



This GMS E-updates is a regular publication to provide readers with an update on activities and major developments in pursuit of accelerated development of the countries sharing the Mekong River

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The Regional Investment Framework (RIF) translates the strategic directions of the GMS Strategic Framework endorsed by the 4th GMS Summit in 2011. It comprises more than 200 potential investment and technical assistance projects for implementation from 2013 to 2022. The RIF covers a wide selection of sectors including transport, energy, information and communication technology, transport and trade facilitation and urban development, environment, agriculture, human resource development, and tourism.

The RIF was prepared through a bottom-up approach based on extensive country inputs and consultation. The guiding principles in developing the pipeline of projects were: (i) ensuring the proposed investments for corridor development are demand driven; (ii) striking a balance between promoting external connectivity and domestic connectivity; (iii) adopting a multisector approach and emphasizing the software requirements of trade and transport facilitation; (iv) recognizing new and emerging priority areas, such as urban development linked to corridors, special economic zones, logistics centers, and multimodal transport linkages; and (v) prioritizing specific geographic areas based on sound criteria and strategic sequencing of projects.

GREATER MEKONG SUBREGION REGIONAL INVESTMENT FRAMEWORK 2013- 2022

The total cost of investment projects in the RIF is \$51.3 billion, consisting largely of infrastructure projects that further enhance the physical connectivity within the GMS, but also include nontraditional multisector and software related projects.

Investment pipeline: Transport sector retains the highest share in terms of total cost of investment at 86%, followed by the energy sector at 6.2%, agriculture at 2.4% and the tourism sector at 1.4%.

Technical Assistance: In terms of technical assistance projects, there are 92 projects dominated mostly by soft sectors such as HRD and environment. In terms of share in the estimated total project costs of \$222 million, the ICT projects dominate the TA pipeline, with 29.2% of the total; followed by environment, 21.9%; agriculture, 11.2 %; and trade and transport facilitation, 7.9%.

The RIF was endorsed at the 19th GMS Ministerial Conference held in Vientiane, Lao PDR, on 10-11 December 2013. Representatives from GMS countries, namely, Cambodia, People's Republic of China, Lao PDR, Myanmar, Thailand, and Viet Nam attended the conference.

Upcoming Events for 2014

March

- First Task Force Meeting for the 4th GMS Environment Ministers' Meeting (*Nay Pyi Taw, Myanmar*)
- Joint Knowledge Event between the Working Group on Environment (WGE) and the Working Group on Agriculture (WGA), and 20th Annual Meeting of the WGE and 11th Meeting of the WGA (25-26 March, *Nay Pyi Taw, Myanmar*)
- 2nd Task Force Meeting for the 5th GMS Summit (28 March, *Chiang Mai, Thailand*)

May

- 16th meeting of the GMS Regional Power Trade Coordination Committee (RPTCC-16) (*Cambodia*)

June

- 33rd Meeting of Tourism Working Group (TWG-33) and 2014 Mekong Tourism Forum (*Mandalay, Myanmar*)

July

- 18th GMS Subregional Transport Forum (*Viet Nam*)

August

- Senior Officials' Meeting/ 3rd Task Force Meeting for the 5th GMS Summit (*Viet Nam*)
- 6th Economic Corridors Forum (*Viet Nam*)
- 3rd Meeting of the GMS Task Force on Urban Development (4th Week, *Lao PDR*)

September

- 13th Meeting of Working Group on HRD (WGHRD-13) (*Viet Nam*)
- Senior Officials' Meeting/4th Task Force Meeting for the 5th GMS Summit (*Nay Pyi Taw, Myanmar*)

October

- 9th Semi-Annual Meeting of the WGE (*Nay Pyi Taw, Myanmar*)
- 17th Meeting of the GMS Regional Power Trade Coordination Committee (RPTCC-17) (*PRC*)

November 2014

- 34th Meeting of Tourism Working Group (TWG-33) (*Lao PDR*)

December 2014

- 5th Task Force Meeting for the 5th GMS Summit (*venue: TBC*)
- 5th GMS Summit (*Thailand*)

Recent Events



Photo: Ardi Javellana

The 19th GMS Ministerial Meeting Heads of Delegation: (R-L) ADB, Cambodia, People's Republic of China, Lao PDR, Myanmar, Thailand, and Viet Nam

19TH GMS MINISTERIAL CONFERENCE ENDORSED THE \$51.3 BILLION REGIONAL INVESTMENT FRAMEWORK FOR 2013 – 2022 (*Vientiane, Lao PDR, 10-11 December 2013*)

The 19th GMS Ministerial Conference was held in Vientiane, Lao PDR with the theme, “A New Generation of GMS Initiatives for Accelerated Progress”. Highlights of the recently concluded Ministerial Conference were the endorsement of Regional Investment Framework (RIF), which consists of \$51.3 billion new generation project pipelines for 2013 – 2022, and the signing of the Memorandum of Understanding (MOU) for the establishment of the Greater Mekong Railway Association (GMRA).

The GMS Ministers lauded the GMS program achievements since the 18th Ministerial Conference held in 2012, and acknowledged the strong cooperation among its members. The inauguration of the fourth International Mekong Bridge (Houayxay, Lao PDR -Chiang Khong, Thailand) in December 2012 completes the connectivity of the GMS North-South Economic Corridor. In addition, two significant milestones to strengthen institutional connectivity have been achieved. First, the agreement to establish the Regional Power Coordination Center was signed and second, the GMS countries have agreed to sign the Memorandum of Understanding to establish the Greater Mekong Railway Association. On the soft sector, funding has been secured for the Core Agricultural Support Program and the Core Environment Program Biodiversity Conservation Corridors Initiative Phase 2 project. The implementation of HRD Strategic Framework and Action Plan for 2013-2017 has commenced. New cooperation was developed on the Cross-Border Economic Zones (CBEZs) that focused

on transport and trade facilitation along the GMS corridors. A Task Force on Urban Development has been created and is now operational.

Prior to the Ministerial Meeting, a Development Partners' Meeting was held among GMS Senior Officials and 35 representatives from 20 bilateral, multilateral and intergovernmental organizations, and the GMS Business Forum. During the meeting, partnership opportunities were explored and ideas were exchanged on how to further expand the role of development partners and the private sector in RIF implementation. The meeting mapped out areas for possible engagement, including policy support, innovative financing modalities and investment, technical assistance, building institutions and capacities, private sector participation, and enhanced monitoring and evaluation.

The meeting also emphasized (i) a seamless alignment between the RIF and ASEAN integration, with the RIF serving as a building block to the establishment of the ASEAN Economic Community; (ii) the increasing importance of multisector coordination for a more integrated approach within and across the GMS; (iii) available opportunities for enhanced development partner involvement in sector working groups, forums, task forces, and in supporting national secretariats in the GMS countries; and (iv) deepened private sector partnerships.

Sector Updates

TRANSPORT

17TH SUBREGIONAL TRANSPORT FORUM (STF-17) *(Chiang Rai, Thailand, 31 July – 1 August 2013)*

STF-17 was held on 31 July-1 August 2013 in Chiang Rai, Thailand, with more than 50 participants attending, including delegations from all GMS countries, and development partner organizations. The Meeting: (i) reviewed and finalized the pipeline of new generation transport and related projects under the GMS Regional Investment Framework (RIF); (ii) reviewed the progress and discussed/agreed on future plans for key ongoing/pending transport sector projects; (iii) explored potential connectivity between the GMS and South Asia; and (iv) finalized and broadly endorsed the Memorandum of Understanding (MOU) for the Greater Mekong Railway Association (GMRA), which was to be signed at the 19th GMS Ministerial Conference in December 2014. The GMS countries gave particular importance to the meeting, as shown by the attendance of the Ministers of Transport of Thailand and of Lao PDR, the Vice Minister of Construction of Myanmar, and senior transport officials from the other GMS countries. As a special activity, the STF-17 participants visited the nearly-completed Fourth International Mekong Bridge between Chiang Khong, Thailand and Houayxay, Lao PDR.

MEMORANDUM OF UNDERSTANDING FOR THE ESTABLISHMENT OF THE GREATER MEKONG RAILWAY ASSOCIATION (GMRA) SIGNED AT GMS 19TH MINISTERIAL CONFERENCE *(Vientiane, Lao PDR, 11 December 2013)*

The 19th GMS Ministerial Conference program concluded with the signing of the Memorandum of Understanding for the establishment of the Greater Mekong Railway Association (GMRA) by four countries namely, Cambodia, PRC, Lao PDR and Myanmar. Due to delays in obtaining internal approval, Thailand and Viet Nam will be signing the MOU on a separate occasion. GMRA aims to establish a railway

coordination body that will increase railway connectivity in order to promote efficient, safe and environmentally-sustainable rail transport of goods and people beyond GMS countries. Specifically, GMRA will (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 railway by agreeing on technical standards of inter-operationability, 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.



Photo: Shunsuke Bando

GMRA countries signatories (R-L): Cambodia, PRC, Lao PDR, Myanmar. Standing as witnesses (R-L): ADB representatives, Ministerial Meeting Head of Delegations from PRC, Lao PDR, Thailand, and Viet Nam.

ENERGY

3RD MEETING OF THE WORKING GROUP ON PERFORMANCE STANDARDS AND GRID CODES (WGPG-3) *(Ha Noi, Viet Nam, 3-4 June 2013)*

The 3rd Meeting of the Working Group on Performance Standards and Grid Codes (WGPG-3) was held in Ha Noi, Viet Nam on 3-4 June 2013. An ADB team presented gap analyses and remedial measures for the performance standards of Cambodia, Lao PDR and Myanmar. Representatives from PRC, Thailand and Viet Nam presented country gap analyses, focusing on in-country performance standards of the power system, grid codes, legal framework, and other technical issues related to

subregional power trading, necessary to promote increased energy cooperation and power exchange among GMS countries.

WGPG agreed to a work program spanning 2013-2015 that will directly tackle GMS performance standards, transmission regulations, standard regional metering arrangements, and finally, a GMS Grid Code (operational procedures) to help catalyze multilateral, grid-to-grid power trading in the subregion.

14TH MEETING OF THE REGIONAL POWER TRADE COORDINATION COMMITTEE (RPTCC-14) *(Kunming, PRC, 18-19 June 2013)*

PRC's National Energy Administration (NEA) and China Southern Power Grid (CSG) jointly organized and hosted RPTCC-14 in Kunming, PRC, on 18-19 June 2013. The meeting endorsed the GMS Regional Investment Framework (RIF) energy pipeline for consideration by the GMS National Coordinators. By the time of the 19th GMS Ministerial Conference in December 2013, GMS members of the RPTCC have vetted a total of 21 projects valued at \$3.2 billion.

...Continuation of RPTCC-14

GMS ministers eventually approved the 21 projects, comprising 13 investment projects (\$3.2 billion) and 8 technical assistance projects (\$11.5 million).

RPTCC-14 also acknowledged the Government of Myanmar's signing of the Intergovernmental Memorandum of Understanding (MOU) for Establishing of RPCC in GMS on 7 June 2013. This ushered in considerable discussions at the meeting toward finalizing the RPCC Articles of Association for consideration by the future RPCC board as among their first order of business. RPTCC-14 likewise extensively discussed the potential assistance from Agence Francaise de Developpement (AFD) for a follow-on phase II to the ongoing strategic environmental assessment (SEA) in the GMS. Phase II will strengthen subregional policy dialogue on SEA through initiatives in capacity building, SEA application on national power development plans, best practices on increasing intermittent (renewable) energy share, and energy efficiency integration in the GMS. While the proposed phase II focuses on the RPTCC, it will complement the work of the GMS Subregional Energy Forum (SEF) on energy development, as well as initiatives under the RIF energy pipeline promoting renewable energy, energy efficiency and cleaner fuel.

An overview of the final report of the SEA for GMS regional power development was also presented in a separate meeting on 19 June 2013, after the RPTCC-14. Among its conclusions, the report expected the rapid rate of GMS power sector development to outstrip the capacities of environmental agencies tasked with environmental regulation, monitoring and enforcement, resulting in increased pressure from social and environmental impacts. It recommends, among others, the integration of environmental and social concerns into the national power planning process, while correspondingly strengthening the technical knowledge base and the capacities of involved agencies.

15TH MEETING OF THE REGIONAL POWER TRADE COORDINATION COMMITTEE (RPTCC-15) (Da Nang, Viet Nam, 16-17 December 2013)

The Electricity Authority of Vietnam (ERAV) organized and hosted RPTCC-15 on 16-17 December 2013 in Da Nang, Viet Nam. Substantial discussions on the immediate establishment of the GMS Regional Power

Coordination Centre (RPCC) dominated the meeting, as GMS countries lauded the signing of the *Intergovernmental Memorandum of Understanding for the Establishment of RPCC in the GMS* by Thailand's Minister of Energy on 29 November 2013. Once established, the RPCC will be a legally established institution owned by all GMS countries and fully dedicated to managing cross-border power infrastructure and trade in the subregion. Thailand's signature completes all six GMS countries' approval of the MOU.

During the RTCC-15, consultations with the World Bank on a potential future technical assistance (TA) for "Regional Power Market Development in the GMS" was also held. It was initially suggested that the TA could focus on cross-border trading issues, regulatory and commercial barriers to the development of a regional power market, and voluntary guidelines for national regulators.

RPTCC-15 celebrated other important milestones for the GMS energy sector, including the final approval of the GMS Regional Investment Framework (RIF) energy sector pipeline as part of the overall GMS RIF pipeline covering all 10 key development sectors of the region. GMS members also received the final report of the International Centre for Environment Management (ICEM) on the strategic environmental assessment (SEA) for GMS regional power development. (See article on the 14th Meeting of the Regional Power Trade Coordination Committee for more details on the RIF energy pipeline and the SEA).

HUMAN RESOURCE DEVELOPMENT

12TH MEETING OF THE GMS HUMAN RESOURCE DEVELOPMENT WORKING GROUP (WGHRD-12)

(Bangkok, Thailand, 31 October – 1 November 2013)

The 12th Meeting of the GMS Working Group on Human Resource Development (WGHRD-12) was held in Bangkok, Thailand on 31 October-1 November 2013 with the theme, "Implementing the GMS HRD Strategic Framework and Action Plan (SEAP) 2013-2017: Way Forward."

The meeting reviewed the GMS Regional Investment Framework HRD sector pipeline that took into consideration the key challenges being addressed under the HRD Strategic Framework and Action Plan for 2013-2017.

The HRD pipeline, whose strategic thrusts were aligned with those of the new GMS Strategic Framework for 2012-2022, was developed in close consultation with the focal points of the WGHRD (i.e., line ministries responsible for education, health, labor, and social development subsectors) and through a series of country consultations involving the GMS National Secretariats/national planning agencies and ADB Resident Missions. The RIF pipeline was subsequently reviewed at GMS Senior Officials Meetings and the 5th Economic Corridors Forum and approved for endorsement by the GMS Ministers during the 19th Ministerial Conference. The HRD pipeline, consisting of regional and national projects with regional dimensions, covered 15 projects with estimated cost of \$295.65 million, broken down as follows: 3 investment projects at \$281.40 million and 12 technical assistance projects at \$14.25 million. ADB emphasized the need for WGHRD to further prioritize the HRD pipeline, and stated that the three proposed investment projects and the RETA on Implementing the GMS HRD SFAP Phase II could constitute the HRD implementation plan for the next 5 years. Another critical item for WGHRD's consideration was the setting up of a system to monitor implementation and impact of the HRD sector pipeline.

At the meeting ADB introduced the proposed RETA on Implementing the GMS HRD SFAP Phase II whose expected impact is free flow of skilled labor in the GMS, and expected outcome is sustained human resource development cooperation in the GMS. Expected outputs are: (i) improved cooperation in technical and vocational education and training; (ii) improved cooperation in higher education; and (iii) strengthened national implementation and monitoring of the SFAP. The estimated total cost is \$2.55 million (TA amount of \$2.25 million and government contributions of \$0.30 million). TA implementation timeline for national action plans was also discussed, leading to a target completion of Draft National Action Plans by end August 2014 and presentation at WGHRD-13.

The meeting also featured knowledge sharing with resource persons and development partners on several topics, including a *Regional Framework on Mutual Recognition of Skills and Qualifications*, GMS

...Continuation of WGHRD-12

Higher Education Harmonization and Networking, Improving the Flow of Information to Cross-Border Migrant Workers in Sending and Receiving Countries: Information Awareness Campaign, and Updates on Communicable Disease Control Project. Country break-out sessions were held regarding preparation of national action plans, including stock taking of HRD programs and projects, and appropriate mechanisms for monitoring the implementation of the national action plans.

TOURISM

31ST GMS TOURISM WORKING GROUP MEETING (TWG-31) *(Guilin, PRC, 19-20 June 2013)*

The 31st Meeting of the GMS Tourism Working Group held on 19-20 June 2013 in Guilin, PRC, unanimously endorsed the preliminary pipeline of tourism projects and technical assistance proposed for inclusion in the 2013-2022 GMS Regional Investment Framework (RIF). The tourism pipeline was to be consolidated into the overall RIF for presentation at the 5th Economic Corridors Forum in August, and eventual endorsement by the 19th GMS Ministerial Conference in December 2013. The Meeting recognized that the proposed tourism pipeline, as with the overall RIF, was a living document and open to further adjustments and modifications by the working group.

The meeting also reviewed the implementation of the GMS Tourism Sector Strategy, which was generally on track as evidenced by the 44 million international tourist arrivals to the region in 2012. GMS countries remained committed toward strengthening tourism-related human resources, promoting inclusive tourism growth, and implementing joint marketing activities towards promoting the GMS as a single destination. Cambodia, Thailand and Viet Nam completed the third joint meeting on tourism development in the Southern Coastal Corridor, and agreed to open more international land, air and sea border checkpoints, and organize a multi-country familiarization tour for investors and travel journalists. Viet Nam reported on a planned GMS Workshop on Tourism in Protected Areas in July 2013, and the completion of a new immigration terminal and tourism service center at Lao Bao International Border Gate. Another upcoming activity was the 8th annual

Tourism Management in the GMS Program under the Phnom Penh Plan for Development Management scheduled in September 2013 at the Guilin Institute of Tourism.

ADB reported the progress of a GMS Tourism Infrastructure for Inclusive Growth Project being prepared for ADB Board's approval in early 2014. Activities prioritized under the project included: (i) development and implementation of common tourism standards; (ii) harmonization of the collection and reporting of tourism statistics; (iii) joint marketing; (iv) destination management planning; (v) promotion of public-private partnerships; (vi) tourism enterprise promotion; (vii) heritage management and interpretation; (viii) tourism, road safety and sanitation awareness; and (ix) prevention of child sex tourism and human trafficking.

Held back-to-back with TWG-31 was the 2013 Mekong Tourism Forum, attended by about 120 participants from public and private tourism-related agencies, academic institutions and the media. Under the theme, "*The Rise of the Chinese Traveler: Optimizing the Impacts for the GMS*", the Forum provided a platform for exchanging knowledge on how the GMS countries could more effectively manage and benefit from the surge of outbound Chinese tourists.

32ND MEETING OF THE GMS TOURISM WORKING GROUP

(TWG-32) (Kampot, Cambodia, 6-7 December 2013)

The 32nd Meeting of the GMS Tourism Working Group (TWG-32) was held on 6-7 December 2013 in Kampot, Cambodia with the theme, "*Blue Sea, Clean City*", in parallel with the World Congress of the Most Beautiful Bays in the World Club, and 2nd CLMV Tourism Ministers' Meeting. The meeting noted the completion of the GMS Regional Investment Framework Tourism sector pipeline consisting of 10 investment projects and 8 technical assistance projects estimated at \$740 million. The TWG appreciated ADB's support to prepare the RIF and noted that the new GMS Tourism Infrastructure for Inclusive Growth Project as well as the recently approved Regional Technical Assistance for Strengthening the Mekong Tourism Coordinating Office would benefit all GMS countries.

Country reports on tourism performance showed that the growth in international tourist arrivals for the first 9 months of 2013 range from 10.2% in Viet Nam to 83% in Myanmar,

compared to the same period in 2011. Overall, therefore, the GMS is on track to achieve a record high of over 50 million international arrivals in 2013. Improved gateway air and land connectivity, open borders and the surge in intra-GMS and intra-ASEAN travel contributed to this impressive growth.

The meeting considered the draft 2014 work program, to be further revised by the Mekong Tourism Coordinating Office (MTCO). The meeting also agreed on steps to be taken towards the screening and eventual recruitment of a new MTCO Executive Director to succeed the incumbent who has reached his term limit of 4 years.

Also held back-to-back with TWG-32 was a workshop to prepare the GMS Tourism Infrastructure for Inclusive Growth Project with support from ADB-financed Regional Technical Assistance. The workshop endorsed the project rationale, scope, outputs, activities, and implementation arrangements. It was agreed that Cambodia would lead the GMS Tourism Statistics Harmonization program, Lao PDR would lead the GMS Marketing and Promotion Program, and Viet Nam would lead the ASEAN Tourism Standards Implementation Program.

URBAN DEVELOPMENT

FIRST MEETING OF THE GMS URBAN DEVELOPMENT TASK FORCE *(Phnom Penh, Cambodia, 12 July 2013)*

The inception meeting of the GMS Urban Development Task Force was held in Phnom Penh, Cambodia on 12 July 2013. The meeting operationalized the recommendation of the 18th GMS Ministerial Meeting for the establishment of the GMS Task Force on Urban Development (TFUD). The members of the Task Force reviewed and finalized the Task Force terms of reference, including its initial work plan.

In mapping the TFUD's work plan, the GMS countries presented their respective national urban strategies and priorities as well as milestones for urban development

...Continuation of TFUD-1

and its implication on the GMS corridors. The meeting noted that all countries have clear urban policies and strategies with the following common themes: (i) reference to urban-rural integration; (ii) identifying and developing border towns; and (iii) economic poles which may be city clusters along the corridors. Among the common issues identified were: (i) urban development requires a lot of coordination considering its multi-ministry/multi-sector nature; and (ii) administrative or regulatory reforms are needed to attract investments or provide incentives. Countries were encouraged to make suggestions on how the national strategies and policies can contribute to a regional strategy.

The initial proposed list of investment and technical assistance projects for the Urban Sector under the GMS Regional Investment Framework, 2013-2022 was presented by the Task Force Secretariat. GMS countries' representatives to the Task Force gave suggestions and were encouraged to send in additional proposals to firm up the RIF Urban Development pipeline in time for presentation in the GMS Senior Officials' Meeting and 5th Economic Corridors Forum in August 2013.

SECOND MEETING OF THE GMS URBAN DEVELOPMENT TASK FORCE (Kunming, PRC, 14-15 November 2013)

The 2nd Meeting of the GMS Urban Development Task Force was held in Kunming, Yunnan Province, PRC from 14-15 November 2013. Representatives from six GMS countries shared their urban strategies and urban development plans and discussed the implications of these strategies in the context of regional integration. The draft analytical work on "Urban Development in the Greater Mekong Subregion: the Role of Cities and Urban Connectivity in Promoting GMS Sustainability, Functional Integration and Competitiveness" also was presented which provided an in-depth perspective on pattern, structure and dynamics of the GMS urban system in accelerating sustainable development in the region. The meeting revisited the GMS Regional Investment Framework (RIF) pipeline of projects for Urban Development and confirmed these projects for endorsement by the GMS Ministers in December 2013. The meeting also endorsed the suggested agenda of the GMS Urban Development Task Force for 2014 and beyond. The meeting demonstrated the commitment of member countries to discuss the complex agenda of urban development and their strong ownership of the Task Force's objectives.



ENVIRONMENT

8TH SEMI-ANNUAL MEETING OF THE WORKING GROUP ON ENVIRONMENT AND GMS CORE ENVIRONMENT PROGRAM TECHNICAL WORKING SESSION (Champasak, Lao PDR, 29-30 October 2013)

The GMS Working Group on Environment (WGE) met on 30 October 2013 in Champasak, Lao PDR, to review Core Environment Program (CEP) implementation progress and endorse the 2014 work-plan. Also discussed were the GMS Regional Investment Framework environment pipeline and preliminary concept and preparatory work for the 4th GMS Environment Ministers' Meeting.

The WGE meeting was preceded by a technical working session on 29 October where knowledge on key aspects of CEP

was shared, including a conceptual framework for the program, the development of an environment operations network and role of national support units, biodiversity landscape management directions for Phase II, knowledge management and communications.

The WGE resolution and presentations from both the semi-annual meeting and technical working session are available for download on the CEP website (<http://www.adb.org/countries/gms/sector-activities/environment>).

TRANSPORT AND TRADE FACILITATION

WORKSHOP ON TIME RELEASE STUDY (TRS) HELD IN FOUR GMS COUNTRIES

ADB, in coordination with Customs Department from four GMS countries organized workshops in Cambodia (19 February 2013), Myanmar (6-8 November 2013), Thailand (20 September 2013) and Viet Nam (21-22 February 2013) on Time Release Study (TRS) according to a tool developed by the World Customs Organization (WCO). The workshop were supported under Regional Technical Assistance (RETA) 8079: Trade Facilitation Support for AEC Blueprint Implementation (GMS/IMT) and TA 8190: Trade Facilitation Support for AEC Blueprint Implementation for Myanmar.

The objective of the workshops was to provide each country with knowledge in conducting TRS based on the methodology developed by WCO. During the workshops the customs department presented the findings of TRS and feedbacks from participants that included business communities and major development partners, WCO, Japan International Cooperation Agency and Japan Customs.

CONSULTATION WORKSHOP WITH THE PRIVATE SECTOR ON EMERGING TRANSPORT AND TRADE FACILITATION ISSUE IN THE GMS (Pingxiang, PRC, 14-15 August 2013)

The objective of the Second Working Group Meeting of Transport Association on Transit Facilitation in the GMS held on 14-15 August in Pingxiang, Guangxi, PRC was to consult the private sector about exploring the potentials of accelerating the establishment of a customs transit system (and measuring its impact) in the GMS in light of recent developments on the: (i) *expansion of the East West Economic corridor to key GMS cities and deep sea ports; and (ii) increased capacity (hardware and software) for transport facilitation in the Kunming-Bangkok route.*

Recent positive developments on the expansion and increased capacity of the corridors, upgrading of logistics and border facilities, as well as the increased demand and trade flows in the GMS make



it very timely to look into the operational and institutional issues of transport facilitation mechanisms (specifically on establishing a customs transit system and measuring the impact of transport facilitation measures); and provide a good opportunity for creating awareness and regaining the momentum of previous transport facilitation endeavors in the subregion. The views of the private sector (transport and trade associations, transport operators, etc.) are essential in the design and implementation of transport and trade facilitation initiatives, including the design of a workable customs transit system for the GMS.

NATIONAL TRANSPORT FACILITATION COMMITTEE SENIOR OFFICIALS' MEETING

(NTFC) (Nay Pyi Taw, Myanmar, 4-5 September 2013)

The Meeting of Senior Officials of the National Transport Facilitation Committee

was held in Nay Pyi Taw, Myanmar on 4-5 September 2013. The Meeting was attended by Senior Officials from Transport, Customs, Immigration, Quarantine, Commerce, the GMS National Coordination Office, and CEOs from Guarantee Organizations (private sector) of each country. The objectives of the meeting were to: (i) discuss and finalize the Joint Statement for the six Transport Ministers and the Three-Year Strategic Blueprint/ Action Plan for GMS Transport Facilitation; (ii) provide updates on the implementation status of transport facilitation initiatives in the GMS, and identify issues and bottlenecks; (iii) conduct a stocktaking of the deliverables under the GMS Transport and Trade Facilitation Action Plan from the 3rd Joint Committee Meeting of the GMS Cross-Border Transport Agreement (3rd JCM) in June 2010 in Vientiane, Lao PDR; and iv) finalize program and agree on arrangements for the upcoming 4th JCM.

4TH JOINT COMMITTEE MEETING FOR THE GMS CBTA ENDORSED THE 3-YEAR BLUEPRINT/ACTION PLAN ON TRANSPORT AND TRADE

FACILITATION (Nay Pyi Taw, Myanmar, 21-22 November 2013)

The 4th Joint Committee Meeting (4th JCM) for the GMS Cross-Border Transport Agreement (CBTA) was held in Nay Pyi Taw, Myanmar on 21-22 November 2013. The meeting objectives included: (i) endorsement by the six Transport Ministers of the Joint Committee Statement that included the Three-Year Strategic Blueprint for Transport and Trade Facilitation (TTF) in the GMS (2013-2016); (ii) reporting the deliverables achieved and challenges faced under the GMS TTF Action Plan from the 3rd JCM in June 2010 in Vientiane, Lao PDR; (iii) endorsement of relevant MOUs and newly proposed initiatives by Senior Officials of the National Transport Facilitation Committees (NTFC) discussed during the previous NTFC Senior Officials’ Meetings on 21 November 2013 and 4-5 September 2013; (iv) sharing of relevant information on new TTF initiatives with development partners; and (v) public launching of the GMS TTF Knowledge Portal.

Highlight of the 4th JCM was the endorsement of the 3-Year Blueprint on TTF. The 3-Year TTF Plan will enable stronger cooperation, improve the efficiency of transport and create a favorable climate for dialogue, and increase awareness and exchange of information, resulting in increased trade between GMS countries.

[The 3-Year Blueprint on Transport and Trade Facilitation in the GMS](#) highlights the reduction of nonphysical barriers to transport and trade which is key to increasing the benefits of improved connectivity among GMS countries. It also emphasizes the continued commitment of the 6 GMS countries in fast tracking and streamlining TTF measures and transforming transport corridors to economic corridors.

The GMS Transport and Trade Facilitation Knowledge Portal (www.gms-cbta.org) is expected to serve as: (i) an information exchange hub for transport and trade facilitation; (ii) a tool for increased collaboration between GMS countries in order to increase awareness on TTF issues and disseminate best practices; and (iii) a public interface and repository for data and statistics on border monitoring indicators, corridor performance indicators, traffic, and trade.



Heads of Delegation of the 4th Joint Committee Meeting for the GMS CBTA from Cambodia, PRC, Lao PDR, Myanmar, Thailand and Viet Nam

5TH GMS ECONOMIC CORRIDORS FORUM (ECF-5) *(Bangkok, Thailand, 7 August 2013)*

The 5th Economic Corridors Forum (ECF-5) was held on 7 August 2013 in Bangkok, Thailand with the theme, “Towards Implementing the New GMS Strategic Framework (2012-2022): Expanding, Widening and Deepening Economic Corridors in the GMS”. The Forum was attended by 170 participants consisting of officials of key central government agencies, provincial authorities, and representatives of the private sector, international development organizations and research institutions. ECF-5 reviewed the proposed pipeline of

new generation projects under the Regional Investment Framework (RIF), the first ministerial level body to do so, particularly on its impact on GMS economic corridor development. It also discussed other economic corridor development-related matters, including multisector investments and the implementation of transport and trade facilitation (TTF) measures. Among the points raised and general agreements reached in the Forum were: (i) general agreement on the RIF sector pipelines presented; (ii) the increasingly important role of non-traditional, multisector projects such as urban and integrated area development, special economic zones (SEZs) and cross border SEZs; (iii) the need for projects to be aligned with both national

priorities and regional value added; (iv) the importance of addressing both the hard and soft infrastructure aspects of regional development; (v) the need to identify the appropriate institutional set up for priority and specific areas of cooperation that do not yet have clear and unified “homes”; (vi) the need to set up a good monitoring and evaluation system; and (vii) the need for intensified resource mobilization.

GMS BUSINESS OPPORTUNITIES FORUM *(Bangkok, Thailand, 8 August 2013)*

A GMS Business Opportunities Forum (BOF) was organized back-to-back with the 5th GMS Economic Corridors’ Forum on 8 August 2013 in Bangkok, Thailand as a regional marketing event to showcase the results of the Regional Investment Framework (RIF), and also to create general awareness and broad interest about the RIF pipeline of new generation projects among development partners, the private sector and other stakeholders.

The BOF featured country-specific presentations on selected projects, and served as a platform for discussing potential areas for cooperative partnerships and business opportunities for financing and providing technical and knowledge support for selected high-priority projects.

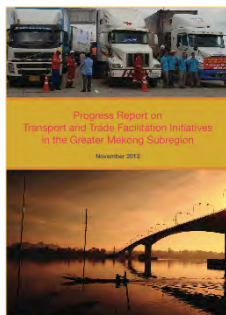
Participants noted that a large part of the RIF investment program was in infrastructure and that there was also increasing importance of the newer non-traditional, multisector investments. Private sector participants emphasized the (i) importance of

industrial clusters, especially heavy industry, and networking of industry, as well as high standards of universities (and graduates) to invite heavy industry investments; (ii) gateway ports and access to them in the development of heavy industries, which are important to foreign investors; (iii) the key role of ICT and the next stage of ICT development, i.e., the “soft-soft” areas, including e-commerce; (iv) the need to develop new financing modalities that lessen the debt burden of countries and enhance their leveraging capabilities, e.g., guarantees. Participants also raised the importance of risk sharing between government and private sector. While new institutions like credit guarantee facility (GIF) have been set up in the region, the role of Eximbanks was emphasized.

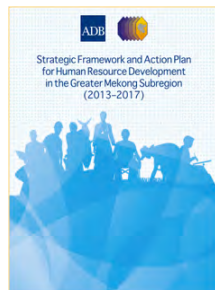
With regard to public-private sector partnerships (PPP), participants stressed the importance of building capacities for developing and managing PPPs. On transport and trade facilitation, they underscored the need to facilitate trade and transport, and trade flows through borders. They noted that development of cross-border economic zones was a new area that had substantial possibilities for

private sector participation but would require strong coordination and ownership of projects by both central and local authorities. To promote foreign direct investments, the Forum stressed the importance of creating the enabling environment, e.g., good infrastructure, procedures and legal framework, and the support of government.

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The implementation of transport and trade facilitation initiatives in the GMS is proceeding satisfactorily, and all key deliverables and targets have been successfully achieved. This is expected to yield tangible results in terms of improved transport connectivity as well as increased dialogue and awareness between and among GMS Countries. The [Progress Report](#) details the recent key milestones and challenges in implementing TTF in the GMS, which include among others: establishment of the legal basis for sustainable implementation of TTF in the GMS, institutional mechanisms firmly in place (i.e., National Transport Facilitation Committees established, high-level advisory body-ministerial level established for addressing disputes and regional issues, subcommittees to address transport, customs immigration, and quarantine issues established), opening of additional border crossings, expansion of transport routes, facilitation of key border crossing formalities, and close cooperation with the private sector in implementing GMSTTF.



The [GMS Human Resource Development Strategic Framework and Action Plan 2013-2017](#) goal is to foster sustainable human resource development that will contribute to increased subregional competitiveness, connectivity and community in changing circumstances in the economic corridors. This document outlines HRD strategy through: (i) developing capacity in the economic corridors, (ii) cooperating in technical and vocational education and training, (iii) cooperating in higher education and research, (iv) addressing regional health issues, (v) facilitating safe cross-border labor migration, (vi) mitigating social costs in economic corridors, and (vii) strengthening institutional and mechanism for GMS human resource development cooperation.

The videos highlighting GMS transport facilitation best practices and recent achievements under the GMS Cross-Border Transport Facilitation Agreement (CBTA) was produced under RETA 7851: Support for Implementing the Action Plan for Transport and Trade Facilitation in the GMS and disseminated to stakeholders in order to increase awareness and understanding (especially at the provincial and border level) of transport facilitation issues and challenges.



[Transport Facilitation in the GMS](#)



[Knocking Down Borders in the GMS](#)

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