

**Greater Mekong Subregion
Eighth Meeting of the Subregional Transport Forum (STF-8)
Phnom Penh, Kingdom of Cambodia
03-04 August 2004**

SUMMARY OF PROCEEDINGS

I. Introduction

1. The Eighth Meeting (the Meeting) of the Subregional Transport Forum (the STF) was held in Phnom Penh, Cambodia on 3-4 August 2004. The Meeting was jointly organized by the Ministry of Public Works and Transport (MPWT) of the Royal Government of Cambodia and the Asian Development Bank (ADB).

2. The objectives of the Meeting were as follows: (i) to maintain the momentum of cooperation in the transport sector in the Greater Mekong Subregion (GMS); (ii) to advance specific subregional initiatives in the transport sector; (iii) to refine and update the development matrix for the North-South, East-West, and Southern Economic Corridors; and (iv) to reinforce as well as focus the subregional consultative process. The Meeting Agenda is attached as Appendix 1.

3. The participants of the Meeting included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), Lao People's Democratic Republic (Lao PDR), the Union of Myanmar, Kingdom of Thailand, and the Socialist Republic of Viet Nam, and ADB. Representatives from the Association of Southeast Asian Nations (ASEAN) Secretariat, Embassy of France in Phnom Penh, Japan Bank for International Cooperation (JBIC), Mekong River Commission, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the World Bank attended the Meeting as observers. The list of participants and observers is attached as Appendix 2.

4. The Meeting was co-chaired by His Excellency (H.E.) Mr. Chhin Kong Hean, Director General, Directorate of Public Works, MPWT, and Mr. Urooj Malik, Director, Infrastructure Division, Mekong Department (MKID), ADB.

II. Opening Session

5. H.E. Mr. Khy Tainglim, Senior Minister and Minister in charge of the GMS Cooperation Program, welcomed the participants of the Meeting and expressed his appreciation to the representatives of the GMS countries for their active participation in the GMS Program. He recalled the commitment of the GMS Leaders to utilize the vast potential of the subregion to free the people from poverty, and provide sustainable development opportunities. He stated that the Meeting aims to review the GMS Program, and discuss key strategies for the development of the GMS transport sector. He highlighted the recent completion of the first-ever GMS subregional road project – the Phnom Penh-Ho Chi Minh City Highway Improvement Project – and expressed the hope that the project road would be jointly inaugurated by the Prime Ministers of Cambodia and Viet Nam in 2005. H.E. Mr. Khy Tainglim expressed the commitment of the Royal Government of Cambodia to play an important role in the development of the GMS transport sector. The Royal Government of Cambodia considers improved connectivity as crucial to the continued growth of Cambodia. He noted that the challenge is to extend the benefits of the transport sector to the poor. He expressed appreciation to ADB for

playing a pivotal role in promoting economic cooperation in the GMS, and providing technical and financial support for this.

6. In his Opening Statement, Mr. Urooj Malik, ADB, welcomed the participants and observers, and thanked the Royal Government of Cambodia for hosting the Meeting and the excellent arrangements made. Mr. Malik presented an overview of the GMS Program, stating that notwithstanding the remarkable economic achievements of the GMS countries, poverty remains pervasive. As such, the equitable distribution of benefits of economic growth is a key issue in the subregion. He recalled the vision of the GMS, as announced by the First GMS Summit of Leaders, of a subregion that is more closely integrated and prosperous, and provides sustainable development opportunities for all. He elaborated on the GMS Program strategy of **increasing connectivity, promoting competitiveness, and enhancing a sense of community (three “Cs”)**. Significant progress has been achieved in the GMS Program, at the political level, in terms of promoting mutual trust and confidence among the countries, and, at the project level, in term of developing subregional infrastructure. He explained that under the GMS Program, efforts to establishing greater connectivity are accompanied by measures to manage negative externalities, such as transmission of communicable disease, degradation of the environment and illegal trafficking in people. Mr. Malik explained the ADB’s Regional Cooperation Strategy and Program (RCSP), which is ADB’s operational strategy to help achieve the GMS vision. The RCSP fully supports the GMS **“three Cs”** strategies, and has a rolling pipeline of loans and technical assistance for GMS projects. Mr. Malik presented maps showing the transformation of GMS infrastructure from what it was in 1992, when the GMS Program started, to the situation today, and to what it is expected to be in 2012.

7. Mr. Myo Thant, Principal Economist, MKID, ADB, gave an overview of progress in the GMS transport sector since the Seventh Meeting of the STF held in August 2002 in Ho Chi Minh City, Viet Nam. He also discussed the challenges in the sector, and, in particular, those that relate to the STF. He noted that the environment for cooperation had further improved since 2002 as could be seen from the strong political will, clear strategies and large number of regional cooperation initiatives. He stated that the ADB had promoted cooperation through project, program, and institutional work. Financing for three key GMS transport projects was secured: Cambodia Road Improvement Project, Lao Northern Economic Corridor Project, and Western Yunnan Road Development Project. Institutional activities were also undertaken including cross-border transport facilitation, GMS visa establishment, joint undertaking with the Mekong River Commission on cross-border water navigation agreement, and joint study with ESCAP on transit fees. ADB would, in the short-term, focus on the development of the North-South Corridor, cooperation in the rail subsector, and implementation of the cross-border Agreement. The sector faces a large number of challenges including securing of financing, and ensuring equity and consistency between different development plans. The STF itself faces three major challenges: (i) redefining its mandate and objectives after one decade of cooperation, (ii) agreeing on how to use the forthcoming Summit meeting strategically, and (iii) identifying areas in which institutional work/studies are most needed.

III. Country Presentations

8. The GMS delegations presented their respective country reports, which provided an update of recent developments in the transport sector, including priority transport

projects, programs, and policies under the GMS Program. Presentations were made by the following participants: (i) Mr. Vasim Sorya, Director, Department of Planning, Ministry of Public Works and Transport, Cambodia; (ii) Ms. Tang Guomei, Deputy Director General, Department of International Cooperation, Ministry of Communications, PRC; (iii) Mr. Math Sounmala, Director General, Department of Planning and Cooperation, Ministry of Communications, Transport, Post, and Construction, Lao PDR; (iv) U Aung Myint, Director, Road Transport Administration Department, Ministry of Rail Transportation, Myanmar; (v) Mr. Sunant Gliengpradit, Director of Planning Group, Planning Bureau, Department of Highways, Ministry of Transportation, Thailand; and (vi) Mr. Nguyen Van Thach, Senior Expert, International Relations Department, Ministry of Transport, Viet Nam. Their presentations are available from the Meeting Secretariat upon request.

9. Based on these country reports, a summary of progress of the three GMS economic corridors, including the GMS cross-border transport agreement, was prepared and is attached as Appendix 3. In addition to the progress listed in Appendix 3, the country delegations noted the status/achievements of some transport-related initiatives as follows:

- a) Plans to develop the Poipet-Sisophon rail link for which ADB assistance is being requested;
- b) Implementation of the agreement on commercial navigation along the Lancang/Mekong River among the PRC, Lao PDR, Myanmar, and Thailand;
- c) Expression of willingness of Thailand to finance 50 percent of the cost of the GMS North-South Economic Corridor bridge at Chiang Khong-Houayxay;
- d) Construction of Road 18A under the auspices of a soft loan from Viet Nam, which will provide access to southern Lao provinces to deep sea ports in Viet Nam, and will support the Development Triangle initiative among Cambodia, Lao PDR, and Viet Nam;
- e) Planned commencement by end 2004 of the construction of the railway link from the middle of the Friendship Bridge to Thanaleng in Lao PDR financed by the Royal Thai Government;
- f) Opening of new air transport routes in the GMS, and upgrading of airports to serve regional air traffic;
- g) Visa free access in Cambodia, Lao PDR, and Viet Nam for all citizens of the respective countries;
- h) Planned India-Myanmar-Thailand road link for which assistance from Thailand and India is being provided for road sections in Myanmar.
- i) Finalization of multilateral air service agreement among Cambodia, Lao PDR, Myanmar, and Viet Nam;
- j) Planned development of Kalagauk Deep Sea Port and Dawei Deep Sea Port in Myanmar;
- k) Planned construction of the Myanmar-Lao Friendship Bridge across the Mekong River connecting Kyaing Lap in Myanmar and Xieng Kok in Lao PDR;
- l) Financial assistance provided by Thailand to neighboring GMS countries to implement subregional transport projects (four road projects, one rail project, and one airport project);

- m) Planned widening of some parts of existing four-lane highways in Thailand linking Bangkok with neighboring countries;
- n) Opening of the Second Bangkok International Airport, which has a maximum capacity of 45 million passengers per year, scheduled on 29 September 2005;
- o) Planned financial assistance from ADB for construction of the expressway from Lao Cai-Hanoi under terms for ADB's ordinary capital resources;
- p) Planned financial assistance from ADB for upgrading of Lao Cai-Hanoi rail link;
- q) Completion of feasibility study of the Loc Ninh-Ho Chi Minh City rail link (131 km, 1 m gauge, single track railway) with an estimated investment cost of \$75 million, for which financing is being sought;
- r) Ongoing upgrading of Hanoi-Tay Trang (Vietnamese/Lao border) road (Highway No. 6, 522 km) to be completed by 2006; and
- s) Ongoing upgrading of Thi Vai and Cai Mep ports in Vung Tau to accommodate ships of up to 50,000 DWT.

10. On the challenge mentioned by Mr. Myo Thant in his overview presentation, Lao PDR recommended that the STF continue to oversee issues related to other transport subsectors, instead of establishing subgroups to handle these issues.

IV. GMS Cross-Border Transport Agreement

11. Mr. Ronald Antonio Q. Butiong, Programs Specialist (GMS), Operations Coordination Division, Mekong Department, ADB, presented a summary of the progress made and future activities related to the GMS Cross-Border Transport Agreement (Agreement). The mitigation of nonphysical barriers to the cross-border movement of goods and people is important to increase efficiency, reduce costs, and maximize the economic benefits of improved subregional transport infrastructure. It is a crucial component in the transformation of GMS transport corridors into so-called economic corridors. The Agreement is a multilateral instrument designed to be adopted by all GMS members for the facilitation of cross-border transport of goods and people. It is a compact and comprehensive multilateral instrument, which covers in one document all the relevant aspects of cross-border transport facilitation, including: (i) single-stop/single-window customs inspection; (ii) cross-border movement of persons (i.e., visas for persons engaged in transport operations); (iii) transit traffic regimes, including exemptions from physical customs inspection, bond deposit, escort, and phytosanitary and veterinary inspection; (iv) requirements that road vehicles will have to meet to be eligible for cross-border traffic; (v) exchange of commercial traffic rights; and (vi) infrastructure, including road and bridge design standards, road signs and signals. Annexes and protocols to the GMS Agreement have been drafted, and form an integral part of the Agreement and will be equally binding. There are currently 17 annexes and 3 protocols that will be negotiated and finalized by the GMS countries during 2003-2005. The Agreement has entered into force following its ratification by all six GMS countries. The major milestones for the future work on cross-border transport facilitation under the GMS Program and their respective estimated timeframe are as follows:

- a) Negotiation, Finalization, and Signing of Annexes and Protocols [2003-2005],
- b) Initial Implementation of the Agreement at Selected Border Crossings [2004-2006],

- c) Ratification by all GMS Governments of the Annexes and Protocols [2004-2007],
- d) Preparation for Implementation of the GMS Agreement and its Annexes and Protocols [2003-2007], and
- e) Full implementation of the GMS Cross-Border Agreement [2007/2008]

12. Cambodia, Lao PDR, Thailand, and Viet Nam agreed to undertake the initial implementation of the Agreement at the following border crossings: (i) Bavet (Cambodia)-Moc Bai (Viet Nam), (ii) Poipet (Thailand)-Aranyaprathet (Thailand), (iii) Mukdahan (Thailand)-Savannakhet (Lao PDR), and (iv) Dansavanh (Lao PDR)-Lao Bao (Viet Nam). As requested, ADB will coordinate with countries concerned to facilitate the conduct of this activity. Thailand noted that one-stop service is being implemented in five of its border checkpoints at (i) Mae Sot (Thai-Myanmar), (ii) Mae Sai (Thai-Myanmar), (iii) Mukdahan (Thai-Lao), (iv) Aranyaprathet (Thai-Cambodian), and (v) Sadao (Thai-Malaysian). Viet Nam noted that the border facility at Moc Bai has been completed, but expressed the need to discuss with Cambodia the implementation of cross-border transport facilitation measures.

V. GMS Transport Sector Strategy Study

13. Mr. Myo Thant, ADB, gave a presentation on the proposed Study for a new GMS Transport Strategy. He explained the rationale for the Study, the objectives, scope, and study approach. He emphasized the importance of demand side factors in the effort to provide a clear vision in the development of a GMS transport network that will promote the connectivity and competitiveness of the GMS. He also noted that the Study would be implemented by international and domestic consultants, who will undertake thorough consultations with users of the GMS network and reflect lessons from other parts of the world. Mr. Thant also proposed that an interim report be considered in early December 2004, and a draft final report be sent to the countries by April 2005. He noted the possibility of a GMS Ministerial level transport meeting in May 2005. Finally, he noted that extensive help, cooperation and goodwill from and among the GMS countries is needed if a study of high quality is to be completed by the dates indicated.

14. The PRC, Myanmar, and Viet Nam expressed support for the proposed GMS Transport Sector Strategy Study, and committed to provide their assistance in the conduct of the Study.

15. The Meeting made the following comments and suggestions on the Study:

- a) Appropriate inputs from domestic consultants should be considered in the preparation of the study.
- b) Consultant selection is crucial given the multimodal nature of the Study.
- c) Clarification was sought on whether 5 person months for local consultants is for all countries, or for each GMS country. Some flexibility could be applied depending on the costs involved.
- d) Reports should be provided to all GMS countries, in addition to ADB.
- e) It is worthwhile approaching the Study from the demand side by first looking at the supply chain and logistics, and then determining the appropriate transport mode.
- f) A multimodal approach may be appropriate, as the Study will look at the movement of goods and people in the most efficient way.

- g) As part of the ASEAN-Mekong Basin Development Cooperation, ESCAP is undertaking a study on border warehouses, which showed that there is tendency to locate warehouses and inland container depots at borders. This outcome could change if borders are not taken into consideration. It is suggested that the planned GMS Transport Sector Strategy Study look at this issue of locating warehouses at borders.
- h) ASEAN is preparing an updated transport cooperation plan for 2005-2010 for adoption by the ASEAN Leaders in December 2004 in Vientiane. It was suggested that the Study consultants take into account of the transport cooperation plan in order to ensure harmony and consistency.
- i) It was suggested to engage a multimodal transport specialist who could integrate the recommendations from all sectoral experts.
- j) The Study should also look at the capacity building needs of the subregional transport infrastructure to ensure that the infrastructure to be recommended by the Study could be sustained.
- k) The Study should be pragmatic and can be implemented, taking into account both demand and supply sides.

16. The Meeting agreed that if the STF members have any further comments on the proposed Study, they could forward these to the ADB by Wednesday, 11 August 2004.

VI. Development Matrix

17. Mr. Myo Thant provided an overview of the session on the updating of the development matrix (DM) for the East-West (EWEC), North-South (NSEC), and Southern (SEC) economic corridor flagship programs. The objectives of the session are to: (i) confirm the updates, which had been arranged by ADB, (ii) make changes according to the updates received at the STF-8, (iii) consider the updates made in a plenary session involving all six GMS country delegations, and (iv) obtain concurrence to the main elements of, and updates made on, the DM for the three economic corridors. ADB staff presented a summary of the DM components, process involved in updating, recent developments, and recommended high priority projects/initiatives for the EWEC (R. Butiong), NSEC (Mr. Yasushi Tanaka, Project Engineer, MKID), and SEC (Mr. Peter Broch, Project Economist, MKID).

18. The three economic corridors support the strategic thrusts of the GMS Strategic Framework: (i) strengthening connectivity through a multisectoral approach, (ii) facilitating cross-border trade and investment, and (iii) enhancing private sector participation in development and improving its competitiveness. The strategic objectives of the EWEC are: (i) to further strengthen economic cooperation and facilitate trade, investment, and development between and among Lao PDR, Myanmar, Thailand and Viet Nam, (ii) to reduce transport costs in the project influence area, and make the movement of goods and passengers more efficient, and (iii) to reduce poverty, support development of rural and border areas, increase the earnings of low-income groups, provide employment opportunities for women, and promote tourism. For the NSEC, the strategic objectives are: (i) to facilitate trade and development between and among Lao PDR, Myanmar, Thailand, Viet Nam, and Yunnan Province, PRC, (ii) to reduce transport costs in the project influence area, and move goods and passengers more efficiently, and (iii) to reduce poverty, support development of rural and border areas, increase earnings of low-income groups, provide employment opportunities for women, and promote tourism in its influence area. Strategies to achieve these objectives in the SEC

include: (i) improving infrastructure connecting major cities, (ii) facilitating cross-border trade and private investment, (iii) developing tourism and agriculture, (iv) protecting the environment and managing water resources, and (v) enhancing productivity and competitiveness.

19. The presentations included the progress of the components of the three GMS economic corridors, and some recommended projects for priority implementation. For the EWEC and SEC DM, the recommended projects were identified during consultation missions fielded by ADB in some GMS countries in early 2004.

20. The Meeting made the following comments and suggestions on the presentation:

- a) Cambodia confirmed the inclusion in the SEC DM of roads along the Southern Coastal Subcorridor going to the border with Viet Nam. It was noted that the GMS Cross-Border Transport Agreement does not yet include the Cambodian/Vietnamese border crossing at Lork/Xa Xia along the Southern Coastal Subcorridor.
- b) Myanmar proposed the extension of the SEC westward to cover the road corridor from Bangkok to Kanchanaburi in Thailand, further to the border of Thailand and Myanmar, and further to the port city of Dawei. The distance between Bangkok and Dawei seaport is about 300 km. Myanmar also proposed the inclusion in the SEC DM of the development of the sea port in Dawei. Thailand supported the proposal of Myanmar. Myanmar will forward to ADB relevant background information on the proposed extension of the SEC to Myanmar as well as the associated project concept profiles on or before 4 September 2004.
- c) Viet Nam requested assistance for developing associated infrastructure at the Moc Bai and Tan Phu Truong economic zone as contained in the SEC DM. Viet Nam also requested assistance for upgrading of the Can Tho Port, Thi Vai/Cai Mep in the SEC, and the upgrading of the Bien Hoa to Vung Tau section to an expressway. Viet Nam also requested support from development partners for the projects identified under the Development Triangle initiative. Viet Nam strongly supported the development of the rail link from Phnom Penh-Ho Chi Minh City as a priority GMS project.
- d) Cambodia proposed the inclusion in the SEC DM of a project to improve inland waterway at the Bassac River. For this purpose, Cambodia will provide ADB with a project concept profile of the proposed project on or before 4 September 2004.
- e) The Industrial Estate Authority of Thailand has undertaken a study for the establishment of an industrial estate at Koh Kong, which is included in the SEC DM. The study is scheduled to be completed in October 2004, and the planned Koh Kong industrial estate is expected to be open for investment in early 2005.
- f) The intention of the Royal Thai Government is to assist in developing the section from Koh Kong – Sre Ambel into an economic corridor. It was noted that this section of the SEC will go through highly sensitive environmental areas, including the Cardamon mountains.
- g) The status of road sections in the NSEC, which were reported by the delegations, is reflected in the revised Appendix 3 of this Summary.

- h) Detailed information on the proposed rail link project from Chiang Rai-Kunming, which is part of the NSEC, will be provided by the Thai delegation on or before 4 September 2004.
- i) A preinvestment study is needed for the NSEC, and Thailand requested ADB assistance in this regard. Thailand expressed the hope that the 2nd GMS Summit would be able to endorse the outcome of the Study. Thailand requested that the Study be classified as high priority, instead of medium priority as currently indicated in the DM. The Meeting agreed on the need to conduct the Preinvestment Study for the NSEC, and requested ADB assistance in this regard.
- j) On the Chiang Rai Special Border Economic Zone (SBEZ), there is a need to update the contents of the NSEC DM. Thailand will provide ADB updated information on the Chiang Rai SBEZ on or before 4 September 2004. The SBEZ is expected to be open for investment by the end of 2004.
- k) Lao PDR welcomed the proposed consultation mission on the NSEC DM, and suggested that the consultation mission consider the results of the Northern Strategy Study in Lao PDR formulated with ADB technical assistance. An economic zone at the Boten/Mohan border area in the NSEC is being planned.
- l) Inquiry was made on developments in the upper Lancang/Mekong River route, and the industrial estate development at Mohan, both of which are part of the NSEC.
- m) Myanmar clarified the details of the Myawaddy-Mawlamyine section of the EWEC, and proposed the inclusion of Kalagauk port in the EWEC DM.

21. The Meeting noted that the DM is a “work-in-progress” that is subject to updating and open to proposals and new projects for financing. The DM includes a rolling pipeline of investment and technical assistance projects.

22. The Meeting noted the need to manage negative externalities in developing the GMS economic corridors, including those related to the Tonle Sap in Cambodia to ensure sustainability and environmental preservation. The Meeting noted the request for assistance in implementing the recommendations of the Development Triangle initiative among Cambodia, Lao PDR, and Viet Nam, and the need to ensure consistency and coordination between this initiative and the GMS Program. The Meeting noted the importance of highlighting at the 2nd GMS Summit, priority GMS projects in which significant accomplishments have been made since the 1st GMS Summit, such as the Hanoi-Lao Cai Expressway (Phase I), Third Mekong International Bridge (Chiang Khong-Houayxay), and the Thailand-Cambodia-Viet Nam Railway Development.

23. The Meeting noted that the three economic corridors should also consider poverty reduction and environment aspects. In this regard, the Meeting noted that ADB’s operations in many of these corridors cover areas that require poverty reduction and environment focus, such as the northern region in Lao PDR, the Tonle Sap in Cambodia, and the central highlands of Viet Nam. The Meeting highlighted the need for GMS countries to extend the GMS corridors to reach rural areas and communities in order to maximize the poverty reduction impact of economic corridor development.

24. The Meeting agreed that updated information on, and/or additional project concept profiles for, the DM of the three GMS economic corridors, should be forwarded

to ADB's Mekong Department, by facsimile [(63 2) 636-2226 or 636-2227] or email [sbando@adb.org, with cc to mthant@adb.org and rabutiong@adb.org] on or before 4 September 2004.

VII. Date and Venue of Next Meeting

25. Consistent with the tradition of rotating the venue of the STF among the GMS members according to the alphabetical order of country names, the Meeting requested the PRC to host the Ninth Meeting of the STF in 2005, to which the PRC kindly agreed. It was agreed that the Ninth Meeting of the STF (STF-9) would be held in Beijing, PRC in May 2005. It was further agreed that the possibility of convening a GMS Transport Ministers' Meeting in conjunction with STF-9 will be considered by the STF.

VIII. Statements from Observers

26. Mr. John Moon, Chief, Transport Infrastructure Section, Transport and Tourism Division, UNESCAP, briefly outlined a number of activities it was undertaking that were of relevance to the GMS initiative. He provided a summary of the Asian Highway Project, which culminated in the signing of the Inter-Governmental Agreement on the Asian Highway Network at Shanghai, PRC on 26 April 2004. He requested member countries that had not already ratified the Agreement to follow up on return to their capitals in order to ensure early entry into force of the Agreement. As a follow up to the signing of the Agreement, UNESCAP was implementing a project on Identifying Investment Needs and Priorities for the Asian Highway. A subregional approach was being used with a meeting for ASEAN member countries to be held later this year. He also informed the Meeting that ADB and UNESCAP had recently signed a memorandum of understanding. In line with that MOU, ADB and UNESCAP were cooperating in a number of areas including facilitation of international road transport among Shanghai Cooperation Organization members, study on transit charges in the GMS, subregional seminars on seven international conventions supporting land transport facilitation.

27. Mr. Pola Singh, Head, Initiatives for ASEAN Integration Unit, ASEAN Secretariat, informed the Meeting that ASEAN is now in the process of preparing an updated transport cooperation plan for 2005-2010. ASEAN is also working toward the early operationalization of the ASEAN goods in transit agreement, and the conclusion and signing of the remaining transport protocols as well as the ASEAN inter-state and multimodal transport agreements. He provided a progress update on the Singapore-Kunming Rail Link (SKRL) Project, of which the priority is the section from Poipet to Sisophon in Cambodia. He requested ADB to advance the planned technical assistance and loan to Cambodia for this section of the SKRL by one year. ADB responded that it welcomes the initiative by the Government of Malaysia, and sees no significant difficulty in an early implementation of the Poipet-Sisophon rail reconstruction.

28. Mr. Zhi Lui, Infrastructure Sector Coordinator, World Bank, recalled that the World Bank decided in 2003 to support the ADB-coordinated GMS Economic Cooperation Program. The World Bank is increasingly emphasizing the regional context of its assistance programs to the Mekong countries. He offered the World Bank's experience in trade and transport facilitation in other parts of the world for possible use in the Mekong region. He noted that the World Bank will work very closely with ADB and the GMS countries to further develop their regional framework.

29. Mr. Chanthavong Saignasith, Director, Mekong River Commission (MRC) Secretariat, informed the STF that in April 2002, the MRC signed an agreement with the PRC on hydrological data and information exchange of upper and lower Mekong River Basin. This agreement has resulted in, among other things, installation of two hydrological stations on the Mekong River inside the PRC. Mr. Chanthavong summarized the MRC Navigation Strategy, which is designed to identify ways on how navigation could be better integrated in the development planning in the Mekong region.

IX. Acknowledgements

30. The Meeting adopted the Summary of Proceedings on 4 August 2004. The Meeting, however, agreed that any further comments on, and/or revisions to, the Summary may be forwarded to ADB (mthant@adb.org and rabutiong@adb.org, with cc to yrazote@adb.org) on or before 11 August 2004.

31. The GMS countries and the ADB expressed their sincere thanks and appreciation to the Royal Government of Cambodia, in particular, the Ministry of Public Works and Transport, for the warm hospitality and excellent arrangements provided to the Eighth Meeting of the Subregional Transport Forum.

EIGHTH MEETING OF THE GMS SUBREGIONAL TRANSPORT FORUM
Phnom Penh, Cambodia
3-4 August 2004

Agenda and Program

03 August 2004

- 08:00 – 08:30 Registration
- 08:30 – 09:10 Opening ceremonies
- Welcome Remarks
By H. E. Khy Taing Lim, Senior Minister
- Opening Remarks
By Mr. Urooj Malik, Director, Infrastructure Division, Mekong Department, Asian Development Bank (ADB)
- 09:10 – 09:30 GMS Program Overview
By Mr. Myo Thant, ADB
- 09:30 – 10:00** Coffee Break
- 10:00 – 11:30 Country Presentations (15 mins. each country)
 – Cambodia, PRC, Lao PDR, Myanmar, Thailand and Viet Nam
- 11:30 – 12:00 GMS Cross Border Agreement
By Mr. Ronnie Butiong, ADB
- 12:00 – 13:30** Lunch
- 13:30 – 14:30 GMS Transport Sector Strategy Study
By Mr. Myo Thant, ADB
- 14:30 – 15:00** Coffee/Tea.
- 15:00 – 15:15 Agreement on date and venue of next meeting in PRC
- 15:15 – 16:30 Statements from Observers
- 16:30 – 16:45 Closing Session

04 August 2004

- 08:30 – 08:45 Development Matrix
By Mr. Myo Thant, ADB
- 08:45 – 09:30 Southern Economic Corridor
By Mr. Peter Broch, ADB
- 09:30 – 10:15 North – South Economic Corridor
By Mr. Yasushi Tanaka, ADB
- 10:15 – 10:30** Coffee Break
- 10:30 – 11:15 East-West Economic Corridor

By Mr. Ronnie Butiong, ADB
- 11:15 – 11:45 Consideration of Summary of Proceedings and Closing
By Mr. Urooj Malik, ADB

GREATER MEKONG SUBREGION
EIGHTH MEETING OF THE SUBREGIONAL TRANSPORT FORUM (STF-8)

Phnom Penh, Cambodia
3-4 August 2004

LIST OF PARTICIPANTS

GMS Countries

Cambodia

H.E. Mr. Khy Tainglim
Senior Minister, Minister in-Charge of GMS, Cooperation Program

H.E. Mr. Sok Chenda
Secretary General of CDC
National Coordinator of GMS, Cooperation Program
Secretary to the National GMS Secretariat

H.E. Mr. Tram Iv Tek
Secretary of State, Ministry of Public Works and Transport
Tel. No.: Fax No.: Email:

H.E. Mr. Chhin Kong Hean
Director General of Public Works, Directorate of Public Works
Tel. No.: 855 12 900740 Fax No.: 855 12 724595 Email: HEAN@bigpond.com.kh

H.E. Mr. Leng Thun Yuthea
Director General of Transport
Ministry of Public Works and Transport
Tel. No.: (855 12) 989333 Fax No.: (855 23) 883876 Email: yuthea@forum.org.kh

H.E. Mr. Slot Sambo
Director General of Administration
Tel. No.: 012 337272 Fax No.: Email: slot@camnet.com.kh

H.E. Mr. Sokhom Peakvommony
Director General, Royal Railway of Cambodia
Tel. No.: Fax No.: Email:

Mr. Ung Chun Hour
Deputy Director General of Transport / Director of Land Transport Department
Ministry of Public Works and Transport
Tel. No.: (855 12) 818835 Fax No.: (855 23) 885284 Email: chunhour@hotmail.com

Dr. Yit Bunna
Director, Public Works Research Center
Tel. No.: (855) 23 723613 Fax No.: (855) 23 427132 Email: pwrc@camnet.com.kh

Mr. Vasim Sorya
Director, Planning Department, Ministry of Public Works and Transport
Tel. No.: (855) 12 900735 Fax No.: (855) 23 427397 Email: tranplan@camnet-com.kh

Mr. Mey Socheat
Deputy Director, Ministry of Economy and Finance
Tel. No.: 012 693136 Fax No.: 023 724374 Email: socheatm2002@yahoo.com

Mr. Sam Dara
Deputy Director, Department of Foreigner, Ministry of Interior
Tel. No.: 012 954999 Fax No.: 023 890157 Email: samdara@camnet.com.kh

Mr. Hong Sinara
Deputy Director of Road Department, Ministry of Public Works and Transport
Tel. No. (855 12) 900729 Fax No.: (855 23) 723028 Email: hongsinara@yahoo.com

Mr. Promsay Heng
Vice Director of Department Communication and Post
The Council of Ministers
Tel. No.: (855 12) 935856 Email: promsayheng@yahoo.com

Hou Kuvuth
Chief of ADB Division, Ministry of Economy and Finance
Tel. No.: (855) 12 933952 Fax No.: (855) 23 430137 ,Email: Hkuvuth@mef-adb.org

Mr. Yu Ra
Head Office, ASEAN and International Issues Office
Tel. No.: Fax No.: Email

Mr. Nou Vadthanak
Head of Office, Public Works Research Center, Ministry of Public Works and Transport
Tel. No.: Fax No.: (855 23) 722013/723613 Email: vadthanak@hotmail.com.kh

Mr. Roeun Chan Bomra
Head Office of Order Department, Ministry of Interior
Tel. No.: 012 887135

Mr. San Phirunna
Chief of ASEAN Office, Ministry of Commerce
Tel. No.: (855) 12 629628 Fax No.: Email: sanphirunna@yahoo.com

Mr. Lay Soksaokunthea
Chief Bureau of Administrative, Cambodia Import-Export Inspection and Fraud Repression Department "Camcontrol"
Ministry of Commerce
Tel. No: (855) 12 488889 Fax No.: (855) 23 426166 Email: camcontrol@camnet.com.kh /
lkunthea@everyday.com.kh

Kong Sedhika
Deputy Chief of GMS Bureau, Ministry of Commerce
Tel. No.: (855) 011 659898 , Fax No.: (855) 23 210728 , Email: sedhika@yahoo.com

Mr. Rath Kolap
Customs Officer, Customs and Excise Department
Tel: 012 217878 Fax No.: (855) 23 214 065

Mr. Kim Huon
Inland Waterways Transport Officer, Ministry of Public Works and Transport
Tel. No.: (855 12) 885733

Mr. Khim Rozat
Officer of GMS Office (MOC)
Tel. No.: (855) 12 629628 / 879694

Email: rozat@yahoo.com

Mr. Chhim Myseyla
Air Transport Officer
State Secretariat of Civil Aviation
Tel. No.: 016844111

Fax No.: (855) 23211019 Email: pin-chimyseyla99@yahoo.com

Mr. Kong Pidor
Air Transport Officer
State Secretariat of Civil Aviation
Tel. No.: 011952738

Fax No.: 023211019 Email: kongpidor@hotmail.com

Mr. Hang Hary
Kampuchea Shipping Agency and Brokers
Tel. No. : (855 12) 900254

Email: kamsab@camnet.com.kh

People's Republic of China

Ms. Tang Guomei
Deputy Director General, head of Chinese Delegation, Department of International Cooperation
Ministry of Communications
Tel. No.: 86 10 6529 2206 Fax No.: Email:

Mr. Yi Zhenguo
Deputy Director General, Department of Communications, Yunnan Province
Tel. No.: 86 871 530 5700 Fax No.: 86 871 5305696

Email: yi-ZG@ynjtt.com

Ms. Xia Hong
Director/Senior Economist, Department of Comprehensive Planning, Ministry of Communications
Tel. No.: 86 10 6529 3102 Fax No.: 86 10 6529 3107/3156 Email: xiahong@moc.gov.cn

Mr. He Jiaxin
Deputy Director, Department of Communications, Guangxi Municipal Region
Tel. No.: 86 771 2115398 Fax No.: 86-711 2115380 Email:

Ms. Xiong Yan
Official, Department of International Cooperation, Ministry of Communications
Tel. No.: 86 10 6529 2231 Fax No.: 86 10 6529 2248 Email: xiongyan@moc.gov.cn

Mr. Liu Meiyin
Official, Department of Highway, Ministry of Communications
Tel. No.: 86 10 6529 2721 Fax No.: 86 10 65292767 Email: liumy@moc.gov.cn

Mr. Lu Zhengye
Official, Department of Communications, Guangxi Municipal Region
Tel. No.: 86 771 211 5033 Fax No.: 86 771 2115035 Email: gxjtzhe@hotmail.com

Ms. Feng Rong
Official, Department of Communications, Yunnan Province
Tel. No.: 86 871 530 5700 Fax No.: 86 871 5305642 Email: fr@ynjtt.com

Lao PDR

Mr. Math Sounmala
Director General, Department of Planning and Cooperation, Ministry of Communication, Transport,
Post and Construction
Tel. No.: 856 21 412265 Fax No.: 856 21 412 265, Email: mathsm1@laotel.com

Mr. Lattanamany Khounnivong
Director General, Department of Transportation
Ministry of Communication, Transport, Post and Construction
Tel. No.: 856 21 415563 Fax No.: 856 21 415 563 Email: laotransp@yahoo.com

Mr. Bovonethat Douangchak
Economist, National Coordinator's Office of GMS, Department of Economic Affairs, Ministry of Foreign Affairs
Tel. No.: 856 21 414040 Fax No.: 856 20 415 932 Email:

Myanmar

U Aung Myint
Director, Road Transport Administration Department, Ministry of Rail Transportation
Tel. No.: 0951 573106 Fax No.: 0951 573101 Email: RTA-HQ@mptmail.net.mm
4jaungmyt@mptmail.net.mm

U Hla Ngwe
Director, Directorate of Water Resources and Improvement of River System, Ministry of Transport
Tel. No.: 0951 292236 Fax No.: 0951 290230 Email:

U Win Naing Kyaw
Deputy Director, Foreign Economic Relations Department, Ministry of National Planning and Economic Development
Tel. No.: 0951 379294 Fax No.: 0951 286424 Email: wintotal@mptmail.net.mm

Thailand

Ms. Munchula Siricharoen
Senior Economist, Neighboring Countries Economic Development Cooperation Fund
Fiscal Policy Office, Ministry of Finance
Tel. No.: (02) 2739020 ext. 3334 Fax No.: (02) 6183378 Email: munchula@mof.go.th

Mr. Sunant Gliengpradit
Director of Planning Group, Planning Bureau, Department of Highways
Tel. No.: (06) 3546558 Fax No.: (02) 3546593 Email: sunantg@yahoo.com

Ms. Sansanee Sahussarungsi
Director of Economic Relations and Cooperation Division, Department of International Economic Affairs
Ministry of Foreign Affairs
Tel. No. (02) 6435239 Fax No.: (02) 6435240 Email: sansanes@mfa.go.th

Ms. Nonglak Wongsuksiridacha
Transport Technical Officer, International Transport Division, Department of Land Transport
Tel. No.: (02) 6176682 Fax No.: (02) 6176683 Email: nonglak_dlt@yahoo.com

Ms. Jatuporn Wongta
Chief of Regional Cooperation Section International Affairs Bureau, Ministry of Transport
Tel. No.: (66 2) 283 3075/ 280 5638-9 Fax No.: (66 2) 281 4829/ 280 1714 Email: jatuporn.n@mot.go.th

Mr. Prapatpaow Awakul
Civil Engineer, Planning Bureau, Department of Highways
Tel. No.: (66 2) 354 6557 Fax No.: (66 2) 354 6593 Email: prapatpaow@yahoo.com

Ms. Chompunuch Ramanvongse
Policy and Plan Analyst , The National Economic and Social Development Board (NESDB)
Tel. No.: (66 2) 2526754 Fax No.: (66 2) 2550968 Email: chompunuch@nesdb.go.th

Viet Nam

Mr. Nguyen Van Thach
Senior Expert, Foreign Department, Ministry of Transport
Tel. No.: 84 4 9422079 Fax No.: 84 4 9421436 Email: irdep-mot@hn.vnn.vn

Mr. Pham Thanh Binh
Senior Expert, Planning and Investment Department, Ministry of Transport
Tel. No.: 84 4 9420198 Fax No.: Email:

Ms. Nguyen Thi Thu Hien
Expert, Foreign Economic Relations Department, Ministry of Planning and Investment
Tel. No.: 080 43029 / 84 4 845 8241 loc. 4402 Fax No.: 84 4 733 0536 Email: ntthien@mpi.gov.cn

BILATERALS

Mr. Yannick Balerin
Programs Officer, AFD – Phnom Penh
Tel. No.: 855 23 426360 Fax No.: 855 23 426243 Email: AFDPhnomPenh@groupe-afd.org

Mrs. Catherine Grosboes
Attache Commercial, Embassy of France
Tel. No.: Fax No.: Email:

Mr. I. A. Alfred
First Secretary, Embassy of India

Ms. Nantinee Niyaso
First Secretary, Embassy of Thailand

Mr. Bounthom Manivath
First Secretary, Embassy of the Lao PDR

Mr. Dinno M. Oblena
Charge d'Affaires, Embassy of the Republic of the Philippines

Mr. Sok Narom
Programs Officer, Embassy of Sweden

Mr. Nguyen Hong Nguyen
Second Secretary, Embassy of the Socialist Republic of Viet Nam
Mr. Kyaw Nyunt Hman
Minister Counselor, Embassy of the Union of Myanmar

MULTILATERALS

Dr. Pola Singh
Head of Initiatives for ASEAN Integration (IAI) Unit , ASEAN Secretariat
Tel. No.: (62 21) 726 2991/ 724 3372 Ext. 239 Fax: (62 21) 739 8234, 724 3504 Email: pola@aseansec.org

Mr. Chanthavong Saignasith
Director, Natural Resources, Planning and Development Division, Mekong River Commission (MRC)
Tel. No.: (856 21) 263 263 Fax No.: (856 21) 263 264 Email: chanthavong@mrckmekong.org

Mr. John Moon
Chief, Transport Infrastructure Section, Transport and Tourism Division
United Nations Economic And Social Commission For Asia And The Pacific (UNESCAP)
Tel. No.: (66 2) 288 1378 Fax No.: (66 2) 288 3050 Email: moon.unescap@un.org

Mr. Baher El-Hifnawi
Senior Transport Economist, World Bank
Tel. No.: Fax No.: Email: melhifnawi@worldbank.org

Mr. Zhi Lui
Infrastructure Sector Coordinator, World Bank
Tel. No.: (66 2) 256 7792 ext. 718 Fax No.: (66 2) 256 7794 Email: zliu@worldbank.org

Mr. Vickram Cuttaree
Young Professional,/Transport Specialist, World Bank
Tel. No.: 202 4731876 Fax No.: 202 5223573 Email: vcuttaree@worldbank.org

Asian Development Bank

Mr. Urooj Malik
Director, Infrastructure Division, Mekong Department
Tel. No.: (63 2) 632 6433 Fax No.: (63 2) 636 2336 Email: umalik@adb.org

Mr. Shyam Bajpai
Country Director, Cambodia Resident Mission
Tel. No.: (855 23) 215 805/806 Fax No.: (855 23) 215 807 Email: sbajpai@adb.org

Mr. Anthony Jude
Project Implementation Officer, Cambodia Resident Mission
Tel. No.: (855 23) 215 805/ 806 Fax No.: (855 23) 215 807 Email: ajude@adb.org

Mr. Nida Ouk
Project Implementation/ Programs Officer, Cambodia Resident Mission
Tel. No.: (855 23) 215 805/ 806 Fax No.: (855 23) 215 807 Email: nouk@adb.org

Mr. Myo Thant
Principal Economist, Infrastructure Division, Mekong Department
Tel. No.: (63 2) 632 6305 Fax No.: (63 2) 636 2336 Email: mthant@adb.org

Mr. Peter Broch
Transport/Project Economist, Infrastructure Division, Mekong Department
Tel. No.: (63 2) 632 6421 Fax No.: (63 2) 636 2336 Email: pbroch@adb.org

Mr. Rattanatay Luanglatbandith
Senior Economist, GMS Liaison Officer, Lao PDR Resident Mission
Tel. No.: 856 21 250 444 Fax No.: 856 21 250 333 Email: rluanglatbandith@adb.org

Mr. Ronald Antonio Butiong
Programs Specialist-GMS, Operations Coordination Division, Mekong Department
Tel. No.: (63 2) 632 6134 Fax No.: (63 2) 636 2226/2227 Email: rabutiong@adb.org

Mr. Yasushi Tanaka
Transport Specialist, Infrastructure Division, Mekong Department
Tel. No.: (63 2) 632 6802 Fax No.: (63 2) 636 2336 Email: ytanaka@adb.org

Ms. Evelyn S. Panlilio
Associate Operations Analyst, Infrastructure Division, Mekong Department
Tel. No.: (63 2) 632 6525 Fax No.: (63 2) 636 2336 Email: epanlilio@adb.org

Ms. Marilou Hemady-Reyes
Infrastructure Division, Mekong Department
Tel. No.: (63 2) 632 6433 Fax No.: (63 2) 636 2336 Email: mhreyes@adb.org

The Greater Mekong Subregion¹
Status of Implementation of Economic Corridors and the
GMS Cross-Border Transport Agreement
(as of August 2004)

1. East-West Economic Corridor

- a) About 1,450 km long. When the undeveloped or missing sections are in place (2008), it will be the only direct, continuous land route between the Indian Ocean (Andaman Sea) and the South China Sea.
- b) Will link the following points: (i) Mawlamyine-Myawaddy in Myanmar; (ii) Mae Sot-Phitsanulok-Khon Kaen-Kalasin-Mukdahan in Thailand; (iii) Savannakhet-Dansavanh in Lao PDR; and (iv) Lao Bao-Dong Ha-Hue-Da Nang in Viet Nam.
- c) Status, Financing, and Expected Completion Date
 - **Mawlamyine-Myawaddy, Myanmar**
 - Upgrading of the Mae Sot-Myawaddy-Paan-Mawlamyine road in Myanmar assisted by Thailand will commence in 2004, and is expected to be completed by 2008, as part of the road linking Thailand with India.
 - Construction of a bridge crossing the Thanlwin River in Myanmar financed by the Government of Myanmar is ongoing and is expected to be completed in December 2004.
 - There is a need to develop the 40 km section from Eindu to Mawlamyine to provide the link to the western terminus of the EWEC. At a later stage, the Government of Thailand may assist in developing an alternative route to Mawlamyine from Kawkareik via Mudon, as part of the Thailand-Myanmar-India Transport Project.
 - The rehabilitation of the remaining road sections in Myanmar, and the upgrading of the port at the western end of the EWEC in Mawlamyine needs financing to complete the EWEC transport corridor.
 - **Mae Sot-Mukdahan, Thailand**
 - 300 km of national roads are planned to be upgraded into four-lane highways. The 120-km route, Phitsanulok-Uttaradit and Khon Kaen-Nong Rue, has been completed.
 - Improvement under way for: (i) Mae Sot-Num Mae (8 km), (ii) Tak-Sukhothai (27 km), (iii) Phitsanulok-Wang Tong (18 km), (iv) Khon Kaen-Yang Talad-Kalasin (91 km), and (v) Mukdahan-Kamcha-ee (35 km).
 - Upgrading of 102-km section from Kalasin to Mukdahan to be implemented during the 9th National Development Plan period (2002-2006).
 - **Bridge and approach roads at Mukdahan, Thailand-Savannakhet, Lao PDR**
 - Financed by Yen 8.1 billion loan from the Japan Bank for International Cooperation (JBIC) to Thailand and Lao PDR. Loan became effective in March 2002.
 - Expected completion date is in end-2006 or early 2007.
 - **Rehabilitation of Route 9: Xeno to Muang Phin in Lao PDR (130 km)**
 - Completed in 2003 with grant financing from the Government of Japan amounting to Yen 7.2 billion
 - **Route 9: Muang Phin to Lao/Vietnamese Border (78 km)**
 - Civil works underway (US\$32 million ADB loan to Lao PDR).
 - Physical works completed in April 2004.
 - **Route 9: Lao Bao to Dong Ha in Viet Nam (83 km)**

¹ The Greater Mekong Subregion (GMS) consists of Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam, and Yunnan Province in the People's Republic of China

- Civil works underway (US\$25 million ADB loan to Viet Nam)
- Expected completion date: June 2005.
- **National Highway 1, Dong Ha to Da Nang in Viet Nam**
 - A 6.4 km tunnel located on Highway No. 1 connecting Da Nang and Hue is under construction.
 - Partly financed by Yen 18.9 billion from JBIC (Total cost is US\$251 million).
 - Construction started in November 1999. Expected completion date: first quarter of 2005.
 - Improvement of World Bank-funded Highway 1 (US\$22 million loan) in Viet Nam from Dong Ha to Da Nang completed in 2003.
- **Upgrading of Da Nang Port at Tien Sa**
 - Partly financed by Yen 10.7 billion loan from JBIC (total cost is US\$73.1 million).
 - Civil works commenced in November 2001. As of July 2004, 70 percent of civil works has been completed. Expected completion: end-2004.
- **Other Activities**
 - Preinvestment study, which identified investment potential along the EWEC, was completed in 2001.
 - Website/CD to promote tourism in the EWEC exists.
 - Annual workshop and senior officials' meeting to develop the EWEC is being held, participated in by EWEC officials, private sector, and development partners.

2. North-South Economic Corridor

- a) Two different routes along the north-south axis are involved in the North-South Economic Corridor initiative: (i) the Kunming-Chiang Rai-Bangkok via Lao PDR and Myanmar route, and (ii) Kunming-Hanoi-Haiphong which connects to the existing Highway No. 1 running from the northern to the southern part of Viet Nam.
- b) Status, Financing, and Expected Completion Date
 - **Improvement of Kunming-Mohan road in the PRC (827 km)**
 - Upgrading of Kunming-Yuxi section (86 km) to a six-lane expressway completed in 1999.
 - Upgrading of Yuxi-Yuanjiang section (112 km) to a four-lane expressway was completed in 2000.
 - For the Yuanjiang-Mohei section (216 km). Upgrading to a four-lane expressway started in 1999, and is partly financed by a US\$250 million loan from ADB to the PRC. Entire project expressway was to be completed in 2003.
 - Upgrading of Mohei-Simao section (71 km) to class II road was completed in 1996. Upgrading of this section to a four-lane expressway by the PRC Government will be started in 2005.
 - The Simao-Xiaomenyang section (130 km) is a class III and IV road with asphalt pavement. Upgrading of this section to a four-lane expressway with a length of 98 km started in June 2003.
 - The Xiaomenyang-Mohan section (217 km) is currently a class IV road with asphalt pavement. This section is planned to be upgraded to a combination of class I and II standard road with a length of 176 km. Feasibility study has been completed for this road.
 - The total length of the Kunming-Mohan road will be reduced from 832 km to 690 km after completion of all construction activities by 2007.
 - **Rehabilitation of Boten-Houayxay in Lao PDR (228.3 km)**
 - PRC and Thailand, and ADB have approved their respective loan assistance to Lao PDR to rehabilitate this section (US\$88.5 million).
 - Civil works are expected to commence in 2004. Expected completion is in late 2006 or early 2007.
 - **Construction of International Bridge Connecting Houei Sai and Chiang Khong**
 - It has been agreed that this bridge is a key component of the North-South Economic Corridor, and, as such, is a priority project for immediate implementation.

- **Chiang Khong-Chiang Rai in Thailand**

- There are a number of alternative routes linking Chiang Khong and Chiang Rai, length of which varies from 110-150 kms.
- The road network in Thailand is well developed and is not seen as a constraint to cross-border movements.
- Rehabilitation/widening of the road in Thailand from Chiang Rai province to Amphoe Chiang Khong (115 km) would be implemented as part of the 9th National Development Plan of Thailand (2002-2006).

- **Chiang Rai-Bangkok (830 km) in Thailand**

- Upgraded to at least four-lane standard.

- **Upgrading of Mongla-Kengtung-Tachilek in Myanmar (253 km)**

- Upgrading of Mongla-Kengtung (90 km) is being undertaken by Public Works Department, in collaboration with regional authority (38 km of two-lane bituminous road; 52 km is to be developed into a two-lane bituminous road).
- Upgrading of Kengtung-Tachilek (163 km) is being undertaken by Hong Pang Co., Ltd., on a BOT arrangement (158 km of two-lane bituminous road, and 5 km is to be developed into a two-lane bituminous road).
- As the route between Tachilek and Mae Sai in Thailand is experiencing traffic congestion problems, a new by-pass route has been proposed. This includes construction of a new alignment and a bridge to cross the Mae Sai river at the border of Myanmar and Thailand.

- **Construction of 2nd Mae Sai bridge**

- Myanmar and Thailand agreed to undertake construction of second bridge to cross the Mae Sai river, which was recently completed with assistance from Thailand.

- **Improvement of Mae Sai to Chiang Rai (60 km)**

- Improvement to 4-lane highway has been completed.

- **Improvement of Kunming-Hanoi-Haiphong Transport Corridor (850 km)**

- The expressway from Kunming to Hekou (407 km) is being constructed, and is expected to be completed by 2007. When completed, the travel time from Kunming to Hekou will be four hours.
- Upgrading of 291 km section from Lao Cai to Hanoi is under way and is expected to be completed by 2008.
- Expressway (260-290 km) and rail (285 km) options for the section in Viet Nam from Lao Cai to Hanoi are currently being discussed between the Government of Viet Nam and ADB, for possible loan financing by ADB in 2006/07.
- Road section from Hanoi-Haiphong (110 km), which was improved with financing from JBIC, is in good condition.
- Hanoi-Haiphong rail link (102 km) rehabilitation with an estimated cost of US\$400 million is planned to be developed with possible financing from Japan. Phase I of the project (two sections with 38 km long near Hanoi and Hai Duong town) is planned for 2005-2010.

3. Southern Economic Corridor

- a) The SEC is defined by three main road subcorridors and their areas of influence: (i) the Central Subcorridor: Bangkok (Thailand)-Phnom Penh (Cambodia)-Ho Chi Minh City (HCMC)-Vung Tau (Viet Nam); (ii) the Southern Coastal Subcorridor: Bangkok-Trat (Thailand)-Koh Kong-Kampot (Cambodia)-Ha Tien-Ca Mau-Nam Can (Viet Nam); and (iii) the Northern Subcorridor: Bangkok (Thailand)-Siem Reap-Stung Treng-Rattanakiri-O Yadav (Cambodia)-Play Ku-Quy Nhon (Viet Nam). An important inter-corridor link is the Southern Lao PDR-Sihanoukville Road (Dong Kralor - Stung Treng-Kratie-Phnom Penh-Sihanoukville (Cambodia)).

b) Status, Financing, and Expected Completion Date

- **Central Subcorridor: Bangkok-Phnom Penh-Ho Chi Minh City(HCMC)-Vung Tau Road Subcorridor is expected to be completed by 2007**
- **Bangkok to Thai-Cambodian Border at Aranyaphathet (Thailand).** The Bangkok to Phnom Sarakham road (165 km) has been upgraded from 2- to 4-lane highway. There are two alignments from Phnom Sarakham to Thai-Cambodian border: First alignment follows Highway 304 to Kabinburi and then route 33 to Sra Kaeo-Aranyaphathet and onward to the Thai-Cambodian Border at Khiong Luoek. Widening from 2- to 4-lane has been completed for Phnom Sarakham-Kabinburi (44 km). Budget for upgrading of Kabinburi to Thai/Cambodian border (49 km) to 4-lane highway has been approved. The remaining portion of 54 km is planned for upgrading to 4-lane highway within the 10th National Development Plan period (2007-2011). Second alignment from Phnom Sarakham to Sra Kaeo, which shortens the length from Bangkok-Thai/Cambodian border by about 20 km, has been completed.
- **Thai-Cambodian Border (Poipet) to Phnom Penh (Cambodia).** Rehabilitation of the Poipet to Sisophon section (48 km) is part of ADB Loan 1945-GMS: Cambodia Road Improvement Project, which was approved in November 2002. Civil works is expected to commence in 2005 for completion in 2007. The Sisophon-Battambang section (68 km) was rehabilitated as part of ADB Loan 1824: Emergency Flood Rehabilitation Project. Physical works were completed in April 2004. Rehabilitation of the section from Battambang to Pursat to Krakor (131 km) was completed in December 2003 under ADB Loan 1697: Primary Roads Restoration Project. Repair of the section from Krakor to Kampong Chhnang (62 km) was completed in May 2004 under ADB Loan 1824: Emergency Flood Rehabilitation Project. Repair of the section from Kampong Chhnang to Phnom Penh (91 km), which was financed by the Government of Cambodia, was completed in mid-2003.
- **Phnom Penh to Cambodian/Viet Nam Border (Bavet- Cambodia).** Upgrading of Phnom Penh-Neak Loueng (up to the Mekong River ferry crossing - 61 km): Civil works are to be implemented through grant financing from the Government of Japan, and contracts are to be awarded in 2005. Financing for the feasibility study of the second bridge over the Mekong (at Neak Loueng ferry crossing) has been approved by the Government of Japan. The study for the bridge commenced in May 2004, and construction is expected to be completed in 2008 with loan financing from the JBIC. Upgrading of the Neak Loueng-Bavet (107 km) section was completed with ADB's assistance (Loan 1659-Phnom Penh-Ho Chi Minh City Highway Improvement) in 2004. The contract for the construction of the cross border customs facilities at Bavet was awarded in February 2004, and physical works will be completed by end 2004.
- **Cambodian/Viet Nam Border to Ho Chi Minh City (Viet Nam).** Upgrading of the Moc Bai-Ho Chi Minh City (80 km) section is substantially completed with ADB's assistance (Loan 1660-Phnom Penh-Ho Chi Minh City Highway Improvement). The highway was inaugurated in April 2003.
- **Ho Chi Minh City to Vung Tau (Viet Nam).** This 86.5-km section (National Road (NR) No. 51A) was upgraded to a four-lane highway in 2000 with financing from the Government of Viet Nam for about US\$45 million. A 12-km section (National Road No. 51B) is being reconstructed at a cost of VND290 billion for completion by the end of 2004. According to Master Plan of Viet Nam, it is necessary to build a new expressway from Bien Hoa to Vung Tau.
- **Southern Coastal Subcorridor from Bangkok-Trat (Thailand)-Koh Kong-Kampot (Cambodia)-Ha Tien-Ca Mau-Nam Can (Viet Nam) is expected to be completed by 2010**
- **Bangkok-Trat (Thailand).** This 310-km section has been upgraded to a 4-lane highway. The section from Trat to Thai/Cambodian border at Hat Lek (89 km), which is a 2-lane highway, is planned to be upgraded to a 4-lane highway within the 10th National Development Plan period (2007-2011).
- **Cham Yeam - Koh Kong - Sre Ambel (Cambodia).** Rehabilitation of this 138-km road paving with laterite was completed in January 2003 with locally-arranged financing and grant aid from the Government of Thailand. The Government of Thailand has agreed to provide a loan to Cambodia for further upgrading of this road, encompassing widening, gradient reduction and paving with bituminous pavement. The 567 million baht loan, was signed in July 2003. Cambodia has requested Thailand to provide a supplementary loan of about 300 million bath to cover the shortfall in budget,

and this request is being reviewed/discussed internally by Thailand. Physical works will commence in late 2004. In addition to this loan, the Government of Thailand will provide a grant of 288 million baht for the construction of four large bridges. This road section is expected to be completed in 2007 and with improved gradients would allow for the movement of trucks carrying containers from Bangkok to Ho Chi Minh City via National Road (NR) 48 (Koh Kong-Sre Ambel) to NR 1.

- **Sre Ambel - Veal Rinh (Cambodia).** Sre Ambel - Veal Rinh (40 km): The whole section of Road 4 was rehabilitated under USAID fund, and maintenance works are undertaken by a local firm under BOT contract. The road section is in good condition.
- **Veal Rinh - Kampot - Lork (Cambodia).** Road 33 - Veal Rinh - Kampot - Lork (105 km): Rehabilitation works are being undertaken under loans from the World Bank and Korea International Cooperation Agency. Physical works for the World Bank-financed section (65 km) is expected to be completed by end 2004. The section, financed by the Government of Korea, is expected to be completed in May 2007. ADB may finance an 18-km missing section from Kampot to Lork in 2006.
- **Ha Tien – Ca Mau – Nam Can (Viet Nam).** A small-scale ADB-financed technical assistance (TA) is assessing the subregional rationale and feasibility of establishing these sections of the Southern Coastal subcorridor from Cambodia to Viet Nam. A project preparatory TA for the Vietnamese section of the Corridor is included in ADB's 2004 TA pipeline (US\$1 million) and a loan (US\$60 million) in 2006/2007 for Viet Nam to support the rehabilitation of this road section.
- **Northern Subcorridor from Bangkok (Thailand) via Siem Reap-Preah Vihear-Stung Treng Rattanakiri-O Yadav (Cambodia)-Play Ku-Quy Nhon (Viet Nam) is expected to be completed beyond 2010**
 - **Bangkok to Thai-Cambodian Border at Aranyaphathet (Thailand).** See above.
 - **Thai-Cambodian Border (Poipet) to Siem Reap (Cambodia).** Rehabilitation of the Poipet-Sisophon-Siem Reap section (150 km) is part of ADB Loan 1945-GMS: Cambodia Road Improvement Project, which was approved in November 2002. Civil works is expected to commence in 2005 for completion in 2007.
 - **Siem Reap-Preah Vihear-Stung Treng Rattanakiri-O Yadav (Cambodia).** The Government of Cambodia is preparing a proposal for rehabilitation of NR 66 from Siem Reap via Preah Vihear to Stung Treng (about 250 km). Initially, it is anticipated that crossing of the Mekong River will be by deployment of highway ferries from Neak Loueng, which would become redundant when the bridge is completed at that site in 2008. The Government of Viet Nam has extended technical assistance for the study of the section (198 km) from O Pong Moan (Stung Treng) to Banlung (Rattanakiri) and has committed to providing a loan of about US\$26 million for upgrading of road from Banlung (Rattanakiri) to the Cambodian-Vietnamese border at O Yadav (70 km).
 - **Play Ku-Quy Nhon (Viet Nam).** This link, which involves a 251-km route following NR 19 from the Cambodia-Viet Nam border to the deep-sea port in Quy Nhon, including a 183-km, category III road and a 68-km, category IV road, will have to be rehabilitated. The Government of Viet Nam has carried out a master plan for the road network, including the Cambodia and Lao PDR components, as part of the "Development Triangle Initiative." The master plan will focus on the section on NR 78 from Bung Lung in Cambodia to Duc Co in Viet Nam.
- **Inter-Corridor Link: Lao PDR (Dong Kralor) – Cambodia (Stung Treng-Kratie-Phnom Penh-Sihanoukville) is expected to be completed by 2008**
 - **Lao-Cambodian border at Dong Kralor-Stung Treng-Kratie.** The Government of the PRC has committed to a loan of about US\$85 million to the Government of Cambodia for the improvement of the 198-km section from Cambodia-Lao border to Stung Treng and Kratie. Civil works are expected to commence in late 2004, and to be completed in 2007.
 - **Kratie-Phnom Penh-Sihanoukville.** Kratie-Phnom Penh: The 205-km section from the junction of NR7 and NR11 at Thnal Totueng (Chub) to Kratie is included in ADB Loan 1697: Primary Roads Restoration Project. Work on this section was completed in 2003. Works on about 11.5 km from Kampong Cham Bridge to the junction of NR7, NR11, and Maoth Khmoung, financed by the Government of Japan as grant aid, was completed in 2003. The road section from Phnom Penh to Sihanoukville is in good condition.

- The Viet Nam **ports** at HCMC and Vung Tau (Central Subcorridor), Van Phong (Northern Subcorridor), and Can Tho (Central and Southern Coastal Subcorridors) could act as the eastern terminuses of the SEC. The Vung Tau ports are planned to be rehabilitated during 2004-2007 with financing from the Japan Bank for International Cooperation (JBIC). The Van Phong port is planned to be upgraded as an international port. The Can Tho port is planned to be upgraded for which financing is being sought. The channel to Can Tho port is being rehabilitated with World Bank financing, and is expected to be completed in 2004. Similarly, the Sihanoukville Port in Cambodia is the terminus for the inter-corridor link from Southern Lao PDR and could act as a central location for overseas trade from parts of the Southern Coastal Sub-corridor. Sihanoukville port has been extensively upgraded and expanded in recent years, and is now a modern port capable of handling oil products, containers and break bulk cargoes. Sihanoukville has experienced rapid growth in traffic, primarily to serve the expanding economy in Cambodia. However, for the port to become attractive to traffic, to and from the neighboring countries, it will require reductions in its port tariffs and other charges to levels commensurate with those in the subregion.

4. GMS Cross-Border Transport Agreement and Single-Stop Customs Facilitation

- All GMS countries are already signatories to the Agreement.
- Eight out of the 20 annexes and protocols that will provide the implementation arrangements for the GMS Cross-Border Transport Agreement have been finalized, and were signed in April 2004 in Phnom Penh. The rest of the annexes and protocols are expected to be finalized and signed by 2005. Full implementation of the Agreement and its annexes and protocols is expected by 2006/2007.
- Main nonphysical barriers to be addressed: (i) restrictions on the entry of motor vehicles, often causing costly and time-consuming transshipment; (ii) different standards pertaining to vehicle size, weight and safety requirements, and driver qualifications; (iii) inconsistent and difficult formalities related to customs procedures, inspections, clearances, and assessment of duties; and (iv) restrictive visa requirements.
- To provide further impetus to reducing nontariff barriers in the GMS, the six countries have agreed to pilot-test, single-stop customs inspection (SSCI) at selected border crossings.
- These border crossings at which single-stop customs facilitation arrangements will be pilot tested are: (i) Bavet-Moc Bai along the Phnom Penh-Ho Chi Minh City road; (ii) Aranyaphathet-Poipet along the Bangkok-Phnom Penh road; (iii) Mukdahan-Savannakhet along the East-West Economic Corridor; and (iv) Dansavanh-Lao Bao along the East-West Economic Corridor. Discussions are in progress on the legal and procedural issues to implement single-stop customs inspection initially focusing on the Bavet-Moc Bai border crossing. Implementation of SSCI at this border crossing is expected to commence in 2005.
- ADB and ESCAP are undertaking a joint study on transit fees to serve as a basis for the negotiation and finalization of Protocol 2: Road User Charges in Transit Traffic.
- Initial implementation of the GMS Cross-Border Agreement and Stage 1 annexes and protocol is planned to be implemented at the Hekou-Lao Cai border crossing along the Kunming-Haiphong Transport Corridor.