

A person wearing a white long-sleeved shirt, a grey cap, and an orange life vest is standing in a wooden boat on a river. They are holding a yellow and white water sampling device with a long pole. Another person in a similar outfit is standing next to them. The river is brown and turbulent. In the background, there are green trees and some buildings on a hillside under a cloudy sky.

**PREPARING
THE THIRD GMS
CORRIDOR TOWNS
DEVELOPMENT
PROJECT**



ADB



Haphazard disposal of solid waste is a major problem in the three corridor towns.

With funding from the Asian Development Bank (ADB), a team of consultants is in the field in southern Myanmar to prepare the Third Greater Mekong Subregion (GMS) Corridor Towns Development Project.¹

The three towns of Mawlamyine, Hpa-An, and Myawaddy are situated at the western end of the GMS East–West Economic Corridor. The reconstruction of Asian Highway One, from Myawaddy on the border with Thailand, should dramatically improve connectivity within southern Myanmar, and regionally, between Myanmar and Thailand.

Cross-border trade between the border towns of Myawaddy and Mae Sot, Thailand, has increased in the past few years. Trucks loaded with imported goods from Thailand bound for Yangon wait for processing at a makeshift customs inspection station in Myawaddy while Myanmar citizens line up to cross the border to shop, and look for jobs in Thailand. Many more people cross illegally in boats that ply the narrow river separating the two countries.

The Government of Myanmar wants to invest in improving basic infrastructure in Myawaddy and the other corridor towns, to spur local economic development through increased traffic and trade along the East–West Economic Corridor.

¹ The objective of the GMS Corridor Towns Development Project is to strengthen competitiveness of the GMS economic corridors through investing in urban infrastructure in corridor towns. The first and second phases of the project are being implemented in 10 and 7 towns, respectively, in Cambodia, the Lao People's Democratic Republic, and Viet Nam.

The project preparation team is identifying the components and costs of the project, which will be financed by loans from ADB and cofunding sources. The haphazard disposal of solid waste is one of the major problems affecting the quality of life of residents and prospects for growth in all three towns. Garbage is even dumped on the banks of the Moei River, which is a source of water for Myawaddy.

According to ADB Urban Specialist Eri Honda, the proposed urban improvement project is crucial for the future of the three corridor towns:

“With the upgrading of the Asian Highway and GMS East–West Economic Corridor, definitely the amount of regional trade and economic activities will increase. However, if the local towns along the corridor will not improve their infrastructure, they risk being bypassed and left behind. So investment in basic services, such as water supply and solid waste management, is vital.”

In the corridor towns, water supply services are also in a poor state and will require a major upgrade. In Hpa-An, muddy water pumped from the river is distributed to consumers without any treatment. Perhaps understandably, only 11% of the town's residents are connected to the service. Most families get their water from private wells. They buy bottled water for drinking if they can afford it.



Sewers at a garment factory in the industrial park at Hpa-An.

In Mawlamyine, water is mainly sourced from two dams. Water losses are very high. Nonrevenue water is estimated to be as much as 90%. About a third of town residents are connected to the intermittent water service, which flows for 1 or 2 hours per day.

Household surveys conducted by the project preparation team found that although the water service is a serious concern of residents, their main problem is solid waste disposal, says Kyi Kyi Hlaing, an economist with the ADB project preparation team:

“We carried out a social survey in Mawlamyine and Hpa-An. We found that solid waste collection and dumping are the main problems raised by people. In Mawlamyine, people often dump waste into streams and the river. Some burn their garbage. People don’t realize that it will harm their health.”

ADB is programming a loan of \$80 million to upgrade basic urban services in the three towns. This is the first time for the local governments to seek ADB funding and they are unfamiliar with the procedures. At a meeting with government officials, U Tun Kyi, from the Mandalay Urban Services Improvement Project, presented a step-by-step guide to obtaining an ADB loan. This presentation precipitated an animated discussion. Following the meeting, U Tin Maung Win, Deputy Superintendent Engineer of Kayin State, had this reflection:

“The experience shared by Mandalay is very valuable. This will be our guide to successfully pass through the various steps to obtain the loan from ADB. Now we know how to go about it.”

The project preparation team is looking at ways to promote the development of the industrial park in Hpa-An to attract more investment. With close to 300 workers, UMH Garments is currently the largest factory in the park. UMH Managing Director Myat San Wynn explains the rationale for establishing an industrial park in Hpa-An:

“Hpa-An is very good for logistics. Even if we have very poor infrastructure at the moment, we can export goods to other countries through Bangkok in 1 week or 10 days. In our garment business, the lead time is very important.”

Tourism is a strategic sector for growth for the corridor towns. Although outside the main tourist circuit, there is potential to increase tourism. Hpa-An has beautiful karst mountains, considered sacred by local Karen people. Several caves of historical importance are also an attraction.

Mawlamyine has numerous heritage buildings, from fine pagodas to buildings constructed during the period of British colonial rule. However, many of these old buildings are in a run-down state, and will have to be restored to become a tourist attraction.



An old church built during the period of British rule. Mawlamyine has many fine heritage buildings.

The project preparation team is publishing a booklet about Mawlamyine's heritage buildings and proposes the creation of a Restoration Fund. Owners would be able to access financial assistance and technical advice to renovate and convert heritage buildings for economic use. The idea is supported by U Toe Toe Aung, the Minister for Developmental Affairs of Mon State:

“The strategy to promote tourism by restoring and promoting the old historic buildings in Mawlamyine is very important. Tourism will bring economic development to Mawlamyine.”

Overlooking the Thanlwin River, the town of Mawlamyine has a setting of natural beauty. Mawlamyine's charm caught the eye of the English author Rudyard Kipling, who visited the town in 1889. Describing a hillside “ablaze with pagodas,” Kipling noted the town was “not on the road to anywhere.” In some respects, little has changed—until recently. Now Mawlamyine and the other corridor towns, Hpa-an and Myawaddy, are poised for growth and development on the road to somewhere. The Third GMS Corridor Towns Development Project is now being finalized (January 2016), and undergoing evaluation by Myanmar state and union government authorities.

Cover Photo: As part of project preparation, technicians test water quality on the Moei River, which is a source of water supply for Myawaddy.

THIRD GMS CORRIDOR TOWNS DEVELOPMENT PROJECT

Main components:

- Improved local and regional planning to increase competitiveness and economic activity
- Joint spatial development plan for the border towns of Myawaddy and Mae Sot
- Comprehensive development plan for Hpa-An industrial zone
- Proposed national fund for restoration and conversion of heritage buildings to promote tourism
- Pilot project to restore heritage buildings in Mawlamyine
- Rehabilitation and extension of water supply systems, including sources, treatment, and distribution infrastructure
- Upgrading of solid waste collection and disposal, including recycling, composting, and treatment of hospital waste
- Development of new landfill sites for Hpa-An and Myawaddy
- Strengthening capacity of state government agencies to manage urban services

Financing:

- \$100 million project
- \$80 million ADB loan
- Balance from cofunding sources, grants, and government counterpart funding

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