



## *Greater Mekong Subregion Economic Cooperation Program*

### **Twenty-First Meeting of the Greater Mekong Subregion Subregional Transport Forum Luang Prabang, Lao PDR 19–20 July 2017**

## **SUMMARY OF PROCEEDINGS**

### **Introduction**

1. The Twenty-first Meeting of the Subregional Transport Forum (STF-21) was held in Luang Prabang, Lao People's Democratic Republic (Lao PDR) on 19–20 July 2017. The Meeting, which had the theme "Toward an Efficient GMS Multimodal Transport System", was jointly organized by the Ministry of Public Works and Transport (MPWT) of Lao PDR and the Asian Development Bank (ADB). The objectives of the Meeting were to: (i) review the initial working draft of the proposed new Greater Mekong Subregion (GMS) Transport Sector Strategy (TSS) under preparation; (ii) review developments in axle load control practices in the GMS and proposals on improving their effectiveness; (iii) review the report on the state of development of GMS economic corridors from the study "GMS Corridors Assessment"; (iv) update the meeting on the progress of the Midterm Review of the GMS Strategic Framework, and the preparation of a five-year action plan; (v) review the initial progress report on Cross-border Transport Agreement (CBTA) "Early Harvest" implementation; (vi) review progress and plans in the GMS railway sector toward the development of a GMS railway network, including the initial findings of the study currently being undertaken on the missing rail links in the subregion; and (vii) discuss other topics that have a bearing on the GMS transport sector. (The Meeting Program and Agenda is attached as **Appendix 1**).

2. The Meeting participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao PDR, the Union of the Republic of Myanmar, the Kingdom of Thailand, the Socialist Republic of Viet Nam, and ADB. Representatives from development partner organizations, namely the Japan International Cooperation Agency (JICA) and the Neighboring Countries Economic Development Cooperation Agency (NEDA) of Thailand also attended the Meeting. (The list of participants is attached as **Appendix 2**).

3. The Meeting was chaired by Dr. Oulay Phadouangdeth, Director General, Department of Planning and Cooperation, MPWT, Lao PDR and co-chaired by Mr. Hideaki Iwasaki, Director, Country Director, Thailand Resident Mission, Southeast Asia Department, ADB. His Excellency, Mr. Viengsavath Siphandone, Vice Minister, MPWT, Lao PDR delivered the Opening Remarks and His Excellency, Dr. Vongsavanh Tepphachanh, Vice Governor of Luang Prabang Province, delivered Welcome Remarks.

4. Before the start of the formal meeting, the participants had the opportunity to go on a field visit to the construction site of the Luang Prabang section of the Lao-People's Republic of China Railway Project (or Boten-Vientiane Railway Project). The site included the construction in progress of a railway tunnel and a temporary railway bridge across the Mekong River. The participants were also given a briefing on the project by the project engineers.

### **Opening Session**

5. In his Opening Remarks, H.E. Viengsavath Siphandone emphasized the vital role of

efficient and integrated transport network in GMS in realizing the full potential of the GMS. Lao PDR, which is in the center of the GMS and the only landlocked country in the subregion, has always put high priority in fulfilling our commitments in transport cooperation within GMS and has continually exerted efforts to upgrade and develop its transport infrastructure, with special attention on the routes along the East-West Economic Corridor (EWEC) and North-South Economic Corridor (NSEC). It has strived to align its short and long term plans with GMS priorities. Emphasizing the need to also address the software issues to facilitate the movement of goods and people across borders, he noted that the software components are progressing at a slower pace than the hardware components, and expressed hope that the Forum can help come up with acceptable solutions. (His opening speech is in **Appendix 3.**)

6. In his remarks, H.E. Vongsavanh Tepphachanh, Vice Governor of Luang Prabang Province, warmly welcomed the STF delegates to his province, which is a UNESCO declared World Heritage site. He described the outstanding features of Luang Prabang, as a major tourist destination and as center of Lao PDR's northern region, as well as the facilities that the province has to offer in terms of transportation and communication, hotels, and other services. He also underscored the benefits of tourism to the economic development of the province. (His opening speech is in **Appendix 4.**)

7. In his opening statement, Dr. Oulay Phadouangdeth, Chair, thanked ADB for its support in organizing the meeting. He noted that the Lao PDR–People's Republic of China railway, a section under construction which was visited by the delegates in the morning prior to the meeting, is one of their country's priority projects which is included in the GMS Regional Investment Framework (RIF). He also cited, as one of the key outcomes of GMS cooperation, the identification of additional corridors in Lao PDR and Myanmar, which were endorsed by the last meeting of the Forum, STF-20. In STF-21, one of the important items to be discussed is the new Transport Sector Strategy (TSS), which will also be presented at the 9th Economic Corridors Forum and the 22nd GMS Ministerial Conference in September. He said Lao PDR attaches great importance to the TSS and to the GMS RIF and takes these into account in the formulation of its own National Investment Plan. He also noted that Axle Load Control (ALC), which is to be discussed, is one of the most pressing issues that must be addressed, and is particularly important for Lao PDR. (His opening speech is in **Appendix 5.**)

8. Mr. Hideaki Iwasaki, Co-Chair, in his opening statement, noted that a good transport system is a main ingredient of development, both at the national and the regional level, and that such a transport system is characterized by efficiency, reliability, and sustainability. A key session of the meeting on the draft of the new GMS TSS aims to address the question of how to attain such a transport system. Through STF-21, the countries' views and inputs on the new TSS will be obtained toward finalizing the document, which will then be presented to the GMS Ministers at the 22nd Ministerial Conference, and then eventually be proposed for endorsement by the GMS Leaders at the 6th GMS Summit in 2018. The TSS is part of the overall GMS Strategic Framework, which is currently undergoing a Midterm Review (MTR), to assess its continued relevance in a very dynamic regional and global environment. Emerging from the MTR will be a set of strategic directions and operational focus areas, to be known as the "Ha Noi Action Plan", which is targeted for approval and adoption by the Leaders at the 6th GMS Summit in Ha Noi in 2018.

9. STF-21 will also be briefed on the results of a study commissioned to assess the state of development of the GMS economic corridors, in order to determine mainly the status and physical condition of the transport infrastructure along the corridors, and to look into other components of corridor development, such as cross border transport and trade and other indicators of overall economic potential of the corridors, including the presence of special economic zones, tourist

attractions, and other resource endowments. The meeting will also look into the critical role of road asset management, and particularly of axle load control, in the sustainability of the GMS road corridors. Further, in line with the thrust toward a multimodal transport system, the meeting will be briefed on the activities of the Greater Mekong Railway Association (GMRA), which was set up as a result of the GMS countries' desire to develop greater railway connectivity among themselves. Lastly, the meeting will hear updates from other development partners on their activities in the GMS transport sector and explore further collaborations with them toward the development of the sector. (His opening statement is in **Appendix 6**.)

### **Session 1. Midterm Review of the GMS Strategic Framework and Preparation of a 5-Year Action Plan**

10. Mr. Cuong Minh Nguyen of ADB's Southeast Asia Regional Cooperation Division gave the presentation on the MTR of the GMS Strategic Framework (2012–2022). He first enumerated the reasons why an MTR was needed, which was basically to ensure that the Strategic Framework and the GMS Program continue to be relevant in the face of the dramatic changes happening in the region. He noted that there had been good progress in the transport sector, particularly in building physical connectivity, but that transport and trade facilitation has been lagging. Consistency has also been lacking between the Strategic Framework and the sector strategy formulation, among the reasons for which was the differing timeframes. There has also been a weak link between the RIF process and the Strategic Framework and sector strategies. He then presented the key elements of the Hanoi Action Plan, which is intended to provide the refined strategic approaches, identify the key enablers and the important focus areas for GMS development covering the remaining term of the Strategic Framework, 2018–2022. Lastly, he presented the intended MTR and Ha Noi Action Plan timeline, as follows:

	<b>Date</b>
Deadline for Countries to Submit Comments	July 26
Circulate Revised Preliminary Report	August 24
Deadline to Submit Comments on Revised Report	August 29
Present to SOM	September 4
Circulate Final Draft	September 13
Ministerial Meeting (Agenda in Retreat)	September 20

11. Mr. Cuong also mentioned that the updated RIF, or RIF 2022, which is intended to support the Ha Noi Action Plan, will also be discussed at the 22nd Ministerial Conference. He reminded the countries that have not yet submitted their updated RIF, namely, Cambodia and Viet Nam, to submit these as soon as possible, and requested Lao PDR to submit the second table (on progress report under the RIF-IP). The countries' submissions will be consolidated by the Secretariat for presentation to the SOM and the Ministerial Conference. (His presentation is in **Appendix 7**.)

### **Session 2. Review of the Initial Draft of the New GMS Transport Sector Strategy**

12. Mr. Shihiru Date of ADB's Southeast Asia Transport and Communications Division presented an overview of the draft GMS TSS. He noted that a new TSS is needed because, while the long-term goals of GMS transport development have not yet been achieved, there has been much change in the operating environment, and transport accounts for the biggest share in the GMS RIF and, therefore, needs a strong strategic anchor for cooperation. The new TSS will provide a strategic framework covering 2018–2030, including a results framework and a set of performance indicators initially covering 2018–2022. The long-term vision of TSS 2030 is that of

a *seamless, efficient, reliable, and sustainable Greater Mekong Subregion transport system*. He then outlined the strategic thrusts (completing economic corridors and improving links with South and Southeast Asia, facilitating cross-border transport, promoting intermodal links, development of logistics, road safety, and road asset management), the cross cutting concerns (e.g., the environment, social issues, private sector participation, capacity building), the operational priorities in each of the transport modes, and the implementation and monitoring & evaluation aspects of the TSS. Finally, he presented the timeline for the draft TSS to be finalized, as follows:

- Receipt of comments/suggestions            4 August
- Circulation of revised draft                11 August
- Video conference to finalize draft        16 August
- Final draft                                        23 August

(His presentation is in **Appendix 8**.)

### **Open Discussion of Sessions 1 and 2:**

13. On the **MTR/Ha Noi Action Plan/RIF**, the countries gave the following comments and suggestions:

14. Cambodia recalled that in the SOM held in Bangkok on 6–7 July 2017, there was a suggestion to reactivate the Trade Facilitation Working Group, with the additional proposal to divide it into two separate groups, namely, the Trade Facilitation group (TFG) to be composed of representatives from the Ministries of Commerce or Trade, and the Transport Facilitation group represented by the National Transport Facilitation Committee/Joint Committee of the CBTA. Cambodia observed that the participation of customs agencies in GMS cooperation is weak. It was then suggested that more senior customs officials, preferably at the director general level, attend the TFG. It would also be more useful to have the TFG be led by the customs agencies rather than commerce ministries. Cambodia also raised the concern of possible overlaps between the TFG and the subworking group on customs of the CBTA. With regards to the issue of where to place logistics, some suggested that this be under trade facilitation, together with other aspects such as e-Commerce. Cambodia also commented that in most regional cooperation initiatives, transport cooperation usually covers all transport modes; however, in some countries (e.g., Cambodia), no single agency handles all transport modes and, therefore, would require representation from multiple agencies. In response, Mr. Cuong noted that it may be more appropriate to place logistics under transport facilitation, since logistics services usually pertain to transport of goods and services, and requires transport-related infrastructure investments. Since the subworking group on customs of CBTA only focuses on customs transit issues, and the proposed TFG will focus on trade facilitation issues involving a broader range of issues, such as customs, World Trade Organization commitments, Sanitary-Phytosanitary, etc., overlap between the two can be minimized.

15. Referring to the document “Summary of Preliminary Findings of the Mid-term Review of the GMS Strategic Framework 2012–2022 and Indicative Elements of the Hanoi Action Plan 2018–2022”, PRC proposed that in the second part of Annex A (Overview of the GMS Strategic Framework 2012–2022), a section be added on “*further actions on infrastructure linkages*” to have a better balance with the focus on software. On Annex B (Sector Operational Priorities under the Ha Noi Action Plan), PRC suggested that the term “economic corridors” in the phrase “*upgrade and expand road networks along GMS economic corridors*” be changed to “transport corridors” to reflect the fact that this action is only concerned with transport infrastructure. In response, the Co-Chair explained that “economic corridor” is the broader/higher level terminology, which was what was used in the documents endorsed by the Ministerial Conference/Summit. Transport corridors are only a component of economic corridors. However, he said that the MTR/Ha Noi Action Plan

documents will be reviewed further to determine which term is more appropriate for specific parts of the document.

16. Lao PDR informed that they are proposing two additional priority projects in the RIF, as follows:

- Vientiane-Hanoi Expressway Project – which will link the two capitals and which is in the top priority list of both the Lao PDR and the Vietnam National Investment Plan.
- Upgrading of National Road (NR) 13S (portion Savannakhet Province to Bolikhamxay, 93 kilometers [km]) – This will be a critical linkage for the EWEC, NR9 or Asian Highway (AH) 16 and the two new corridor extensions NR12 (or AH131) and NR8 (or AH15). This will also be a pre-condition for joining NSEC from Kunming–Luang Prabang–Vientiane–Paksan–Thakhek–Savannakhet and all the way to Cambodia via the Southern Economic Corridor (SEC).

17. The Viet Nam delegation agreed that the Vientiane–Hanoi Expressway project is also top priority in their national development plans.

18. Myanmar informed that they are proposing additional projects in the RIF, as follows:

- Yangon–Patheingyi Road Project (177 km)
- Bago–Thanlyin Road (99 km)
- Bago–Kyikhto Road
- Upgrading of Wan Pong Port with 500-ton Container handling facilities
- Upgrading of Dawei–Mawlamyine Rail Link (310.58 km)
- Border Control Facilities at Border Crossing Points: Tarchileik, Muse and Lao–Myanmar Friendship Bridge

19. Myanmar also requested Thailand to accelerate the completion of the border crossing facilities between Mae Sot–Myawaddy.

20. Thailand suggested that a more appropriate word than “slow” be used to describe the implementation of certain projects in the RIF. Certain complexities of implementation should be considered; also, actual progress vs. the set work schedule should also be considered. For instance, the contract of the Mae Sot–Myawaddy border crossing facilities has already been signed but it would still take about two years to complete the project. In Annex B of the Summary of MTR document, the description of actions should also include the improvement of major airports. Mr. Cuong responded that a more appropriate wording than “slow” will be sought.

21. On the **draft GMS TSS**, the countries gave the following comments/suggestions:

22. Cambodia suggested the deletion of missing links along the SEC in Cambodia all links are now completed.

23. PRC commented as follows:

- In paragraph 21 of the draft GMS TSS, it is noted that the One Belt One Road initiative is not a “development strategy” and therefore suggested the deletion of the said term. They also suggested the addition of the following sentence: “*Follow-up actions of the Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation will be considered to promote practical cooperation on roads, railways, ports, maritime and inland water transport and aviation among GMS countries.*” In paragraph 22, PRC suggested the addition of the following sentence:

“*Strategic Plan for ASEAN–China Transport Cooperation was adopted by the 15th ASEAN and China Transport Ministers (15th ATM + China) Meeting.*” This addition is needed to align with the agreements reached in ASEAN-PRC Meeting in Singapore in May 2017.

- Suggested that “Strategic Thrusts” should be made section B of Part V, and should incorporate the status of transport corridors, their problems and challenges, including missing links and measures to address them. In addition, the relation between economic corridors and transport corridors should be clarified. Moreover, the city nodes in the transport corridors should be taken into account.
- Again, “economic corridor” should be revised to “transport corridor” in all references as the draft TSS only discusses transport sector, while economic corridors deal with multiple sectors.
- Road asset management and road safety as strategic thrusts in the draft TSS are targeted only for the road subsector. As the new draft TSS targets multimodality, PRC proposed to include other modes under these strategic thrusts.
- In addition to road, railway, port, and inland waterways, *dry ports* should also be included under the operational priorities.

24. With regards to PRC’s fourth comment, Co-Chair explained that it would be logical to include other modes in the consideration of asset management and safety issues. However, since roads are the predominant mode and these issues involving roads are vital and pressing for all GMS countries, the focus in the meantime is on the road subsector.

25. Myanmar requested that the missing links mentioned in Myanmar along the EWEC be specified since, to their knowledge, there are no such missing links. The roads are there but they may need upgrading.

26. Thailand commented as follows:

- Reiterated that the development of major airports is still relevant, as well as of secondary airports.
- Suggested that given the huge capital requirements of the transport infrastructure projects, ADB can help organize an investment forum specifically to mobilize private investor funding of such projects. Co-Chair said that ADB will consider and discuss this further within the Bank.

27. Co-Chair requested the countries to send to the Secretariat their written comments on the MTR/Ha Noi Action Plan/RIF by 26 July 2017 and on the draft TSS by 4 August 2017, for these to be considered in the revisions of the draft documents.

### **Session 3. Review of the Report on the State of Development of GMS Economic Corridors**

28. Mr. Cuong Minh Nguyen presented the initial report of the study on the development of the GMS economic corridors, which was mandated by the GMS Ministers at their 21st Ministerial Conference in December 2016. He recalled that the recommendations on the review of the configuration of the economic corridors was also presented and endorsed by the 2016 Conference. These recommendations comprised of extensions and expansions of the corridors, and includes completing the missing sections in Myanmar and adding important new sections in Lao PDR. The purpose of the present study was to assess the state of development of the new expanded economic corridors network, focusing on the status and physical condition of transport infrastructure and cross border facilities, with emphasis on road transport. It also looked at other

components of corridor development, such as cross border transport and trade, and other indicators of overall economic potential of the corridors, including the presence of special economic zones, tourist attractions, and other resource endowments. He also informed that the study was assisted by national consultants who have been engaged in each of the GMS countries. (This presentation is in **Appendix 9.**)

### Open Discussion on Session 3 (Corridors Assessment Study)

29. The countries gave the following comments and suggestions on the study:

- Cambodia noted that the GMS corridors network has been revised at least three times already: first, the original 3 economic corridors, then the 9 road corridors, and now the new expanded economic corridors. Some sections of the corridors are just routes without significant economic activity. Perhaps it would be better to first identify points or centers of activity and then connect these points. There are also no sufficient baseline data on, for instance, freight traffic that flow along these corridors and across borders; perhaps the provincial/local authorities are in a better position to collect such data. Cambodia suggested for ADB to help undertake a study on how to effectively conduct border management and perhaps tap provincial transport facilitation committees to help in this regard.
- Lao PDR noted that in order to transform the transport corridors into economic corridors, substantial income-generating activities must be developed along the corridors. Much potential would be realized, for instance, by developing the Paksan-Thakek-Savannakhet routes (NRs 8, 9 and 12) along the NSEC and extending to SEC.
- Myanmar, referring to the new reconfigured corridor network, proposed the removal of the lower route from Mandalay–Monywa–Kale since their authorities recognized only the upper route. They also noted that the Patheingyi–Mawlamyine route is not included in the reconfigured network. (See the said sections on the maps below.)





- Thailand observed that the NSEC southward route from Chiang Rai should be the same for the first map (original economic corridors) and the second map (reconfigured corridors map) because the single route from Chiang Rai in the second map is not feasible because of the mountainous terrain in the area. Moreover, Thailand suggested that the new expanded corridors should be included in the CBTA because if they are not, the agreement would not be implementable. Thailand also suggested that a study be conducted on the software aspects of the economic corridors.

30. In response to Cambodia's query on how consistency is ensured when the study was conducted by various national consultants, Mr. Cuong explained that the methodology followed was to have beforehand a common outline, specifying the standards and the units to be used, and the draft reports of the countries were reviewed for consistency before these were consolidated. In response to Thailand's suggestion to have a study on the software side of corridor development similar to what was done by ADB's East Asia Regional Department — "corridor performance monitoring mechanism", which review regulatory barriers of the check points and along the economic corridors, and provide baseline data in terms of time and cost for each corridor. He also agreed with Lao PDR's emphasis on the importance of NRs 8, 9 and 12. He noted, however, with regards to various suggested changes in the reconfigured corridors map that the map has already been endorsed by the GMS Ministers. He added though that it would still be possible to review the map and make changes on the basis of reasonable recommendations by the countries.

### Wrap Up of First Day Sessions

31. Upon the Chair's request, the Co-Chair wrapped up the first day's proceedings, as follows:
- The reports/studies presented in the three sessions are interlinked: the new draft GMS TSS is a part of the overall Strategic Framework which was undergoing review, and the corridors assessment study provided baseline information for the TSS.
  - Among the ways that the gaps identified by the MTR and the corridors assessment study may be addressed are to review the software side – the procedures, regulations and institutions involved, and to build the capacity of the agencies concerned. However, the capacity improvements have to be internalized within the governments of the individual countries.
  - ADB would be happy to help in filling the gaps and improving such capacities, subject to availability of resources.

- He reminded the delegations on the deadlines for submitting their written comments: on the MTR/Ha Noi Action Plan, on 26 July 2017; and on the TSS, on 4 August 2017.

#### **Session 4: Review on Status of Axle Load Control Practices in GMS countries**

32. Mr. Shihiru Date presented an overview of the topic, with respect to its history in the Forum, and the agreement reached at the STF-20 in 2016 for ADB to help conduct a stocktaking study on axle load control (ALC). The presentation showed the extent of the potential damage prevention by ALC in the GMS countries. He then presented the remaining steps in the completion of the ALC study, requesting the countries to send their comments by **15 August 2017**. (His introductory presentation is in **Appendix 10**.)

33. Mr. Don Townsend, ADB consultant for the ALC study, presented the key findings of the study. The study's purpose was to understand the actual status of ALC in GMS countries, i.e., the scope and costs of overloading; the laws, institutions, procedures, resources, results, and trends of ALC. The study findings showed the motivations for overloading and the solutions to address overloading. The study findings showed the estimated damages inflicted by overloading and the potential benefits from ALC, where the latter was substantially larger than the required funding for maintenance of roads. The rates of return of overloading to private operators in overloading are not comparable with the benefits to governments and/or society in preventing damages through ALC. The study concluded that there is a range of options available as possible measures for detecting and deterring violations and effectively enforcing ALC. (His presentation is in **Appendix 11**.)

#### **Open Discussion on Session 4 (ALC Study)**

34. The Co-Chair remarked that there may be a need to further clarify the methodology and assumptions used in estimating the damages from overloading and the benefits from ALC.

35. Referring to the draft report, Thailand provided comments/sought clarifications, as follows:

- page 101, paragraph 488, whether the percentages mentioned on different types of registered vehicles added up to 100% in total;
- page 101, paragraph 491, the Thai Baht figures mentioned should be in billions, not trillion since there is no likelihood to have such high trillion Baht budget; the appropriate agency is DOH (Department of Highways), not MOH.
- It is acceptable to discuss ALC matters with weigh station staff, but for proposals, findings, policies, etc., these should be checked with senior officers.

36. PRC also commented on the draft Report:

- page 84, paragraph 385, there is only one standard for checking the vehicles, instead of the overlapping standards mentioned in the document; kindly edit the paragraph;
- page 86, paragraph 394, the enumeration of agencies should not include the Ministry of Finance; on the other hand, it should include the Ministry of Industry and Information;
- page 86, paragraph 396, this should be edited to indicate that the limit for special loads can exceed 100 tons, and the load per axle is up to 20 tons;
- page 86, paragraph 399, this should be edited to indicate that such overloaded trucks are not permitted to enter the highways.

37. Lao PDR noted that overloading is a major problem in their country and entails substantial costs for their government in terms of rehabilitation and repair of damages, as well as higher

vehicle operating costs for transport operators. They are requesting development partners, e.g. JICA, ADB, World Bank, to provide assistance in automating and modernizing weigh stations, particularly at international borders. Another challenge is the lower ALC limit in Lao PDR, currently at 9.1 tons on national roads, except in Route 9, which is 11 tons.

38. Myanmar informed that they are still using the “slip payment system” with regards to overloading violations, but are now trying to convert to a Technology-based system. Referring to the organizational chart shown on page 67 of the draft report, they said they are now reorganizing the Ministry of Construction and will provide the revised chart as soon as this is completed. On page 68, the “Department of Transport”, which is nonexistent, should be replaced with “Ministry of Transport and Communication”.

39. Cambodia informed that in their borders there are now more than 10 weigh stations, but that they have a preference for mobile ALC instead of having permanent weigh stations. A weakness in the Cambodian institutional framework for ALC is that this is currently being handled by a committee instead of a permanent agency. Cambodia also agreed with Viet Nam’s suggestion that the private sector be invited to be part of the institution handling ALC. Cambodia suggested that ADB assist in conducting a study that will advise the countries on the most effective ways for ALC.

#### **Session 5. Review of Initial Progress Report on the CBTA Early Harvest Implementation**

40. The Co-Chair gave a presentation on the “Early Harvest” implementation of the GMS Cross-Border Transport Facilitation Agreement (CBTA). As a background, the CBTA is a pioneering agreement dating back to 1999 and completely ratified in 2015, but had been difficult to implement as some provisions needed updating. The “Early Harvest” implementation package is an effort to immediately implement the implementable provisions, focusing on the free movement of goods and passenger vehicles. He then discussed the key elements of the package, namely the Road Transport Permits and the Temporary Admission Document. Lastly, he described the current status of the package and the next steps going forward. (His presentation is in **Appendix 12.**)

#### **Open Discussion of Session 5 (CBTA Early Harvest Implementation)**

41. The country delegations gave the following comments:

- PRC emphasized the importance of putting into operationj the “Early Harvest” implementation program on time, and requested ADB to exert greater effort to ensure that the August 2017 target is met. PRC also noted that the responsibility for implementation rests not just on the transport agencies but also on customs and other border management agencies.
- Lao PDR expressed full support for the program and their agreement to implement it along their Routes 9 and 3. Lao PDR working with ADB in setting up the guidelines on, among other aspects, the transit arrangements, road safety, ALC, and monitoring the movement of vehicles along the routes.
- Cambodia stressed the importance of Single Stop Inspection (SSI) at the border and noted that ADB has been providing training and knowledge products to the countries on implementing SSI. However, the congestion at the SSI remains a problem because the clearance of passengers and trucks is in the same building. It is better if the clearance of passengers and trucks is separated. The proposed common control area (CCA) is only for loading and unloading and there are no facilities for truck clearance. Cambodia also reiterated that a Customs Directors General meeting be

convened under the proposed TFWG, and noted that in previous Joint Committee meetings, the customs officials present were not of a level that can make decisions on issues raised. Cambodia also raised the problem of data collection because transport officials are not at the border check points, there is no data on the trucks entering and existing any border check points in GMS.

- The Co-Chair agreed that it had been difficult to secure the involvement of customs officials, but noted that this matter will be considered in the current review of the provisions of the CBTA.

## **Session 6. Review of Progress and Plans in the GMS Railway Sector**

42. Dr. Sompong Pholsena, Director General of the Railway Department, Lao PDR and a Member of the GMRA Board gave a presentation on updates on the activities of the GMRA. He first gave a background on the establishment, objectives, and meetings/events of the GMRA, as well as the technical assistance projects supporting the work of the GMRA. He then presented the nine priority railway links that have been identified to connect the GMS countries by rail. Lastly, he briefed the meeting on the key features and status of the Lao-PRC Railway Project, the site of the Luang Prabang section of which the delegates visited on 19 July 2017. (His presentation is in **Appendix 13.**)

43. Mr. Takeshi Fukayama, Transport Specialist, Southeast Asia Transport and Communications Division, ADB briefed the STF on the results of the meeting of the GMRA Board on 17–18 July 2017 in Bangkok. The said meeting focused on establishing a trade/transport facilitation cross border agreement along railways. Some meeting participants questioned why the matter of cross border agreement was already being discussed when the railways are not yet connected, but in the end the meeting agreed that it is important to address this issue this early because without such an agreement even a connected GMS railway would be meaningless and would not be competitive with other transport modes. A railway cross border framework agreement is currently being drafted and targeted for presentation to the GMRA Board in September 2017.

### **Open Discussion of Session 6 (GMRA Updates)**

44. PRC gave the following comments:

- On railway cross border agreement – Although CBTA has been agreed in the GMS road sector, it should be noted that the railway sector is more self-organized and has more effective management in its own nature than the road sector. Therefore, railway sector should be focused on beforehand regulation, while road sector should be focused on site management (to avoid situations such as overloading, corruption, etc.). The current draft of the cross border agreement in railway seems too broad. The scope should be narrower, and it is proposed that GMRA work focus on international transport only.
- Missing links – The missing links in PRC have either been completed or under construction. Given the importance of social benefits of railway development, ADB is requested to consider how to fund other missing links. In order to form a whole effective network, it is proposed that more attention be paid to other important railway lines in the GMS, such as the PRC-Thailand railway project, and to speed up their progress of construction.

45. The Co-Chair informed the Forum that there will be follow up meetings of the GMRA Board on the proposed cross border framework and the missing links, and the comments given by PRC will be further discussed in these meetings.

### **Session 7: Statements/Updates from Development Partners**

46. Mr. Tomoki Kanenawa, Director, Transportation and ICT Group, Infrastructure and Peacebuilding Department, Japan International Cooperation Agency (JICA) gave a presentation on JICA's work in road asset management, including its assistance program in this field to the countries of the various subregions of Asia. (His presentation is in **Appendix 14.**)

47. Mr. Tatsuhiro Kondo, Deputy Assistant Director, Transportation and ICT Group, Infrastructure and Peacebuilding Department, JICA gave a presentation on the Scholarship Program under JICA's Development Initiative for Road Asset Management, the main purpose of which is to equip participants with comprehensive and advanced knowledge and techniques to be part of the core human resource for road asset management. (His presentation is in **Appendix 15.**)

48. Colonel Saranyu Viriyavejakul, Vice President, Neighbouring Countries Economic Development Cooperation Agency (NEDA) of Thailand gave a presentation on NEDA's Cooperation Program on Infrastructure Financing for Regional Development. He gave some examples of ongoing NEDA-supported infrastructure projects in the GMS in the transport and urban development sectors. (His presentation is in **Appendix 16.**)

### **Other Matters**

49. In line with the tradition of rotating the venue of the STF among the GMS members according to the alphabetical order of country names, Myanmar confirmed that they will be pleased to host the Twenty-Second Meeting of the GMS Subregional Transport Forum (STF-22) in 2018. The specific venue will be provided in due course.

### **Wrap up and Closing**

50. The Co-Chair noted that the meeting had very fruitful discussions on very important strategic documents and substantive matters concerning the future of the transport sector. He thanked the participants for their insightful and constructive views and inputs.

51. Before giving his final remarks, the Chair asked the participants to join him in thanking Mr. Iwasaki, who was co-chairing the STF for the last time as he has been transferred as Country Director of ADB's Resident Mission in Thailand, for his able support for the STF and for cooperation, leadership, and development in the GMS transport sector in general during his over three years of involvement in the STF. The Chair then noted that the meeting had been very productive and thanked the participants for their active participation and contributions to the meeting's success. He then formally closed the meeting.

---oOo---