

Accelerating Development in the Mekong Region

*A Seminar organized by the International
Monetary Fund, the ASEAN Secretariat and the
Royal Government of Cambodia*

Comments by
H.E. Dr. CHAM Prasidh,
Senior Minister and Minister of Commerce,
of the Royal Government of Cambodia,
at the Concluding Roundtable
Siemreap ~ June 27, 2006

A vote of thanks

- Thanks IMF and the ASEAN Secretariat for sponsoring this Seminar on "Accelerating Development in the Mekong Region". The presence of Mr. Takatoshi KATO, Deputy Managing Director of the IMF and of Mr. ONG Keng Yong, Secretary General of ASEAN, at this Seminar is a very encouraging sign for our region.
- The presence of our Prime Minister, Samdech HUN Sen, at this Seminar and his keynote address have set up the right tone for our discussion.
- This is the first time for me to attend an IMF meeting focusing on the Mekong region, as I used to see the IMF giving emphasis more on structural reforms in one specific country rather than on regional integration.

An enriching experience

- After one day and a half of active discussion on all issues related to this Mekong region, all the participants, especially those who are representing the governments of Cambodia, Lao PDR and Viet Nam may realize that this Seminar has been one of the most enriching experiences for them: viewpoints from the extreme left to the extreme right were put on the table.

The ability to adapt ourselves

- As a policy-maker and a decision-maker, I feel it is important for us to spend more time to reflect on what have been presented and discussed at this Seminar. Some viewpoints may be perceived as too idealistic but are not unreasonable or undoable: it is just a question of whether or not you have the political will to take the necessary steps forward.
- Politicians who will implement economic theories without adapting them to the historical and social context of their own country will find a seat in a university's faculty rather than in an elected government.

Hooking to a fast train

- Integration is a must for the Mekong-3: we are like wagons hooked to a fast-speed train. ASEAN is an express train, not yet a Shinkansen or a TGV.
- If our wheels are not round like the ASEAN-6, we will bounce on the rails or just derail. When we derail, the locomotive will derail too.

ASEAN initiatives

- ASEAN has taken many initiatives to make sure that we harmonize our system with the rest of ASEAN: mutual recognition arrangements on standards and quality, Initiative for ASEAN Integration (IAI), 11 priority sectors for fast integration go towards that goal.
- Reducing the development gap among members of ASEAN is one major theme at all ASEAN Summits: Bali Concord II, Vientiane Plan of Action...

Many overlapping regional frameworks

- Many frameworks were set up in order to secure the integration of CLV or Mekong-3 into the regional economy: AFTA – IAI – CLV Development Triangle – CLT Development Triangle or Emerald Triangle – CLMV – ACMECS or CLMTV – GMS – CLV + Japan – and now this Mekong-3 concept.
- The results? a lot of overlaps

Finding the right approach to reducing the development gap

- All these frameworks tried to address the development gap in CLV. All acknowledged that economies of these 3 countries are disconnected or not connected to the other economies of the region, and this, because of historical and social events.
- Now that all 3 countries are moving towards a market economy and towards globalization, there is a strong need for them to implement structural reforms, administrative reforms, legal reforms, trade facilitation reforms...

A need for coordinated actions

- Efforts of the governments of the Mekong-3 shall be complemented by a well coordinated financial and technical assistance from all development partners (donor countries and the IFIs, the private sector and the civil society).

A Development Matrix for the Region

- In the framework of the GMS, I have proposed that a Development Matrix is set up to compile all projects that are projected, are ongoing or are done in the region so that the development partners, the private sector and the civil society can play a more efficient part. ADB has been able to compile it but the use has not been that extensive yet. IMF and WB were not involved, the EC was not involved extensively in it, and other donors are outside of the game.

A unique Development Matrix

- There are vast and enriching experiences of Thailand, Malaysia and Singapore that we can learn from. But which one is suitable to our own context?
- Therefore, the most pressing issue to tackle is the coordination of assistance to the Mekong-3 and the creation of one unique Development Matrix for the Mekong region (including the Mekong-3) that encompasses the 3 countries' national development plans. This DM, if realized, can be the most efficient mechanism to screen all projects and initiatives in the region and help avoid duplication of efforts, waste of money, time and human resources.

Need to develop ownership

- Who will help us achieve that scheme? Who will help us set up a DM or a Master Plan for the Region's integration? Are all development partners willing to coordinate among themselves, who or which country or organization will be the Team leader?
- I sincerely doubt it as everyone wants to be the Team Leader in his/her own initiative.
- Hence, the last option lies on us alone: our governments shall take the initiative on our own to do it and then ask them to hop in: at the time we want, and the pace we want and at the place we want.

Call for a concerted Mekong-wide Integration Approach

- In short: no integration without ownership. In short: no integration without a Region-Wide Approach
- I do hope the IMF will share that appeal to the forthcoming WB-IMF meeting in Singapore in next September.

THANK YOU