

MEMORANDUM OF UNDERSTANDING FOR THE ESTABLISHMENT OF THE GREATER MEKONG RAILWAY ASSOCIATION

CHAPTER I: PREAMBLE

1. The governments of the Greater Mekong Subregion (GMS), namely the Kingdom of Cambodia, People's Republic of China, Lao People's Democratic Republic, Republic of the Union of Myanmar, Kingdom of Thailand, and Socialist Republic of Vietnam (hereinafter referred to as the "parties");

2. **REFLECTING** the following protocols:

- (i) Protocol 1 — Designation of Transit Transport Routes and Facilities,
- (ii) Protocol 2 — Designation of Frontier Posts,
- (iii) Protocol 6 — Railways Border and Interchange Stations,
- (iv) Protocol 7 — Customs Transit System,
- (v) Protocol 8 — Sanitary and Phytosanitary Measures, and
- (vi) Protocol 9 — Dangerous Goods.

agreed by ASEAN since 2007 under the 1992 agreement on free trade to facilitate movement of goods across national borders;

3. **RECALLING** the establishment of the Special Working Group of the Singapore–Kunming Railway Link (Singapore–Kunming railway) and its ongoing work;

4. **ACKNOWLEDGING** the Greater Mekong Subregion ministers' endorsement of the Strategic Framework for Connecting the GMS Railways at the GMS Ministerial Meeting in Hanoi in August 2010;

5. **AFFIRMING** to promote an increase in railway-based trade and network interoperability as a means of supporting further economic growth in and among Greater Mekong Railway Association (GMRA) member nations;

6. **RESPONDING** to the necessity to provide an adequate, efficient, and functional organizational structure to implement this memorandum of understanding (MOU) and the projects, programs, and activities taken thereunder in cooperation and coordination with each GMRA member and the international community, and to address and resolve issues and problems that may arise related to common railway network access in an amicable, timely, and good neighborly manner; and

Have agreed as follows:

CHAPTER II: ORGANIZATIONAL FRAMEWORK

Article 1 Definitions

7. For the purposes of this MOU:
- (i) GMRA means the Greater Mekong Railway Association,
 - (ii) GMS means the Greater Mekong Subregion, and
 - (iii) member means a signatory to this MOU and any government becoming a member pursuant to Article 4 of this MOU.
8. The provisions of paragraph 7 regarding the use of terms in this MOU are without prejudice to the use of those terms or to the meanings which may be given to them in the internal law of any GMRA member.

Article 2 Scope

9. This MOU shall consist of the preamble and all provisions thereafter and amendments thereto, the annexes, and all other agreements entered into by the parties under this MOU. Parties may enter into bilateral or multilateral special agreements or arrangements for implementation and management of any program and project to be undertaken within the framework of this MOU, recognizing such agreements shall not be in conflict with this MOU and shall not confer any rights or obligations upon the parties not signatories hereto, except as otherwise conferred under this MOU.

Article 3 Objectives

10. The mission statement of the GMRA is: to increase railway connectivity in order to promote efficient, safe, and environmentally-sustainable rail transport of goods and people in and beyond the GMS countries. Specific objectives of the GMRA are to:
- (i) ensure that all GMS countries are connected to a rail network by 2020;
 - (ii) develop the institutions and procedures required to effectively integrate the national railways;
 - (iii) promote development of a seamless rail network by
 - (a) agreeing on technical standards of interoperability, and
 - (b) streamlining and harmonizing procedures for cross-border movement of people and goods;
 - (iv) ensure that railway infrastructure and equipment are modern and sufficient to meet the demand for rail services; and
 - (v) involve the private sector in the planning and development of the GMS railway network.

Article 4 Membership

11. The initial members of GMRA shall be the governments of the GMS and ADB.
12. Other members of GMRA shall be the governments of other states or approved organizations, which deposit an instrument of acceptance of this MOU after their membership or other association with GMRA has been approved by the board of directors (BOD).

Article 5 Sources of Finance

13. Sources of finance would come from GMRA members, no later than 2 years after the establishment of the GMRA. Monetary contributions, as well as contributions in-kind, will be agreed to by the members.

CHAPTER III: INSTITUTIONAL FRAMEWORK

A. GREATER MEKONG RAILWAY ASSOCIATION

Article 6 Status

14. The GMRA, for the purpose of the exercise of its functions, shall enjoy the status of a non-legal intergovernmental organization, working by mutual consensus of its members, under the guidance of the GMS Ministerial Meeting/Transport Forum.

Article 7 Structure

15. GMRA shall consist of two permanent bodies:

- (i) BOD, and
- (ii) secretariat.

B. BOARD OF DIRECTORS

Article 8 Composition

16. The BOD is comprised of seven directors, one from each of the six member countries and one from the Asian Development Bank. Each member country shall be responsible for appointing a director.

Article 9 Functions

17. The functions of the BOD are to:

- (i) receive, review and approve the annual report, accounts, and activities prepared by the secretariat;
- (ii) approve the proposed budget and activities for the following year;
- (iii) consider proposals for changes in the GMRA activities or MOU;
- (iv) consider any applications for membership;
- (v) form technical and administrative working committees;
- (vi) approve an annual work program prepared by the secretariat;
- (vii) approve recommendations on standards and protocols;
- (viii) formulate recommendations on the organizational structure, modifications, and restructuring of the secretariat;
- (ix) govern the GMRA, appoint and dismiss the secretariat staff, and approve changes in the GMRA activities and budget allocation between the annual meetings; and
- (x) establish rules and procedures for its operations.

Article 10 Sessions

18. The BOD shall convene its sessions on a regular bi-annual basis, and may convene special sessions whenever it considers it necessary or upon the request of a member, supported by the majority of its Directors. It may invite observers to its sessions as it deems appropriate.

Article 11 Chair

19. The chair of the BOD shall be for a term of 18 months, and rotate according to the alphabetical listing of countries.

Article 12 Budget

20. The BOD will approve a rolling 3-year budget as presented by the secretariat to guide longer-term development and growth of GMRA. An annual budget within the framework of the 3-year budget is presented annually to the BOD by the secretariat for approval. The annual budget will consider all sources of finance and likely expenditures for the year. The annual report will summarize actual revenue and expenditure against the annual budget of the previous year and will be audited by an independent auditor.

Article 13 Decisions

21. Decisions of the BOD shall be by consensus except as otherwise provided for in its rules of procedures.

C. SECRETARIAT**Article 14 Purpose**

22. The secretariat shall render technical and administrative services to the BOD, and shall coordinate closely with the BOD.

Article 15 Functions

23. The functions and duties of the secretariat will be to:
- (i) provide technical, financial, and administrative services for GMRA including sessions of the BOD;
 - (ii) support the hiring of staff and the administration of the funds available to the GMRA either from membership subscriptions, from sales of documents or fees from seminars or workshops, and from donations received from international donors; and
 - (iii) In agreement with the BOD carry out all other assignments as may be requested.

24. ADB will provide initial secretariat services, subject to ADB Management approval of a technical assistance (TA) for this purpose. The TA will define the scope of services in accordance with available resources, and define a time frame, not to exceed 24 months, for ADB to serve as the initial secretariat. After ADB's provision of secretariat services for this initial period, the functions and duties of the secretariat will be transferred to a member of the GMRA. The selection of a member to assume the role of secretariat, and the term of this function, will be by consensus of the BOD, or otherwise agreed among members.

Article 16 Location

25. Upon completion of ADB's initial secretariat services, the location and structure of the office of the secretariat shall be decided by consensus of the BOD. If necessary, an agreement shall be negotiated and entered into with the host organization.

Article 17 Secretariat Officer-in-Charge

26. The officer-in-charge will be recruited for the position or seconded from a member government by consensus of the BOD. The secretariat shall be under the direction of the officer-in-charge.

Article 18 Technical Staff

27. Technical staff of the secretariat may be volunteers from member organizations or provided through agreement of the officer-in-charge, initially funded by an ADB TA upon approval.

CHAPTER IV: ADDRESSING DIFFERENCES AND DISPUTES**Article 19 Alternative Dispute Resolution**

28. Any dispute concerning the interpretation or implementation of this MOU, especially with regard to the technical decisions reached by the GMRA, shall be settled amicably, by negotiation and consultation, and by the BOD.

Article 20 Entry into Force and Prior Agreements

29. This MOU shall enter into force among all parties, with no retroactive effect upon activities and projects previously existing, on the date of its signing by all parties.

Article 21 Amendment and Modification

30. This MOU may be amended and modified by mutual written agreement of all parties.

Article 22 Suspension and Withdrawal

31. Any party to this MOU may withdraw or suspend their participation under this MOU by giving written notice to the chair of the BOD who shall acknowledge receipt thereof and immediately inform the withdrawal or suspension to other parties. Such notice of withdrawal or suspension shall take effect 1 year after the date of acknowledgment or receipt unless the parties mutually agree otherwise.

32. Unless otherwise agreed by other parties to this MOU, such notice shall not be prejudicial to nor relieve the noticing party of any commitments entered into concerning programs, projects, studies, or other activities under this MOU.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective governments have signed this MOU.

DONE on 11 December 2013 in Vientiane, Lao People's Democratic Republic, in English, as the official language of GMRA.

For the Kingdom of Cambodia:



H.E. Tauch Chankosal
Secretary of State, Ministry of Public Works and Transport

For the People's Republic of China:



Mr. Fu Xuanyi
Deputy Administrator, National Railway Administration

For the Lao People's Democratic Republic:



H.E. Sommad Pholsena
Minister, Ministry of Public Works and Transport

For the Republic of the Union of Myanmar:



H.E. Daw Lei Lei Thein
Deputy Minister, Ministry of National Planning and Economic Development

DONE on 8 August 2014 in Ha Noi, Viet Nam in English, as the official language of GMRA.

For the Kingdom of Thailand:

Soithip Trisuddhi

Mrs. Soithip Trisuddhi
Permanent Secretary of Transport

For the Socialist Republic of Viet Nam:

Nguyen Hong Truong

Mr. Nguyen Hong Truong
Vice Minister, Ministry of Transport