

PHNOM PENH DECLARATION
of the Second Mekong-Lancang Cooperation (MLC) Leaders' Meeting
“Our River of Peace and Sustainable Development”

We, the Heads of State/Government of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, gathered on 10 January 2018 in Phnom Penh, the Kingdom of Cambodia to hold the 2nd Mekong-Lancang Cooperation (MLC) Leaders' Meeting under the theme of “**Our River of Peace and Sustainable Development**” and to chart the future course of the MLC into the next decade.

1. Recognizing that geographically the six riparian countries share a common sub-region bound by the Mekong-Lancang River; further appreciating that politically within a short time span of some two years the six Mekong-Lancang countries has brought about the realization of an idea proposed in Nay Pyi Taw during the 17th China-ASEAN Summit and transformed it from an embryonic stage into a thriving full-fledged Mekong-Lancang Cooperation or Lancang-Mekong Cooperation.

2. Stressing the vision and importance of the MLC in contributing to the socio-economic development of sub-regional countries and enhancing the well-being of their people, narrowing the development gap among countries, supporting the ASEAN Community building as well as advancing South-South cooperation and enhancing the implementation of the UN 2030 Agenda for Sustainable Development.

3. Recalling our commitment as embodied in the “*Sanya Declaration of the First LMC Leaders' Meeting*” to build a Community of Shared Future of Peace and Prosperity among Lancang-Mekong Countries as the foundation for sustainable development of the sub-region, and resolving to strengthen mutual trust and understanding to address economic, social, environmental challenges and non-traditional security threats faced by the sub-region in order to unleash and realize its enormous development potentials.

4. Welcoming the successful convening of the Second MLC Foreign Ministers' Meeting on 23 December 2016 in Siem Reap Province, Cambodia, and the Third LMC Foreign Ministers' Meeting on 15 December 2017 in Dali, Yunnan Province, China, where a number of strategic policy documents, such as the General Principles for the Establishment of the Joint Working Groups

(JWGs) on LMC Key Priority Areas, the Joint Press Communiqués of the Second and the Third MLC Foreign Ministers' Meetings were endorsed , and the 5-Year Plan of Action on the LMC (2018-2022) were prepared.

5. Welcoming the concrete institutional achievements of the MLC such as the establishment and launching of the Water Resources Cooperation Center, the Lancang-Mekong Environmental Cooperation Center, the Global Center for Mekong Studies, and the operationalization of the LMC Special Fund.

6. Recognizing the full and complete establishment of the respective MLC National Secretariats/Coordination Units within the six MLC member countries, which constitutes the efficient backbone of the MLC implementation mechanism to effectively coordinate and deliver concrete outcomes on all cooperation areas.

7. Appreciating highly China's establishment of an LMC Special Fund and launching the application process to support projects aimed at promoting friendly exchanges and cooperation for the benefit of the peoples of the six MLC member countries.

8. Noting with satisfaction that most of the 45 Early Harvest Projects identified at the First LMC Leaders' Meeting and the 13 initiatives put forward by China at the Second MLC Foreign Ministers' Meeting have been completed or made substantial progress, thus laying a solid foundation for subsequent rounds of MLC projects.

9. Endeavoring to pursue the MLC spirit of openness, inclusiveness and complementarity with the priority areas of ASEAN Community building and ASEAN-China Cooperation, and in synergy with existing sub-regional cooperation mechanisms.

10. Recognizing the ever changing forces of globalization and the evolving development trend and committing to maximize win-win cooperation by seeking the optimal combination of the MLC with other development strategies like the Master Plan on ASEAN Connectivity 2025 (MPAC), Initiative for ASEAN Integration (IAI) Work Plan III the United Nations 2030 Agenda for Sustainable Development and the Belt and Road Initiative (B&R), all the while carefully dovetailing with the national strategies, development visions and general plans of the respective Mekong-Lancang countries.

11. Standing for the principles of consensus, equality, mutual consultation and coordination, voluntarism, common contribution and shared benefits, and respect for the United Nations Charter and International Laws.

12. Emboldened by the rapid evolution of the MLC from its nurturing stage into its current growth period, further strengthen the cooperation in the five priority areas, and may explore new cooperation areas that can respond to the evolving and emerging development needs of the

Mekong-Lancang countries as well as optimizing the cooperation model aiming gradually at collaborating on larger sub-regional projects so as to jointly build a MLC Economic Development Belt.

WE HEREBY DECLARE:

I. Political and Security Cooperation

Political and Security Cooperation is of crucial importance to the MLC Initiative. Multi-level cooperative mechanisms are effective channels for facilitating communication, strengthening policy coordination and enhancing political mutual trust. As such, we endeavor to support the following measures:

- 1.1. Promote high-level exchanges and dialogues among political parties, parliaments and government officials in line with the spirit of MLC.
- 1.2. Strengthen cooperation to safeguard sub-regional peace and stability, while upholding the principle of non-interference in other countries' internal affairs.
- 1.3. Deepen law enforcement dialogues and cooperation in combatting non-traditional security issues on mutual interest.
- 1.4. Enhance cooperation in the field of disaster prevention and mitigation, humanitarian assistance, addressing climate change's impact, ensuring food, water and energy security, including data information exchange.

II. Economic and Sustainable Development Cooperation

The Mekong-Lancang sub-region is known for its strategic location, diverse strengths, rising economic potentials and a strong engine of global growth. In order to continue to act as a catalyst of growth, the MLC calls for enhancing hard and soft infrastructure connectivity and facilities, deepening industrial restructuring and urbanization, unimpeded trade, financial integration, Information and Communication Technology (ICT), science, technology and innovation, environment, energy, and a better cooperation between the government and the private sector. As such, we endeavor to support the following measures:

- 2.1. Enhance *intra* Mekong-Lancang countries connectivity and *inter* regional connectivity by , among others, formulating a MLC plan on connectivity, to spur more development, trade, investment, industry, science and technology, innovation, infrastructure, transportation facility, tourism and people-to-people linkages in complementarity with the MPAC.

2.2. Explore the possibility to establish an economic corridor in the region so as to promote comprehensive connectivity among Mekong-Lancang countries to accelerate their industrialization as well as to stimulate sub-regional production capacity cooperation taking into account the need to align with the economic and development strategies and the comparative strengths of the respective Mekong-Lancang countries.

2.3. Promote cross border economic cooperation in such areas as trade, investment, e-commerce, economic and technical cooperation, industrial park, cross-border economic cooperation zone and trade facilitation. China invites governments and enterprises from Mekong countries to participate in China International Import Expo and will provide necessary assistance in this regard. The Mekong countries appreciate China's invitation.

2.4. Formulate a "Plan of Action on Production Capacity Cooperation among Mekong-Lancang countries" in accordance with the "Joint Statement on Production Capacity Cooperation among Mekong-Lancang Countries", with strong emphasis on the promotion of quality infrastructure investment, social and environment impact assessment, job creation, capacity building, poverty reduction, and transfer of expertise and know-how, enhancing MLC members industrial transformation and their standing in the regional and global value chain as well as optimizing regional productivity distribution, taking into account the principles of mutual benefits and win-win results.

2.5. Strengthen cooperation on sustainable management and utilization of water resources through policy dialogue, sharing of data and information, technical cooperation and exchanges, carrying out joint research and analysis related to Mekong-Lancang water resources, promoting capacity building in water management, deepening Mekong-Lancang river flood and drought disaster emergency management and full usages of the Lancang-Mekong Water Resources Cooperation Forum and Lancang-Mekong Water Resources Cooperation Center as supporting platforms.

2.6. Engage the private sector, especially SMEs and young entrepreneurs, in potential investment and business opportunities in various Mekong-Lancang countries, as well as stimulate better interaction and stronger linkages among Mekong-Lancang business people by way of the formation of a Mekong-Lancang business council and the frequent holding of trade and investment promotion activities such as organizing international trade and investment fairs, roadshows, exhibitions, and business-matching sessions.

2.7. Encourage further cooperation in finance and continue studying and exchanging experiences on local currencies usage in sub-regional trade and investment in order to promote the healthy growth

of the sub-regional economy as well as explore new ways to cooperate in investment financing to support quality infrastructure build-up in the Mekong-Lancang countries, while leveraging with existing financial mechanisms offered by international financial institutions such as the Asian Infrastructure Investment Bank, the Asian Development Bank and the World Bank Group and other sources such as the Silk Road Fund.

2.8. Emphasize to accelerate joint research and development projects so as to assure economic growth, to find solutions and provide necessary supports in reducing the environmental risks for economic cooperation and to set the plans for emergence of realistic and fruitful technical transfer in technical cooperation among MLC countries.

2.9. Promote regional green and sustainable development by formulating *Lancang-Mekong Environmental Cooperation Strategy* and implementing *Green Lancang-Mekong Plan*, to strengthen policy dialogue and exchange, enhance pragmatic cooperation on environmental industry and technology, and conduct capacity building activities.

2.10. Establish Lancang-Mekong Agricultural Cooperation Center in China, as a platform for MLC member countries to enhance the cooperation in agricultural technology exchanges, capacity building, joint research, investment and trade, promoting the common agricultural development in the region along the Lancang-Mekong River.

III. Social, Cultural and People-to-People Exchanges

The Mekong-Lancang region boasts a wealth of traditions, cultures and local values, the diversity of which presents complementary potentials and strengths that can be harnessed for the collective benefit of the Mekong-Lancang countries. As such, we endeavor to support the following measures:

3.1. Promote greater engagement and cooperation in people-to-people connectivity initiatives, including those relating to human resource development, educational and life-long learning exchanges.

3.2. Support academia and other relevant stakeholders to have a concrete role and contribution in bridging the gap in human resources development and building a future generation of competitive workforce in the Mekong-Lancang region that responds to the needs of the marketplace, in particular in key capacities like language skills, digital, financial literacy, technical, vocational and other soft skills.

3.3. Intensify cultural exchanges among our six countries through the support of exchanges involving cultural organizations, artists and cultural tourists, as well as explore the possibility of building a Lancang-Mekong cultural exchange platform.

3.4. Strengthen tourism cooperation through establishing a Mekong-Lancang Tourist Cities

Cooperation Alliance.

3.5 Explore an intellectual cooperation exchange model that incorporates government, business, academia and think tanks, media, women and youth to provide innovative ideas to support to the long-term development of the MLC.

IV. Cooperation Supports

4.1. Continue to explore ways to optimize the existing multi-layer framework comprising of Leaders' Meeting, Foreign Ministers' Meeting (FMM), Senior Officials' Meeting (SOM) and Diplomatic and Sectoral Joint Working Group Meeting in order to fine-tune and improve policy planning and cooperation coordination as well as shaping the long-term strategic planning of the MLC development.

4.2. Strengthen communication and coordination among the MLC National Secretariats/Coordination Units of the six MLC member countries as well as reinforcing the capacity of their staff so as to ensure the effective implementation of the MLC Projects with a view of exploring the possibility to set up the MLC International Secretariat.

4.3. Endorse the 5-Year Plan of Action on the LMC (2018-2022) which will serve as a guiding document and chart the course for MLC development into a new era, and support the formulation of 5-Year Plan of Action in each priority area by joint working groups to better facilitate related cooperation.

4.4. Welcome the finalization of the Joint Ministerial Statement among Mekong-Lancang Countries on Strengthening Cross Border Economic Cooperation.

4.5. Fully utilize the LMC Special Fund and mobilize other financial resources from the governments, business sector as well as international financial institutions to support priority projects and initiatives that are aligned with the Leaders' vision and the Foreign Ministers' directions.

4.6. Build through consensus a brand of MLC as one identity for ease of mass outreach and other public awareness activities and commemorate the annual MLC Week in the week of March 23, when the First LMC Leaders' Meeting was held in 2016 in China.
