



ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Fifty-seventh session
19-25 April 2001
Bangkok

**EMERGING ISSUES AND DEVELOPMENTS AT THE REGIONAL LEVEL:
REGIONAL ECONOMIC COOPERATION**

(Item 7 (a) of the provisional agenda)

**REPORT ON THE IMPLEMENTATION OF COMMISSION RESOLUTION 56/1
ON THE DECADE OF GREATER MEKONG SUBREGION
DEVELOPMENT COOPERATION, 2000-2009**

Note by the secretariat

SUMMARY

The Commission, at its fifty-sixth session, adopted resolution 56/1 of 7 June 2000 on the Decade of Greater Mekong Subregion Development Cooperation, 2000-2009, giving ESCAP the mandate to coordinate activities in various areas of technical assistance to countries in the Greater Mekong Subregion. The resolution demonstrates the importance that the countries of the Asian and Pacific region attach to the development of the Subregion and the need for a coordinated approach.

In line with a mandate under the resolution, the present document provides an overview of development of the Greater Mekong Subregion, a summary of various development frameworks, and an update of the current activities and strategies of ESCAP for the implementation of the resolution.

CONTENTS

	<i>Page</i>
Introduction	1
I. VARIOUS DEVELOPMENT FRAMEWORKS	1
A. Economic corridors	2
B. Initiatives for private sector development	2
II. CURRENT ACTIVITIES OF ESCAP	3
A. Forum for the Comprehensive Development of Indo-China	4
B. Advisory assistance to industry for export promotion	4
C. Greater Mekong Subregion Trade Facilitation Working Group	5
D. Greater Mekong Subregion Business Forum	5
E. Working Group on the Greater Mekong Subregion Tourism Sector and the Mekong Tourism Forum	6
III. OBJECTIVES OF SUBREGIONAL COOPERATION AND STRATEGIES FOR THE IMPLEMENTATION OF RESOLUTION 56/1	6
A. Objectives of subregional cooperation	7
B. Strategies for the implementation of the resolution	8
IV. CONCLUSION	13

Introduction

1. The Greater Mekong Subregion, comprising Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam and Yunnan Province of China, endowed with abundant but relatively unexploited natural resources and a large potential market, has a good possibility of becoming a growth centre in the Asian and Pacific region. The integrated sustainable development of the Mekong River basin has been a major objective of ESCAP activities in the Subregion since the early 1950s and led to the establishment of the Mekong Committee by ESCAP in 1957.

2. The Greater Mekong Subregion Economic Cooperation Programme is the first subregional initiative designed to promote closer economic ties and economic cooperation among countries of the Greater Mekong Subregion, which share the Mekong River. The Programme was established in 1992 with the support of the Asian Development Bank (ADB), but it has also benefited greatly over the years from additional contributions and involvement by ESCAP, the Mekong River Commission and other international and intergovernmental organizations, as well as bilateral donors. The Programme has the objective of promoting sustainable economic growth among the six economies by assisting in strengthening economic links among them. There are eight priority sectors covered under the Programme: transport, telecommunications, energy, tourism, human resources development, environment, trade and investment.

3. Five of the six economies are still undergoing transition to market-based economies and opening their economies to foreign participation. With the exception of Thailand, which has had a free market economy for decades, these economies were formerly centrally planned and characterized by state-owned means of production. Low levels of productivity, inadequate amounts of goods and severe economic problems compelled the governments in five of the economies to reduce the productive role of the state and allow the business sector to take a greater role in developing the countries both economically and socially. Gradually, over the past two decades, the governments have instituted various economic reforms, which are still ongoing.

4. Economic development in the economies of the Greater Mekong Subregion was progressing well, if a little slowly, before the onset of the Asian financial crisis in mid-1997. Since that time, as most East and South-East Asian countries experienced severe recessions or growth slowdowns, the emerging economies in the Subregion faced great challenges. The trade and investment that had been driving their economic engines slowed to a trickle, and their partners became preoccupied with their own internal problems.

I. VARIOUS DEVELOPMENT FRAMEWORKS

5. In recognition of the prospects and needs of economies of the Subregion, several initiatives have been taken during the past few years by a number of international organizations and programmes, such as the Mekong River Commission, the Greater Mekong Subregion Economic Cooperation Programme, the Forum for the Comprehensive Development of Indo-China, ASEAN-

Mekong Basin Development Cooperation, the Working Group on the West-East Corridor under the Economic and Industrial Cooperation Committee of the ASEAN Economic Ministers and the Minister of Economy, Trade and Industry of Japan, the Mekong Project Development Facility of the World Bank, the “Economic Circles in Thailand and Indo-China” project of the United Nations Development Programme, the Greater Mekong Subregion Academic Research Network, and the “Golden Quadrangle” formed by the four countries in the upper Mekong. The subregional initiatives and programmes which are at advanced stages include subregional projects for economic corridors and private sector development.

A. Economic corridors

6. The progress of cooperation under the Programme to date is shown by the construction of major transport routes, agreements to facilitate cross-border movement of goods and people, joint tourism promotion and the promotion of women's participation in economic development. Detailed studies for a telecommunications backbone system and a regional energy grid are under way. Towards the end of 1999, the Subregion began to regain momentum as the immediate impact of the Asian economic crisis began to subside and other factors converged.

7. A new addition to the Greater Mekong Subregion Programme was the ADB “corridor approach” to development. The two main economic corridors, the East-West (West-East) Corridor and the North-South Corridor, constitute an attempt to devise a more holistic approach to development and cooperation in the Subregion. An economic corridor is a well-defined area in which infrastructure improvements are linked with production, trade and other development opportunities. The aim is to generate investment, employment and higher income with infrastructure development along key economic channels.

8. The East-West Corridor will eventually create a direct land route from Da Nang in Viet Nam to Mawlamyine in Myanmar, passing through southern Lao People's Democratic Republic and north-eastern and central Thailand. The East-West Corridor is expected to allow greater access to natural resources, facilitate cross-border trade, increase exports from the Greater Mekong Subregion and enhance the overall competitiveness of the subregion. The corridor is expected to be 90 per cent complete by 2003. The North-South Corridor will link Kunming in China to Chiang Rai in Thailand, and cross north-eastern Myanmar and north-western Lao People's Democratic Republic. However, progress has been a little slower in this corridor because of the priority status granted to the East-West Corridor.

B. Initiatives for private sector development

9. The business sector in the Greater Mekong Subregion is still in a nascent stage of development as a result of the relatively late transition to market-oriented economic principles. The transition from a command economy to a market-based economic structure with the participation of the private sector is only slightly more than a decade old in economies of the Subregion such as Myanmar. Initiatives for developing the business sector as a whole throughout the Subregion are even more recent, essentially dating back to the years 1994-1995.

10. The first major focus on private sector development in the Greater Mekong Subregion was developed under the umbrella of the Greater Mekong Subregion Economic Cooperation Programme. The Greater Mekong Subregion Third Conference on Subregional Economic Cooperation, held in 1994, called for the creation of a subregional growth zone through constructive business facilitation, explicitly recognizing the importance of the business community in economic development. At the Fifth Conference, in 1995, the ministers also called for greater efforts in exploring mechanisms to enhance the involvement of the private sector, both domestic and foreign, in the economic cooperation process.

11. The support for the business sector has been seen in other initiatives as well. In 1995, at the ministerial meeting of the Forum for the Comprehensive Development of Indo-China, the participants agreed to set up an advisory group to absorb views and opinions of the private sector on the role of development assistance to promote private sector activities in the Indo-China subregion. Accordingly, with a view to disseminating recommendations for reforms to remove existing impediments to private sector development which had been made by the Private Sector Advisory Group, the first meeting of the chambers of commerce and industry of the Greater Mekong Subregion was convened in 1996. Following the meeting, a number of follow-up activities were undertaken, including training programmes and further discussions regarding the integration of new members of the Association of Southeast Asian Nations (ASEAN). The activities mentioned earlier explicitly examined the potential for enhancing the interface between the business sectors in the economies of the Subregion and their partners in ASEAN.

12. In addition, several Greater Mekong Subregion forums have been held since late 1999 that helped reinvigorate interest in the Subregion as a potential investment opportunity, including the World Economic Forum in Singapore in 1999 and the Greater Mekong Subregion business workshops of the Board of Investment of Thailand, held in February 2000 as a part of its "BOI Fair 2000".

II. CURRENT ACTIVITIES OF ESCAP

13. Since the early 1990s, ESCAP assistance in the Greater Mekong Subregion has expanded to cover a wide range of sectors, including development policy analysis, human resources development, natural resources and environmental management, rural development, social development, tourism promotion, trade and investment, as well as transport and infrastructure development, at the national, subregional and regional levels. In particular, ESCAP has worked with five different frameworks to provide technical assistance for the development of the private sector in the Subregion.

A. Forum for the Comprehensive Development of Indo-China

14. ESCAP has been closely associated with the Forum for the Comprehensive Development of Indo-China since its inception in 1994. The Forum, an undertaking initiated and supported by the Government of Japan, seeks to promote subregional development through cooperation among the countries of Indo-China, namely Cambodia, the Lao People's Democratic Republic, Myanmar and

Viet Nam, as well as through cooperation with neighbouring countries (China and Thailand) and the international community in general.

15. ESCAP activities under the Forum focus mainly on the development of the private sector in the Subregion. These activities include meetings of the Private Sector Advisory Group, networking among chambers of commerce and industry, technical cooperation among developing countries (TCDC) activities for human resources development, seminars for the private sector on World Trade Organization agreements, tourism promotion, as well as the development of small and medium-sized enterprises (SMEs), privatization, issues relating to foreign direct investment (FDI) and the development of plans of action to promote women's participation in economic development in Indo-China.

16. ESCAP has been implementing various activities under the new phases of the project in 2001 and 2002, including (a) human resources development for the Greater Mekong Subregion business sector; (b) the strengthening of business associations in the Subregion; (c) institutional capacity-building for trade policy reforms; (d) a workshop on corporate strategy and external investments in the Subregion; and (e) a workshop on Asian economic integration and international production networks.

17. In addition, a project entitled "Indo-China Investment Biennium 2000/2001" was formulated as the first phase of a larger initiative aimed at improving FDI in Indo-China. Under the first phase of the project, it was considered that before new investment could be effectively attracted, obstacles to the realization of current approved investment, especially at the provincial and municipal levels, needed to be removed. Therefore, the current project aims at developing an investment promotion strategy for provinces, countries and the Subregion as a whole in which investment realization and implementation issues would figure prominently. Implementation of the project started in May 2000. Six national workshops in the countries of Indo-China are scheduled for 2001.

B. Advisory assistance to industry for export promotion

18. The project on advisory assistance to industry for export promotion is funded by the Government of Germany. It aims at increasing the participation of Indo-China in regional and global trade. The target group is SMEs with export potential in various sectors in three countries of Indo-China.

19. The current phase of the project concentrates on capacity-building within institutions such as business associations in order to strengthen existing, or build new, services, to local enterprises with export potential. Activities focus on quality-related issues, such as the development of integrated services in quality management for SMEs and services aimed at improving quality and productivity. Furthermore, the project assists in developing or upgrading the export potential of selected sectors, such as the fishery sector.

20. Efforts are also aimed at the policy level in order to create awareness of the need to improve the framework for exporting SMEs and to enhance government and private sector partnerships in implementing export-oriented development policies. The activities undertaken include the training of ministry staff in quality management, the implementation of a capacity-building initiative at the provincial level and preparation for an upcoming conference on export promotion policies and systems.

C. Greater Mekong Subregion Trade Facilitation Working Group

21. The introduction of trade facilitation measures and electronic commerce techniques, such as electronic data interchange, is of increasing importance in order to improve productivity, business performance and competitiveness at relatively low cost. Therefore, ESCAP has placed increasing emphasis on strengthening trade facilitation measures through its technical assistance to government agencies and firms.

22. In response to the ESCAP initiative in this area, the economies of the Subregion have established the Trade Facilitation Working Group under the Greater Mekong Subregion Programme with a view to improving efficiency in the conduct of international trade in general and cross-border trade in the Subregion in particular. ESCAP and ADB jointly developed the work programme of the Working Group, which includes institutional mechanisms, the harmonization of data elements, documentation and cross-border procedures, and human resources development.

D. Greater Mekong Subregion Business Forum

23. The Greater Mekong Subregion Business Forum, a non-governmental body, was established in Bangkok in October 2000 as an initiative of the national chambers of commerce and industry of the six economies of the Subregion, with the assistance of ESCAP and ADB. It aims to promote business activities and investment in the area by building up the capacity of the local private sector, creating stronger linkages between local firms and foreign firms, and enhancing the public-private sector interface in the Subregion, including the major multilateral agencies.

24. In order to balance the interests of the private business community with those of the governments and other public institutions, the Forum serves as an intermediary. It reviews legislative and government policies in the Subregion with the interests of the business community in mind and issues opinions on the timeliness and effectiveness of the policies. It works out policy alternatives and conveys them to the governments, political parties and other relevant authorities in the Subregion. Its services include (a) business advisory services; (b) a business support centre; (c) an investment promotion programme; (d) an export promotion programme; (e) support to visiting trade delegations; (f) sending trade missions; and (g) management and vocational training.

E. Working Group on the Greater Mekong Subregion Tourism Sector and the Mekong Tourism Forum

25. The Working Group on the Greater Mekong Subregion Tourism Sector was established through the joint efforts of ESCAP and ADB. It comprises national tourism organizations, and private sector and international organizations, and aims to facilitate implementation of the following priority tourism programmes: (a) destination marketing; (b) subregional events; (c) training; (d) management of natural and cultural resources; (e) Mekong/Lancang River tourism development; (f) facilitation of travel; (g) village-based tourism; and (h) tourism flows in the Subregion.

26. ESCAP, with ADB, has been collaborating with the Pacific Asia Travel Association in organizing the annual Mekong Tourism Forum. The Forum provides a platform in which the public and private sectors can discuss subregional tourism issues. It also provides excellent networking opportunities for national tourism organizations, airlines, travel agents and other segments of the tourism industry. Recent initiatives of ESCAP have included the meetings of the Working Group, national seminars on sustainable tourism development, a workshop on the development of a national ecotourism strategy for Viet Nam and a seminar on the expansion of tourism in the Greater Mekong Subregion through improved air transport. A training programme on tourism management for the countries of the Subregion will be organized by ESCAP and the Tourism Authority of Thailand in Bangkok in 2001.

III. OBJECTIVES OF SUBREGIONAL COOPERATION AND STRATEGIES FOR THE IMPLEMENTATION OF RESOLUTION 56/1

27. In order to design technical assistance programmes that really meet the needs of the Subregion, concrete objectives of subregional cooperation and detailed implementation strategies for the resolution as well as interdivisional coordination within ESCAP must be adopted. ESCAP therefore established the working group on the Decade of Greater Mekong Subregion development cooperation in July 2000 to develop the objectives of subregional cooperation and strategies for the implementation of the resolution in cooperation with the economies in the Subregion, neighbouring countries, and bilateral and multilateral donors, and to coordinate interdivisional activities in the Subregion.

A. Objectives of subregional cooperation

28. The objectives of subregional cooperation are twofold: economic growth and integration, and poverty alleviation.

1. Economic growth and integration

29. Sustained economic growth is an essential precondition for long-term development. Historically, it has been found that the more open the trade and investment policies of countries are, the greater is the tendency to achieve faster economic growth.

30. The constraint of limited domestic market size which characterizes many developing countries can be overcome through better integration with other countries. The opportunities for export provide a much bigger market for products, enabling exploitation of the benefits of economies

of scale. Access to external capital allows the capital-importing countries to complement domestic savings, enhance investment and accelerate economic growth. Foreign capital inflow also releases the foreign exchange constraint, allowing the recipient countries to undertake the necessary import of capital equipment, intermediate goods and raw materials. Integration provides the opportunity for less developed countries to acquire improved technology as well as skills which increase productivity and competitiveness, and consequently growth.

31. The process of integration, however, is associated with a number of challenges, and countries should be vigilant so that the negative impacts are minimized and contained. First, integration can entail vulnerability, because events outside the country can have a direct impact on the domestic economy, and greater instability, especially of financial markets. Second, the benefits of integration are not shared equitably by all sections of the population. Third, participation in the integration process often requires compliance with international norms and rules. This is a resource-intensive process which puts resource-scarce countries under tremendous pressure, especially with regard to financial and human resources. Another challenge arises from the imperative of incorporating information technology (IT) in the development process to avoid the threat posed by the rapidly emerging digital divide.

32. The economies belonging to the Greater Mekong Subregion urgently need to strengthen their institutional and human resource capacity in many areas to be able to reap the gains from greater participation in the process of globalization and integration and to deal with the associated challenges.

2. Poverty alleviation

33. The alleviation of poverty is the single most critical challenge in the Subregion and is the first priority of ESCAP technical assistance programmes. Poverty is manifested by low income, and inadequate social services and economic and social infrastructure. The reduction of poverty has been slow owing to the combined effect of lack of institutional capability and inadequate investment funds. The disadvantaged people are also marginalized and have less access to resources.

34. The per capita income of four economies of the Subregion is below US\$ 400 and the people living below the poverty line exceed 40 per cent. A substantial proportion of the population is still undernourished. The poverty is endemic among the under-educated and in households with a large family size as well as in the female-headed rural households. The social indicators of the income-poor people are also much worse and imply that the capability-building needs to be multi-faceted to alleviate poverty. The increasing disparities between rural and urban areas are another feature of poverty in these economies.

35. The three main elements perhaps sum up the causes of poverty: (a) lack of income and assets to attain basic necessities; (b) inadequate economic and social opportunities; and (c) vulnerability to risks and calamities. The corollary to those reasons for poverty would be creating opportunities for the poor, empowering the local institutions and minimizing the risks in the Subregion.

36. The core of the poverty alleviation efforts has to be ways and means of increasing income in rural households. The external assistance needs to be focused on stimulating the latent strength of the poor themselves and supporting capability-building efforts in the respective countries. The poor need to be partners in alleviating poverty instead of recipients of subsidized loans and services. In many cases it is evident that the rural poor, especially small farmers, have useful skills which can be used in profitable ventures. The international support can offer a bridge between proven skills and the market. Thus the strategy of poverty alleviation will focus on improvement in productivity, the creation of employment opportunities, skills development and risk minimization. It will be achieved by providing support, among others, to the institutions at the grass-roots and micro and macro levels.

B. Strategies for the implementation of the resolution

37. In the context of subregional initiatives and the objectives of subregional cooperation, strategies for the implementation of the resolution have been prepared in eight priority sectors: (a) transport, communications and infrastructure; (b) environment and natural resources; (c) trade and investment; (d) tourism; (e) social development; (f) rural development; (g) human resources development; and (h) information technology.

1. Transport, communications and infrastructure

38. It is important for the economies of the Greater Mekong Subregion to optimize the available infrastructure, integrate all transport modes and facilitate trade by strengthening regional linkages through the development of the multimodal transport and logistics network in the Subregion. The main emphasis should be towards exploring the transport potential of the Mekong River along with the integration with and operationalization of the Asian Highway routes in the Subregion. The missing links of the network should be completed and substandard sections and bridges within the route upgraded. Intermodal movements of traffic through the Asian Highway in the Subregion and on the Mekong River should then be streamlined through accession to international conventions and regional/subregional agreements.

39. It is essential that the economies of the Subregion be made aware of the need for a master plan for the development of a regionwide rail network for those economies and receive assistance in formulating the plan. Regional cooperation should be emphasized, as it will ensure that risks are shared and economies of scale realized, allowing individual countries to benefit from progress without having to resort to heavy “up-front” investments which may be beyond their individual financial capabilities.

40. The development of an integrated intermodal transport network reaching across the Subregion is the critical step needed to open its vast hinterlands to economic and social development. Poverty alleviation can and will be hugely accelerated through unhindered access to enable agricultural products and natural resources to reach domestic and foreign markets while, at the same time, industrial investment, including FDI and investment for SMEs, will be encouraged, creating

productive employment and income-generation opportunities. ESCAP is giving new priority to providing assistance in this area.

41. Sustainable development and management of energy resources constitute an increasingly challenging issue in the national context and in that of the Subregion. ESCAP attaches priority to the development of policies and strategies for the effective integration of sustainable energy development into the economic and social development processes. Apart from the policy aspects, it gives priority to assisting the countries in developing mechanisms and adopting practices to enhance community participation in power development.

2. Environment and natural resources

42. Owing to the complexity in the natural resources development and management which is required to meet not only economic growth but also the social development needs in each country, complementary efforts are necessary so as to assure a concerted strategy and close coordination among economies of the Subregion and the relevant development agencies.

43. Key issues and priorities for ESCAP in the implementation of the resolution are conceived on the basis of an ESCAP vision for the Greater Mekong Subregion in the development of natural resources and protection of the environment. Such a vision should form part of the ESCAP vision for the entire region and provide overall direction for ESCAP to take action on the basis of its strategic strength and complementarity to other United Nations agencies and international organizations. For the realization of the ESCAP vision for the Subregion, key issues in the development of natural resources and protection of the environment in the Subregion have been identified from two aspects: (a) related strategic issues for the implementation of the overall ESCAP vision, and (b) activities complementary to other subregional initiatives for the successful implementation of the resolution.

44. Based on the importance of a sustainable mineral supply for the economic development programmes of the Subregion, ESCAP activities will focus on strengthening the institutional capacity of participating countries in the formulation of environmentally sound policies and regulatory frameworks for mineral resources development, including investment promotion, as well as on assessment, planning and development of mineral resources using the latest technologies. The activities aim to promote subregional cooperation in the development of, and investment in, minerals and the establishment of a subregional geological database to be used for the assessment, planning and development of natural resources.

3. Trade and investment

45. In order to maximize the great potential for economic growth and prosperity in the Subregion, the private sector must take a decisive role in the process of economic development. There are no doubt several obstacles to promoting private sector activities in the Subregion, as most of the countries are in transition to market-oriented economies and the supporting institutional infrastructure, such as chambers of commerce and business associations, is still in its nascent stage.

46. ESCAP has therefore been working to enhance private sector development in the Subregion by implementing a comprehensive programme in close coordination with ADB, other donor agencies and the business sector of the Subregion. In view of emerging economic conditions and changing needs in the Subregion, the programme has employed four main strategies, focusing on the “software” development in order to complement other bilateral and multilateral “hardware” development programmes: (a) human resources development at the enterprise level; (b) institutional capacity-building of private sector associations; (c) facilitation measures, especially in the area of trade and related procedures; and (d) investment promotion.

4. Tourism

47. Tourism can be an effective tool for sustainable development, contributing to poverty alleviation in rural areas and the conservation of the natural and cultural environment. The development of tourism can contribute to poverty alleviation by creating new economic opportunities and raising income in rural areas. Subregional cooperation can enable countries in the Subregion to share knowledge, experience and resources in order to address common problems and issues of tourism development.

48. While the substantial contribution of tourism to the economies in the Greater Mekong Subregion is becoming increasingly evident, in order to harness the potential of tourism fully ESCAP would give special attention to the following:

- (a) Strengthening national capabilities in integrated planning for sustainable tourism development and human resources development in the tourism sector;

- (b) Promoting the sharing of experience and best practices;

- (c) Assisting national tourism organizations of the economies in the Greater Mekong Subregion, international organizations and the private sector in making coordinated efforts to create an environment conducive to the expansion of sustainable tourism.

5. Social development

49. The key issues and priorities for ESCAP in promoting social development in the Subregion include policy dialogue on new and emerging social issues and concerns in the wake of globalization and integration; social mobilization for achieving the goals of poverty alleviation, employment generation and social integration; the development of efficient mechanisms for the delivery of social services; institutional capacity-building and the maintenance of social protection measures, including social safety nets for the poor and the vulnerable; the social integration of disadvantaged and vulnerable groups, such as disabled persons and older persons; and the promotion of gender equality and advancement of the social and economic status of women.

50. One of the core dimensions of the project implementation strategies will be a built-in monitoring mechanism to align project activities to reflect changing realities in the Subregion. Given

that social development is the only assurance for sustainable development, the project implementation strategies will focus on the achievement of three interrelated goals: poverty alleviation, employment expansion and social integration. A combination of policy research, group training activities and advisory services will be conducted in a coherent framework with each of the activities reinforcing and complementing other activities. Subregional activities will be followed by national-level and TCDC activities with other countries outside the Subregion. A highly focused cluster of activities will be undertaken on a sustained basis to create the critical social development foundation for the overall development and integration of the Subregion.

6. Rural development

51. The rural people in the Asian developing countries are increasingly left behind owing to adverse economic and social conditions. The productivity of the core economic activity, the agriculture sector, has not increased during the past decade compared with other sectors. Agricultural growth, which holds the key to the sustained reduction of rural poverty, has been lacklustre as technological and institutional support has been relatively inadequate. In addition, the off-farm activities have not expanded sufficiently to absorb the increased labour force. The sector continues to suffer from low access to quality education and health services and high child and infant mortality rates.

52. The future of the rural population is based primarily on the faster rate of agricultural growth and gradual development of agriculture-based off-farm production. The agricultural growth depends largely on the combined efforts of building up infrastructure, technological change and institutional development, including marketing services. Investment in education and health services will be an essential precondition for the long-term sustainability of agricultural growth. In the future, the traditional form of such growth alone may not be adequate owing to the changing paradigm in the international marketing structure. High-value crop specialization and value-added activities in the rural areas would be an important dimension of rural sector growth in the future. In this effort international organizations can provide critical support focusing mainly on institutional development, and training of and by farmers, as well as offering better market for their products.

7. Human resources development

53. ESCAP employs a range of multidimensional strategies to advance human resources development (HRD) in the Subregion, including the promotion of regional cooperation in HRD through intercountry forums; research, training, advisory services and information exchange in the areas of HRD policy formulation; capacity-building of institutions and national personnel; the planning and delivery of HRD services; and the promotion of best practices in HRD. However, the capacity-building of national personnel through training in the various areas of HRD has been the main premise of ESCAP activities in the Subregion.

54. Given the relatively low levels of development in many economies of the Subregion, there is a need to focus attention and external resources on expanding public sector development in the Subregion. This entails the need for concerted and coordinated efforts among donor countries and international development agencies to strengthen the long-term capacity of public personnel to administer development programmes and to undertake HRD policy formulation and the necessary steps to institutional reform. Moreover, strengthening national capacity to plan and deliver social services through the relevant training is essential for building national ownership and ensuring the increased sustainability and effectiveness of HRD projects and programmes. In line with the needs of the public sector, training should focus on awareness-raising of policy makers on key HRD issues and latest development concepts and practices; skills development in qualitative research and in project design, implementation and evaluation; and training of trainers in poverty reduction and other areas of key concern in the Subregion.

8. Information technology

55. It is now increasingly being accepted that IT is going to be a driving force for economic growth in the future. Within the Asian and Pacific region, many countries, including developing countries, have been quick to adopt the new technology. However, there is a serious digital divide between economies of the Subregion and other developing countries of Asia that threatens to marginalize those in the Subregion in the present information age.

56. In order to bridge this divide, a concerted effort must be made to provide economies in the Subregion with the means to develop a level of IT appropriate to their level of development so that they too can benefit from the opportunities brought about by advanced technology. In this sense, a comprehensive IT development programme entitled “eMekong” has been formulated to provide technical assistance to establish an enabling environment for IT development in the Subregion, with particular focuses on IT readiness, a legal and regulatory framework, e-governance, e-commerce, transport, institutional capacity-building and human resources development. The IT programme aims at providing timely interventions in this regard and at constituting an important contribution to the development process in the Subregion.

IV. CONCLUSION

57. In the course of the implementation of the resolution, effective networking at all levels and cooperation will be sought with the economies in the Subregion, neighbouring countries, multilateral agencies in related fields, the private sector and non-governmental organizations.

58. The Commission may wish to provide further guidance to the secretariat on how the resolution can be implemented more meaningfully and effectively for the development of the Greater Mekong Subregion.