



**Seventeenth Meeting of the GMS Subregional Transport Forum**  
**Chiang Rai, Thailand**  
**31 July–1 August 2013**

**SUMMARY OF PROCEEDINGS**

**I. Introduction**

1. The Seventeenth Meeting of the Subregional Transport Forum (STF-17) was held in Chiang Rai, Thailand on 31 July–1 August 2013. The Forum was jointly organized by the Ministry of Transport (MOT) of Thailand and the Asian Development Bank (ADB). The objectives of the Forum were to: (i) review and finalize the pipeline of new generation transport and related projects under the Greater Mekong Subregion (GMS) Regional Investment Framework (RIF); (ii) review progress and discuss/agree future plans for key ongoing/pending transport sector projects; (iii) explore potential connectivity between the GMS and South Asia; and (iv) endorse the Memorandum of Understanding (MOU) for the Greater Mekong Railway Association (GMRA). (The Forum Program and Agenda is attached as **Appendix 1**).

2. The Forum participants included delegations from the Kingdom of Cambodia; the People's Republic of China (PRC); the Lao People's Democratic Republic (Lao PDR); the Union of the Republic of Myanmar; the Kingdom of Thailand; the Socialist Republic of Viet Nam; and ADB. Representatives from various development partner organizations [United Nations Economic & Social Commission for Asia and the Pacific (UNESCAP); and Neighbouring Countries Economic Development Agency (NEDA)] also attended the Forum. The Forum was attended by H.E. Chadchart Sittipunt, Minister of Transport, Thailand (on the second day); H.E. Sommad Pholsena, Minister Public Works and Transport, Lao PDR; and H.E. U Win Myint, Deputy Minister for the Ministry of Construction, Myanmar. (The list of participants is attached as **Appendix 2**).

3. The Forum was chaired by Dr. Siriphan Jitprasithsiri, Director of International Highways Development Group, MOT, Thailand, and co-chaired by Mr. James P. Lynch, Director, Transport and Communications Division, Southeast Asia Department, ADB.

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**II. Opening Session**

4. The Chair welcomed the participants. She noted that great strides in building connectivity among GMS countries have been taken in the last several years. She stated that the major GMS corridors are largely completed and cited the example of the Chiang Khong-Houayxay International Mekong Bridge along the North South Economic Corridor (NSEC), which is about to be completed and will complete the last missing link along the NSEC. With the improvements in transport infrastructure, increase in trade and tourism have followed. She reiterated the importance of STF-17, as it would review and agree on a final pipeline of the new generation of transport projects for the next 5-10 years; to succeed the transport pipeline under the Vientiane Plan of Action (2008–2012). The new pipeline would be presented to the transport

Ministers and other high-level transport officials during the second day of the Forum. Moreover, the participants would also have the chance to visit a symbol of the successful cooperation among GMS countries in establishing greater connectivity, namely, the NSEC bridge at Chiang Khong-Houayxay.

5. Mr. James Lynch, Co-Chair, in his opening statement, said that transport will remain the prime sector of GMS cooperation under the new RIF. Based on an initial review of the investment needs, the transport sector will account for 70%–80% of the RIF's total investment requirements, roughly the same share of investments of the transport sector in the GMS Program to date. He also gave a brief background on the process of preparing the pipeline, noting that it is the result of a combination of a sector assessment and extensive consultations with GMS countries, including a number of in-country meetings and workshops.

6. He further noted that the pipeline is consistent with the new GMS Strategic Framework's focus on broadening and deepening of GMS corridors, and includes, apart from traditional transport infrastructure projects, more novel ones, such as the establishment of multi-modal and inter-modal transport links, including access to gateway ports. The RIF pipeline also includes important complementary systems and services, such as improved border crossing facilities and various types of logistics-related services. However, he stated that the proposed pipeline is still a work-in-progress, and the main purpose of STF-17 is to further refine the pipeline, make it leaner and more effective in realizing the strategic goals for the sector. The further refined pipeline would then be presented at the Fifth GMS Economic Corridors Forum in Bangkok. (The Co-chair's opening statement is in **Appendix 3**).

### **III. Session 1. Review of Individual Country Pipelines**

7. The GMS delegations presented their respective countries' proposed RIF transport sector pipelines. The presentations were given by the following participants: (i) Mr. Vasim Sorya, Director General, Planning and Administration, Ministry of Public Works and Transport (MPWT), Cambodia; (ii) Ms. Hu Nan, Official, Department of International Cooperation, Ministry of Transport (MOT), PRC; (iii) Mr. Math Sounmala, Director General, Department of Planning and Cooperation, MPWT, Lao PDR; (iv) H.E. U Win Myint, Deputy Minister, Ministry of Construction, Myanmar; (v) Mr. Karn Sinseubpol, Department of Highways, MOT, Thailand; and (vi) Mr. Nguyen Van Thach, Deputy Director General, International Cooperation Department, MOT, Viet Nam. (The GMS delegations' respective country presentations are in **Appendices 4-A to 4-F**).

#### **Discussions:**

8. In response to a question from Viet Nam, on Cambodia's pipeline projects related to plans for road connections from O'Yadav to Ratanakiri as part of the ASEAN Highway Network (AHN) and on railway and expressway connections between Phnom Penh and Ho Chi Minh City, Cambodian delegation responded that (i) as part of the Southern Economic Corridor and also eventually as part of the AHN, the road will be constructed from O'Yadav-Stung to Treng-Preak Vihear-Siem Reap; and (ii) there is private sector interest (PRC and Republic of Korea) for the construction of an expressway from Phnom Penh to Ho Chi Minh City, although this is only at preliminary study stage.

9. In response to a question from Lao PDR, regarding any plans to connect Rattanakiri to Attapeu, Cambodia responded that there is a project under the Mekong-Japan Program for Cambodia, Lao PDR, Myanmar, and Viet Nam. This is proposed for a road connection from

Rattanakiri in Cambodia to National Highway 19 in Viet Nam; also, there is a plan to connect Cambodia to Viet Nam through Mondulkiri up to Banlung and to the border with Viet Nam. Cambodia also informed that they have formed an inter-agency working group for these proposed road connection projects. However, there has been some delay in convening the working group.

10. On the PRC pipeline, in response to several questions regarding other possible railway lines, PRC delegation responded that PRC had three programs for connecting with ASEAN/Singapore-Kunming Rail Link, namely, (i) the eastern route which is almost complete and expected to be completed this year; (ii) the middle route which is being addressed through the Yuxi-Mohan railway project (but there are no plans yet for a Yuxi-Daluo line); and (iii) the western route, which is just in the initial stages, including the Dali-Ruili line.

11. On the Luang Namtha-Xiengkok road project and the Xiengkok (Lao PDR)-Kainglap (Myanmar) Bridge in the Lao PDR pipeline, Lao and Viet Nam delegation expressed strong support for the project, which is intended as part of the proposed ASEAN-India Highway and also known as the “trilateral Highway” connecting Viet Nam, northern Lao PDR, and Myanmar. Lao PDR stated, however, that the bilateral agreement on this proposed bridge has not yet been concluded, and noted that without this agreement the full potential of the bridge could not be realized.

12. Related to above, countries emphasized the importance of accelerating the signing and/or ratification, and implementation of the various agreements on the facilitation of cross border transport, including the remaining annexes of the GMS Cross Border Transport Agreement (CBTA).

#### **IV. Session 2. GMS: Subregional Transport Sector Pipeline**

13. The Co-Chair explained that the session will serve to further review and refine the individual country pipelines, with the purpose of ensuring that the overall synthesized and consolidated RIF pipeline that will emerge is characterized by consistency, manageability, practicability, and implementability. He introduced Mr. John Cooney, ADB consultant, who has extensive experience in the GMS transport sector and has undertaken a review and consolidation of the various pipelines, with a view to their further rationalization and simplification.

14. Mr. Cooney led the review of the country pipelines including: the nature of the project, its appropriate title, its projected timeline, its estimated cost, and its ranking priority (i.e., high, medium, low). He explained that the each project cost estimate is based on best available information and may change as project design proceeds. The countries made their comments as each project was discussed until an agreed final entry for the project was reached. The RIF pipeline, incorporating the revisions agreed upon during these discussions would be presented to the transport ministers and high-level officials in the pertinent session of the Forum on the following day.

#### **V. Session 3: Presentation on the Regional Investment Framework (RIF) Process**

15. Mr. Newin Sinsiri, Principal Regional Cooperation Specialist, Southeast Asia Regional Cooperation and Operations Coordination Division, ADB, briefed the Forum on the RIF, its nature, purpose, and the processes involved in its preparation, with particular focus on its relevance the transport sector. He also apprised the participants on the next steps involved

toward the final endorsement and adoption of the overall RIF pipeline. The transport pipeline emerging from STF-17, together with other RIF sector pipelines, would be presented at the upcoming Fifth Economic Corridors Forum (ECF-5) in Bangkok on 7 August 2013, including the Senior Officials Meeting-RIF Steering Committee Meeting (SOM-RIF) preceding it. The presentation at ECF-5 is intended to obtain further strategic guidance and in-principle agreement from this ministerial level meeting. The RIF pipeline, thus further refined, would be finally presented to and endorsed by the 19th GMS Ministerial Conference in Vientiane, Lao PDR in December 2013. (The RIF Process presentation is in **Appendix 5**).

## **VI. Wrap Up of First Day's Sessions**

16. The Co-Chair wrapped up the first day of the Forum, emphasizing that the proposed pipelines reflect the countries' continued emphasis on establishing greater connectivity among them. In this regard, it seemed that it was only to be expected that Lao PDR had the biggest number of proposed projects, given its desire to transform itself from a land-locked to land-linked country. There was, however, also a realization that there is a need to carefully prioritize projects given the huge financial requirements associated with these proposed projects, and the need to achieve the best connectivity results. There was also a clear message from the countries on the need to improve the soft components of transport development, particularly those that facilitate cross-border transport and trade, including accelerating the implementation of the GMS CBTA, as well as setting up and strengthening pertinent institutions. Also of crucial importance is the transfer of knowledge between countries on transport system development. He further noted that for full connectivity to be established, there must be agreement and coordination between countries, and often soft components of connectivity are even more important than physical infrastructure connectivity.

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## **VII. Session 4. Memorandum of Understanding and Plans for the GMS Railway Association (GMRA)**

17. The Co-Chair, made a presentation on the status of the initiative toward the establishment of the proposed GMRA. He provided a background of the GMRA, based on a key recommendation of the Strategic Framework for Connecting GMS Railways;<sup>1</sup> (i) its purpose to work toward the integration of railways across the GMS; (ii) its key functions and overall mission; (iii) the steps taken so far toward its establishment; (iv) the key agreements to establish GMRA as a non-legal intergovernmental entity under the GMS Program; (v) as well as the outstanding issues regarding the establishment of the GMRA. It was envisioned that consensus on the final MOU to Establish the GMRA (after further discussion at STF-17) would be reached in August 2013, countries would confirm by September 2013 of the readiness of their authorized signatories to sign the MOU at the 19th GMS Ministerial Conference (19th MC) in December 2013, endorsement by the 19th MC of the establishment of the GMRA and signing of the MOU at the 19th MC, and finalization/approval of the TA (Building Institutional Capacity of the GMRA) under which ADB will provide funding for the first 2 years of the GMRA's operations. (The GMRA presentation is in **Appendix 6**).

18. He then led the participants in further reviewing the latest draft of the MOU to establish

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<sup>1</sup> The Strategic Framework for Connecting the GMS Railways was endorsed at the Greater Mekong Subregion Ministerial Meeting in Hanoi in August 2010.

the GMRA. (The latest draft MOU is in **Appendix 7**). The country delegations gave the following comments:

- PRC proposed changes in specific articles and paragraphs of the MOU, as follows:
  - Article 6, Paragraph 14 – “non-legal intergovernmental forum” – change the word “forum” into a word that better connotes permanence; some countries suggested the term “organization”
  - Article 9, paragraph 17 (vii) – “approve **recommendations on** standards and protocols” (highlighted words to be inserted)
  - Article 9, paragraph 17 (ix) – “between (annual meetings)” enclosed words to be deleted
  - Article 13, paragraph 21 – delete second sentence (“The chair of the BOD shall not vote other than in the case of an equally divided vote, in which case his or her vote will be the deciding vote.”)
  - Article 15, paragraph 23 (i) – delete reference to “general assembly”
  - Article 17, paragraph 26 – change to “unanimous” from “majority” vote, with reference to the selection of the officer-in-charge
  - PRC also noted that with regard to the signing of the MOU at the 19th MC, it is the Ministry of Finance that attends the MC and not the Ministry of Transport.
- Lao PDR noted that among GMS countries, they have the shortest railway length and their railway sector is in its infancy thus Lao PDR can be just an observer in GMRA and that they could move to be a regular member at a later date. This is not because they do not agree with the GMRA, but it is only because they feel they are not yet ready to become a regular member. Lao PDR also suggested an alternative to the GMRA, which is just to have a railway subgroup of the STF.
- The Co-Chair, stated that if Lao PDR becomes just an observer, then it would tantamount to having reached no consensus on the establishment of the GMRA. He further noted that Lao PDR would gain the most from the GMRA’s establishment since this would help in the development of its railway sector, and that they would be able to generate more funds and support (e.g., training, capacity building) from international sources, instead of just relying on the country’s internal resources. It was also noted that if observer status is allowed, then we would go back to the concept of just a coordination office, which had previously been ruled out in favor of an association.
- Cambodia sought clarification on the specific role/s of the country representatives to the Board of Directors, and on the eventual contributions of the countries’ governments.
- Myanmar expressed support for the GMRA and agreement to its being established as a non-legal intergovernmental entity, but informed that they still need to obtain approval from their Parliament.
- Thailand also expressed support for the GMRA and agreement on the draft MOU.
- Viet Nam noted that they received only recently the latest draft MOU, including their comments, but expressed the view that if the target is to have the MOU signed at the 19th MC in December, this might be difficult because this still has to go through their internal approval processes.

### **VIII. Minister Chadchart Sittipunt’s Keynote Address**

19. Excellency Chadchart Sittipunt, Minister, MOT, Thailand, delivered a keynote address to the Forum. He outlined the Thai government’s Baht 2 trillion, or \$67 billion, transport

infrastructure development program over 7 years, noting that enhancing connectivity with the GMS and the ASEAN Economic Community is a key component strategy of the program. Connectivity is a major growth engine, as reflected by the increases in border trade between Thailand and its neighbors as a result of improved connectivity. A large part of the program is railway development, including high speed trains, as well as the rail components of Mass Rapid Transit systems. Among the important railway projects are the double tracking of existing networks and proposed new lines, including the Denchai-Chiang Rai-Chiang Kong railway and the BanPai-Mukdahan-Nakorn Panom railway.

20. The program also includes the upgrading to 4-lane highways of key sections of road corridors, including the Mukdahan to Mae Sot highway along the East-West Economic Corridor (EWEC). It also includes multimodal transport improvements, including ports and inland waterway transport. He said that transport cooperation through the STF is important and, in particular, cooperation in rail transport is crucial, and this is true not just for infrastructure development, but also in terms of operations and the related software development. He confirmed that Thailand is supporting the establishment of the GMRA. (The presentation on the Thai Government's Transport Infrastructure Development Program is in **Appendix 7**).

#### **IX. Session 5. Presentation of the New GMS Transport Sector Pipeline to the GMS Transport Ministers/Senior Officials**

21. The Co-Chair presented to the Ministers, Vice Minister, and Heads of Delegation, who were present at the Forum, the pipeline of transport projects under the RIF resulting from the discussions of the previous day. (The GMS Transport Sector Pipeline presentation is in **Appendix 8**).

#### **Discussions:**

22. Excellency Chadchart Sittipunt expressed appreciation for the pipeline presented, noting that when all the country pipelines are put together, they should create one unified vision for GMS regional connectivity. He observed, however, that there is a tendency in preparing a pipeline to look at only the supply side, but it would be useful if we can also superimpose the demand side. He further explained this by citing the differences among various corridors in terms of the potential to generate trade and investments. Adding, it is quite clear that the Southern Economic Corridor holds greater potentials in terms of generating substantial economic activity, including the development of the Special Economic Zones around the Dawei Port area.

23. Mr. Lynch agreed with the need to also look at the demand side. He further stated that when the pipeline was being prepared, it was impressed upon the countries that many factors would have to be considered in identifying the projects for inclusion. It was worth noting that the pipeline preparation also resulted in the identification of second generation projects, such as multimodal and intermodal transport connectivity, and the development of logistics and cross-border facilities. Also, the pipeline preparation brought to the fore the need to look at software issues, such as the need to accelerate the implementation of measures to facilitate cross border transport and trade.

#### **X. Session 6: Potentials for Linking GMS with South Asia**

24. Mr. Ronald Antonio Q. Butiong, Principal Regional Cooperation Specialist, Regional Cooperation and Operations Coordination Division, South Asia Department, ADB, made a

presentation on Connecting South Asia and Southeast Asia. In his presentation, he raised the following two key points: (i) improving South Asia-Southeast Asia connectivity is a viable proposition as it would expand markets and production networks, and the opening up of Myanmar provided a strong impetus to these efforts, as the country could provide a land link between the two subregions; and (ii) the GMS Program and the South Asia Subregional Economic Cooperation Program could accelerate connectivity between the two subregions, as both are pragmatic and results-oriented cooperation programs. However, there is a need to better coordinate the project pipelines of the two programs, and ADB as Secretariat to both could play an important role in this regard. As an example, ADB will provide assistance to India in upgrading a section of Asian Highway 2 in Northeast India connecting to the Trilateral Highway in Myanmar, which is being supported by the governments of India, Myanmar, and Thailand, and which would connect to the GMS EWEC. (The presentation on Connecting South Asia and Southeast Asia is in **Appendix 9**).

## **XI. Session 7: Statements/Updates from Other Development Partners**

25. Mr. Irfan Rahim, Chief, Transport Infrastructure Section, Transport Division, UNESCAP, expressed appreciation for the many achievements of the GMS Program in the transport sector and for the strong cooperation that the GMS countries have shown. He said that UNESCAP supports and is strongly committed to enhancing transport connectivity in the region and is actively pursuing key initiatives in this regard, such as the AHN and the Trans Asian Railway. UNESCAP will continue to be a partner of the GMS countries as they pursue their connectivity development initiatives into the future.

26. Ms. Hataitat Mahasukon, Director, Policy and Planning Bureau, NEDA, Thailand, congratulated the GMS countries for the successful Forum, as well as for the good results of their cooperation in the transport sector. She noted that NEDA has been providing assistance to countries for their pursuit of infrastructure projects that strengthen the links among them. She said that NEDA will continue their support to promoting connectivity in the region.

## **XII. Other Matters**

27. In line with the tradition of rotating the venue of the STF among the GMS members according to the alphabetical order of country names, the Viet Nam delegation said that they would be pleased to host the Eighteenth Meeting of the GMS Subregional Transport Forum (STF-18) in 2014, although the specific city venue and dates would be determined at a later date.

## **XIII. Closing**

28. The Chair and Co-Chair agreed that the Forum was successful and achieved its intended results, with broad agreement having been reached on the new pipeline of transport projects under the RIF. They thanked the participants for their active participation in the Forum. The delegations from the GMS countries and the ADB thanked the host, the Royal Thai Government, for the hospitality accorded to the participants, as well as the excellent arrangements for the Seventeenth Meeting of the Subregional Transport Forum. The Chair formally closed the Forum.