

*mekong in danger*

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ADB's Involvement In  
The Greater Mekong Subregion

*arturo muela*

NGO Forum On ADB Guidebook Series

Cover Photo:  
A Vietnamese boatwoman traversing the waters of the  
Tonle Sap lake where their floating village is located.

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# abbreviations

<b>ADB</b>	Asian Development Bank
<b>ADF</b>	Asian Development Fund
<b>ADTA</b>	Advisory Technical Assistance
<b>AFD</b>	<i>Agence Française de Développement</i>
<b>ASEAN</b>	Association of South East Asian Nations
<b>ASF</b>	ADB Special Fund
<b>AusAID</b>	Australian Agency for International Development
<b>BIC</b>	Bank Information Center
<b>BOT</b>	Build, Operate, and Transfer
<b>CAPE</b>	Country Assistance Program Evaluation
<b>CDRI</b>	Cambodia Development Resource Institute
<b>CEGB</b>	Central Electricity Generating Board
<b>CKEIP</b>	Chong Kneas Environmental Improvement Project
<b>Comecon</b>	Council for Mutual Economic Assistance
<b>COS</b>	Country Operational Strategy
<b>CPP</b>	Cambodian People's Party
<b>CSOs</b>	Civil Society Organizations
<b>CSP</b>	Country Strategy and Program
<b>DMCs</b>	Developing Member Countries
<b>DSM</b>	Demand-Side Management
<b>EdF</b>	Electricite de France
<b>EGP</b>	Expert Group on Power Interconnection and Trade
<b>EPF</b>	Electric Power Forum
<b>FACT</b>	Fisheries Action Coalition Team (Cambodia)
<b>FDI</b>	Foreign Direct Investment
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GMS</b>	Greater Mekong Subregion
<b>HAPUA</b>	Heads of ASEAN Power Utilities/Authorities
<b>IFIs</b>	International Financial Institutions

<b>IGA</b>	Inter-Governmental Agreement
<b>IMF</b>	International Monetary Fund
<b>IPP</b>	Independent Power Producer
<b>IRN</b>	International Rivers Network
<b>JBIC</b>	Japan Bank for International Cooperation
<b>JICA</b>	Japan International Cooperation Agency
<b>kWh</b>	Kilowatt hour
<b>kV</b>	Kilovolt
<b>MOU</b>	Memorandum of Understanding
<b>MRC</b>	Mekong River Commission
<b>MWh</b>	Megawatt hour
<b>NGOs</b>	Non-Government Organizations
<b>NORAD</b>	Norwegian Agency for Development Cooperation
<b>OCR</b>	Ordinary Capital Resource
<b>ODA</b>	Overseas Development Assistance
<b>POs</b>	Peoples' Organizations
<b>PPA</b>	Power Purchase Agreement
<b>PPTA</b>	Project Preparatory Technical Assistance
<b>PTOA</b>	Power Trade Operating Agreement
<b>RCSP</b>	Regional Cooperation Strategy Program
<b>RPTCC</b>	Regional Power Trade Coordination Committee
<b>SAPP</b>	South African Power Pool
<b>SARS</b>	Severe Acute Respiratory Syndrome
<b>SIDA</b>	Swedish International Development Agency
<b>TA</b>	Technical Assistance
<b>TEPCO</b>	Tokyo Electric Power Company
<b>TWh</b>	Terawatt hour
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Program
<b>VLSS</b>	Vietnam Living Standards Survey
<b>WB</b>	World Bank

# *preface*

Economic cooperation became a buzzword in the 1990s. Its significance eclipsed the hostile character of military alliances conceived during the cold war era. The fall of the Berlin Wall in 1989 signaled the end of the East-West bipolar divide and redrew national borders—some integrating while others were disintegrating. Economic cooperation redefined the economic and political borders of countries in Europe, Asia and North America. It tore down economic borders and loosened the sovereignties of nations.

The zenith of all regional economic cooperation was the establishment of the World Trade Organization during the 1994 Marakkesh Round that set the rules for international trade and investments. Like kids, countries scrambled into this game with a new card they wanted to play: free trade. They organized themselves into regional and subregional groupings.

On the surface were the national leaders casting their hopes for progress on economic cooperation. Underneath were the International Financial Institutions (IFIs) providing money and technical assistance to these regional and subregional coalitions. The Asian Development Bank (ADB) was the leading IFI in engineering regional and subregional economic cooperation among countries in the Greater Mekong Subregion (GMS) consisting of Burma, Cambodia, Laos, Thailand, Vietnam and the Yunan Province of China.

This guidebook, entitled “Mekong In Danger: ADB’s Involvement In The Greater Mekong Subregion, The Mekong Power Grid and Cambodia” consists of three articles that tackle the ADB’s fantasy of integrating the five countries of the Mekong region and a Chinese province into a single market towards a greater Asian economic community and, eventually, into the global economy.

The first article, “ADB’s Involvement in the Greater Mekong Subregion,” tackles the ADB’s strategic framework for the GMS involving different programs and projects from 1992 up to the present.

The second part of this guidebook, “The ADB and the Mekong Power Grid,” investigates what’s behind the planned power interconnections that will integrate the existing power systems in the region and this power grid’s link to the controversial dams.

The last part, “ADB’s Involvement in Cambodia,” is an article that pays special attention to one of the poorest countries in the Mekong region, one which emerged from decades of political turmoil, political and economic transition, and how its economic health performed after receiving doses of “assistance” from the ADB and other IFIs.

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