ADB

'Early Harvest' Implementation of the GMS Cross-Border Transport Facilitation Agreement

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Background

- GMS CBTA aims to create a common subregional cross-border transport system, making faster, easier and cheaper movement of goods and people throughout the GMS (based on reciprocity)
- Ratification All 6 GMS countries ratified as Contracting Parties by 2015
- However, no real movement of vehicles made possible due to diverse set of challenges except under a few **IICBTAs** (bilateral agreements on initial implementation of the CBTA)
- Ministers at a CBTA Joint Committee (JC) Retreat in 2016 (Bangkok) asked NTFC-SOM to to draft an 'Early Harvest' CBTA implementation package as an interim solution





Background

- 'Early Harvest' MOU, signed by the Ministers in 2017, was launched on 1 June 2018
- Permits issued, and operations began, but implementation stopped after the closure of borders (due to Covid-19) in 2020
- With trade returning to pre-pandemic levels by 2023, borders progressively re-opened but CBTA Permits and the 'Early Harvest' MOU had expired
- December 2023 In JCM8, Ministers extended the 'Early Harvest' MOU to the end of 2026, and agreed to re-launch EH transport operations (following the issuance of Permits by relevant national authorities) from 1 April 2024







GMS Vice-Ministers of Transport at the JCM8 and NTFC-SOM Hainan, December 2023 INTERNAL. This information is accessible to ADB Management and Staff. It may be shared outside ADB with appropriate permission.





Scope of the 'Early Harvest'

'Early Harvest' focusses on the free movement of commercial goods and passenger vehicles. Conditions -

- Each country may issue up to 500 multiple journey GMS Road Transport Permits and Temporary Admission Documents (TADs) to goods and/or passenger transport operators (see next slide)
- TAD is like car pass or vehicle 'passport' and must be signed or stamped and dated at the border by the Host country Customs officials when entering <u>and</u> exiting that country
- No limit on the number of journeys to be undertaken; single stay in another Host country cannot exceed 30 days. Cabotage is not allowed



- Vehicles may enter through one BCP and exit through another using only

- Vehicles may enter through one BCP and exit through another using only Protocol 1 Route Network
- For 2024 re-launch, Lao PDR will open NR3 and NR9 from Houayxay to Boten and Savannakhet to Dansavanh plus NR13 from Boten to Nong Nok Khiene
- Additional routes and border crossing were added under Protocol 1 Extension MOU entered into force after final signature at JCM8
- Transport Sub-Committee Meetings in March and September 2024: Further extensions were discussed
- New extended routes may be agreed and signed in the JCM9
- Myanmar will join by 2027 and conclude bilateral IICBTAs with neighboring PRC and Lao PDR (as they signed IICBTA with Thailand)

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Greater Mekong Subregion Cross-Border Transport Facilitation Agreement



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Motor Vehicle Temporary Admission Document

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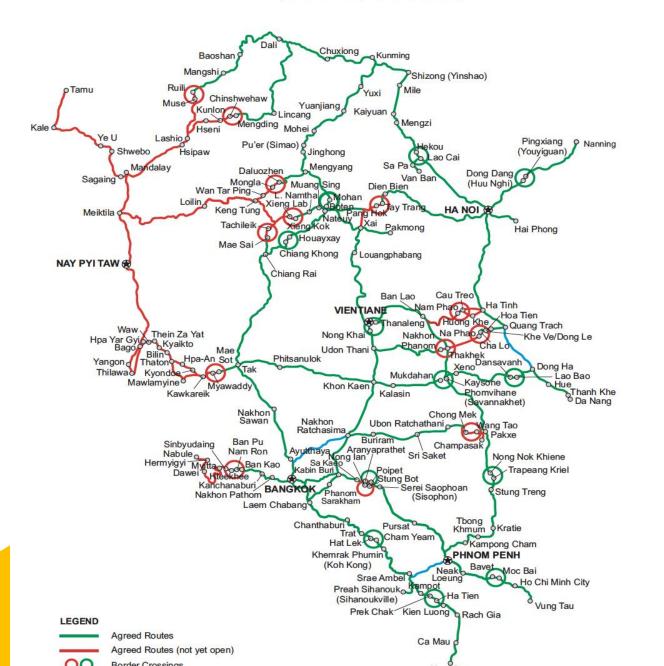
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GREATER MEKONG SUBREGION CBTA EARLY HARVEST ROUTE DIAGRAM

(15 March Draft | Not For Circulation)



CBTA Protocol 1 route network and border crossings

Green routes and border crossings are included from the 1 April 2024 re-launch

Red routes should be added later (subject to road and border facilities upgrading)



Scope of the 'Early Harvest'

- Goods transported will continue to observe current domestic Customs procedures (i.e. the CBTA Annex 6 – Transit and Inland Customs Clearance – formalities and documentation and other provisions for a subregional transit and inland transport will <u>NOT</u> apply to EH)
- No financial guarantees (or Customs bonds) are required for EH movements of vehicles and containers in the spirit of CBTA Article 18 (temporary importation without guarantee)
- Each country will maintain (and share) a list or National Register of GMS Road Transport Permits and TADs issued





Transport Sub-Committee Meetings in March and September 2024 discussed further extensions of CBTA Protocol 1 routes

Customs Sub-Committee Meetings in May and September 2024 focused on subregional solutions for Customs Transit and sharing of Transport and Trade Facilitation (TTF) data (format, data fields, etc)

ADB updated GMS website's EH related information and added training materials

- Outreach and training event for government officials and transport operators held in Vientiane, Lao PDR in March 2024 (to be held in PRC, Cambodia, Vietnam and Lao PDR)
- Trial Run of the Early Harvest MOU, GMS CBTA: 22 28 June 2028 along PRC-Lao PDR-Thailand-Cambodia – from Kunming to Phnom Penh to identify challenges and bottlenecks before commencement of movement of vehicles under EH

Recent Developments

Why Trial Run?

To ensure smooth operation of EH MOU

- Understand border crossing procedures (customs, immigration and quarantine procedures) with a variety of cargo (two refrigerated semi-trailer trucks carrying vegetables, and 3 others carrying office supplies, furniture, and other goods)2024, Kumming, China
- Confirm operational capacity and equipment
- Identify challenges and bottlenecks

To promote cross-border transportation Check and confirm transport infrastructure Learn transport regulations and practices

公河次区域(GMS)国际道路;

Launch W

22 June

GMIS CBTA 'Early Harvest' TI



| Saturday, 22 June 2024 | | | | |
|--|--|--|--|--|
| Kunming, PRC - Mojiang, PRC | CBTA 'Early Harvest' Launch Workshop CBTA 'Early Harvest' Trial Run Launch Ceremony Launch of Trial Run - Fleet leaves Kunming for Mojiang | | | |
| Sunday, 23 June 2024 | | | | |
| Mojiang, PRC - Mohan, PRC - Boten, Lao PDR | Travel to PRC – Lao PDR border in Mohan Border crossing into Lao PDR and photo ceremony in Boten | | | |
| Monday, 24 June 2024 | | | | |
| Boten, Lao PDR - Houayxay, Lao PDR - Chiang Khong, Thailand | Travel to Lao PDR – Thailand border in Houayxay Border crossing into Thailand and photo ceremony in Chiang Khong | | | |
| Tuesday, 25 June 2024 | | | | |
| Chiang Khong, Thailand - Tak, Thailand | •- Travel to Tak | | | |
| Wednesday, 26 June 2024 | | | | |
| Tak, Thailand - Aranyaprathet, Thailand | Travel to Thailand – Cambodia border in Aranyaprathet | | | |
| Thursday, 27 June 2024 | | | | |
| Aranyaprathet, Thailand - Poipet, Cambodia - Phnom Penh, Cambodia | Border crossing into Cambodia and photo ceremony in Poipet Travel to Phnom Penh Arrival Ceremony | | | |
| Friday, 28 June 2024 | 12 | | | |
| Phnom Penh, Cambodia | Debriefing Workshop | | | |





Trial Run (Photo Gallery)



Lessons learnt/Challenges identified from the Trial Run

- Regulatory systems, procedures and practices differ
- Infrastructure generally good with some need for upgrading (eg corridor segment Boten-Nateuy)
- Lack of training of the transport operators (documentation incomplete)
- Need upgradation of some BCPs (including Boten)
- Red tape in a few BCPs
- Need to align transport regulations especially vehicle lengths
- Mutual recognition of driving licenses worked well
- More training, capacity support and knowledge sharing needed
- Corridor handbook needs further development (tolls, border clearance processing flow, requirement of registration etc to be added)
- More trial runs to be undertaken





Next Steps

In the Joint Transport and Customs SubCommittee Meeting in Vientiane, Lao PDR in September 2024, the following next steps were agreed by the Member Countries

- Issuance of Permits and National Registers
- EH Monitoring
- IICBTAs
- EH Helpdesk
- CBTA 2.0
- Consultation and training
- Further Surveys and Trial Runs





Next Steps

- Vehicle weights and dimensions
- Third-party liability (TPL) insurance
- Corridor handbooks
- Mutual Recognition of Domestic Driving Licenses and official translation
- Customs Transit Regime
- Road User Maintenance Charge (RUMC), Customs Seals for Containers
- Use of local agents (brokers or transit operators)
- Exchange of transport and trade facilitation (TTF) data ADB



9th Joint Committee Meeting will be held in Lao PDR in December 2024

Preparations started!



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Thank you

For further information, please contact <u>mehoque@adb.org</u>

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