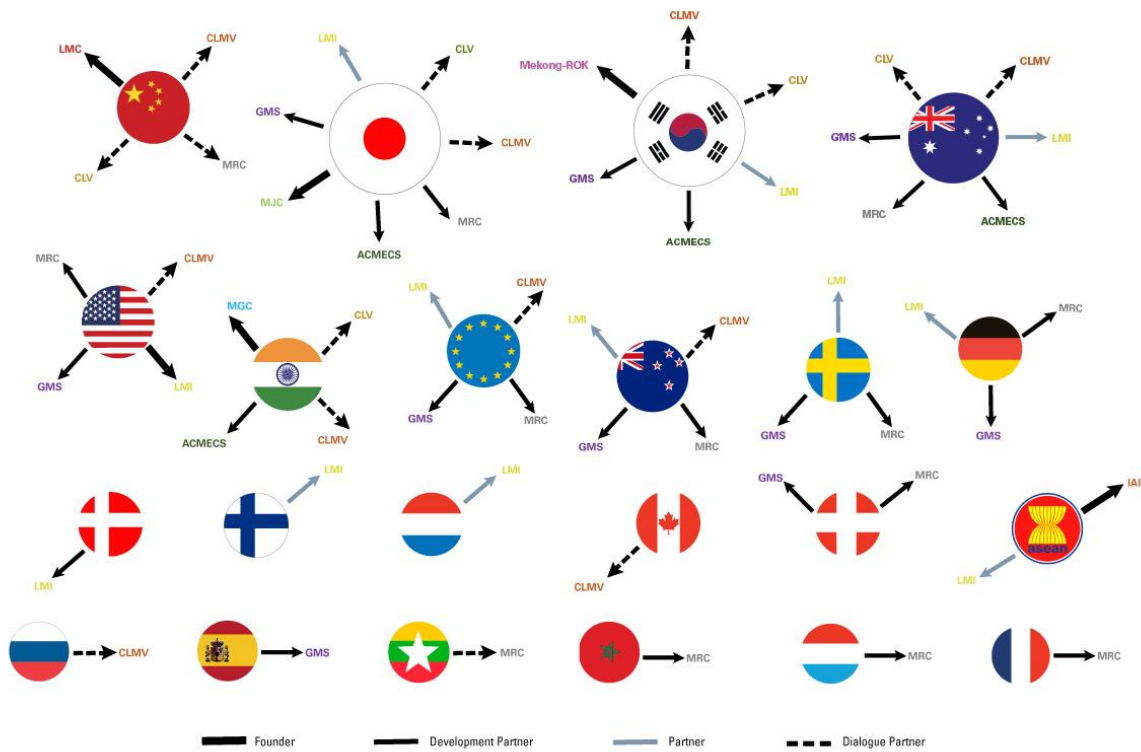
The 13 frameworks vary widely in the quantity and quality of information shared with the public, via their websites, public statements, press releases, and other open-source materials. Non-regional frameworks seem to be compelled to justify and publicize their efforts in a region they are not part of geographically, but as "outsiders" are sensitive to potential accusations of interference or overstepping. 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 six frameworks suggest consultation with national governments and/or local communities.

Information is also not forthcoming regarding the criteria and standards being applied in determining priorities and implementing projects, and whether these (and other) standards are applied to activities such as social and environmental impact assessments. There is also no information on safeguards already in place or agreed upon if needed in response to assessments or projects' negative impacts.

**A Busy Schedule**



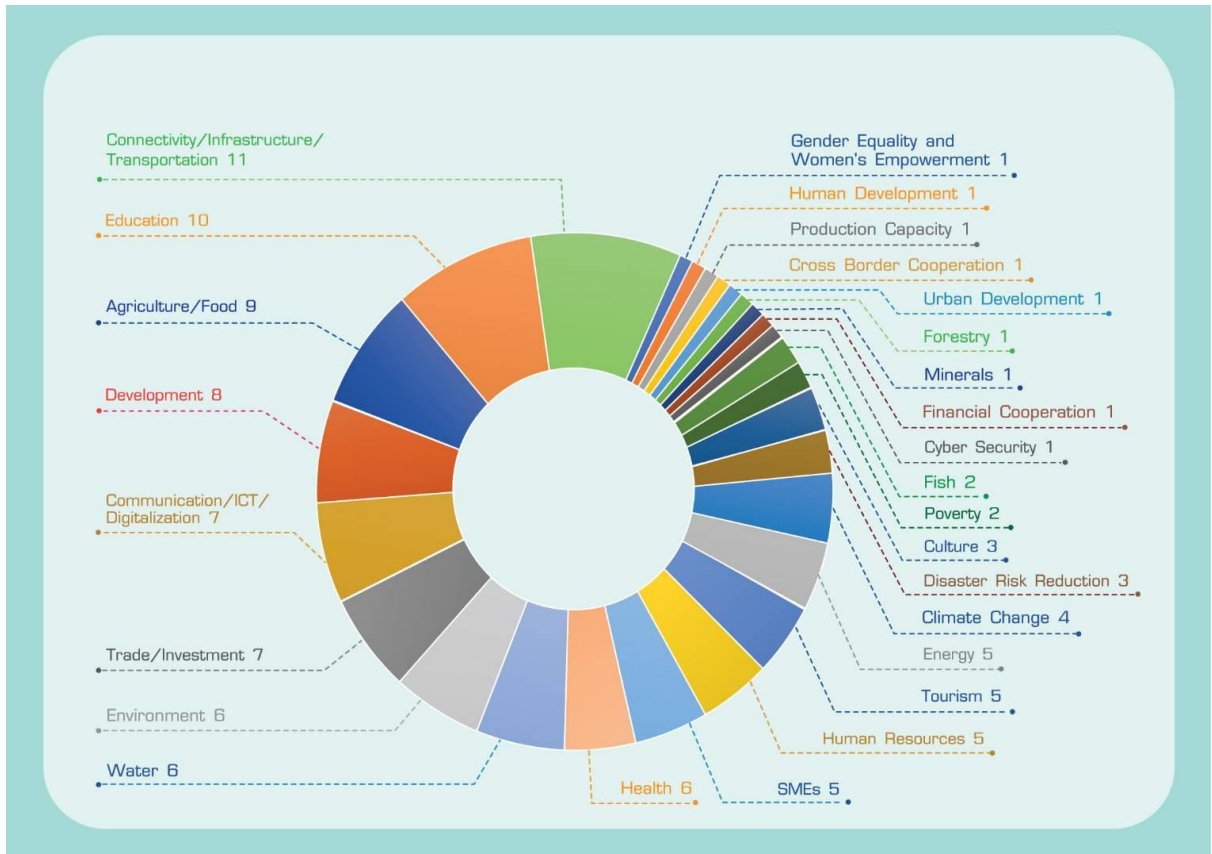
## International Engagement with Mekong Architecture



## A Full Agenda

	LMC	LMI	MGC	MJC	ACMECS	MRC	Mekong ROK	GMS	CLMV	CLV	AMBDC	IAI
Connectivity	■	■	■	■	■	■	■	■	■	■	■	■
Education	■	■	■	■	■	■	■	■	■	■	■	■
Agriculture	■	■	■	■	■	■	■	■	■	■	■	■
Development	■	■	■	■	■	■	■	■	■	■	■	■
Trade/Investment	■	■	■	■	■	■	■	■	■	■	■	■
Communications/ICT/Digital	■*	■	■	■	■	■	■	■	■	■	■	■
Water	■	■	■	■	■	■	■	■	■	■	■	■
Environment	■	■	■	■	■	■	■	■	■	■	■	■
Health	■	■	■	■	■	■	■	■	■	■	■	■
Tourism	■	■	■	■	■	■	■	■	■	■	■	■
Energy	■	■	■	■	■	■	■	■	■	■	■	■
Human Resources	■	■	■	■	■	■	■	■	■	■	■	■
SMEs	■	■	■	■	■	■	■	■	■	■	■	■
Climate Change	■	■	■	■	■	■	■	■	■	■	■	■
Disaster Risk Reduction	■	■	■	■	■	■	■	■	■	■	■	■
Culture	■	■	■	■	■	■	■	■	■	■	■	■
Fish	■	■	■	■	■	■	■	■	■	■	■	■
Poverty	■	■	■	■	■	■	■	■	■	■	■	■
Human Development	■	■	■	■	■	■	■	■	■	■	■	■
Production Capacity	■	■	■	■	■	■	■	■	■	■	■	■
Cross-border Cooperation	■	■	■	■	■	■	■	■	■	■	■	■
Urban Development	■	■	■	■	■	■	■	■	■	■	■	■
Forestry	■	■	■	■	■	■	■	■	■	■	■	■
Minerals	■	■	■	■	■	■	■	■	■	■	■	■
Financial Cooperation	■	■	■	■	■	■	■	■	■	■	■	■
Cyber Security	■	■	■	■	■	■	■	■	■	■	■	■
Customs	■*	■	■	■	■	■	■	■	■	■	■	■
Youth	■*	■	■	■	■	■	■	■	■	■	■	■

\*Projected to begin in January 2018 but not confirmed



### Synergy Among Mekong Architecture

