

**Eleventh Meeting of the GMS Subregional Transport Forum**  
**Bangkok, Thailand**  
**8-9 May 2007**

**SUMMARY OF PROCEEDINGS**

**Introduction**

1. The Eleventh Meeting of the Subregional Transport Forum (STF-11) was held in Bangkok, Thailand on 8-9 May 2007. The Meeting was jointly organized by the Ministry of Transport of Thailand and the Asian Development Bank (ADB). The objectives of the Meeting were to: (i) prepare a clear and workable Action Plan for the GMS transport sector for the next five years, based on the endorsed GMS Transport Sector Strategy, additional updates and inputs from the GMS countries, and the plans of development partners; (ii) discuss key topics and issues that have a bearing on subregional transport sector development and are important elements in enhancing the overall connectivity and competitiveness of the subregion, i.e., multi-modal transport and logistics aspects of transport development; (iii) update the participants on recent key developments in the GMS and enhance their awareness on the role and relationship of STF activities/initiatives in the overall GMS Program; and (iv) provide updates on transport sector developments in individual countries. (The Meeting Agenda is attached as **Appendix 1**.)

2. The Meeting participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Union of Myanmar, Kingdom of Thailand, the Socialist Republic of Viet Nam, and ADB. Representatives from Australian Agency for International Development (AusAID), the GMS Environment Operations Center (EOC), Japan International Cooperation Agency (JICA), Japan Overseas Development Corporation (JODC), Mekong River Commission (MRC), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the World Bank also attended the Meeting. (The list of participants is attached as **Appendix 2**.)

3. The Meeting was chaired by Mr. Silpachai Jarukasemratana, Director General of Land Transport, Land Transport Department of Thailand and co-chaired by Mr. John R. Cooney, Director, Infrastructure Division, Southeast Asia Department, ADB.

**I. Opening Session**

4. Mr. Silpachai Jarukasemratana, Chair, opened the meeting and welcomed the participants. (A copy of his welcome speech is attached as **Appendix 3**.) He noted that STF-11 is crucial because: (a) it will agree upon and adopt an action plan for the STF transport sector that will determine the efforts needed from the GMS countries in the next five years; (b) the meeting's output can be immediately presented to the 14<sup>th</sup> GMS Ministerial Meeting in June in Manila. Cooperation in the transport sector is already bearing much fruit and transport may be considered as the outstanding sector in the GMS Program. He also noted that the People's Republic of China, the Lao People's Democratic Republic, and Thailand, assisted by ADB, have already reached agreement on financial arrangements for the North-South Economic Corridor Bridge to link Chiang Khong and Houayxay, and that Thailand will provide assistance on a grant basis for the detailed design of the bridge. He stressed that for cooperation to bear more fruit, resources must be used wisely and efficiently, and that preparing the action plan should involve not just the formulation of policies but also ensuring that these are implemented in a practical and efficient manner.

5. Mr. John Cooney, Co-Chair, in his opening statement, that the preparation of the action plan for the transport sector is part of an overall effort to ensure that the GMS Program stays relevant and effective in addressing the challenges that the subregion faces and mentioned in this regard the midterm review of the Ten-Year (2002-2012) Strategic Framework of the GMS Program, which was carried out in late 2006. He also called the Meeting's attention on the need to address very important concerns, namely, the impact of transport on climate change, road safety, and urbanization. (A copy of Mr. Cooney's statement is attached as **Appendix 4**.)

## II. Country Presentations

6. The GMS delegations presented their respective country reports, which provided updates in the transport sectors of their respective countries, covering priority transport projects, programs, and policies. Presentations were made by the following participants: (i) Mr. Pheng Sovicheano, Deputy Director General of Public Works, Ministry of Public Works and Transport, Cambodia; (ii) Mr. Li Guangling, 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 (MCTPC), Lao PDR; (iv) U Khin Maung, Superintending Engineer (Road), Public Works, Ministry of Construction, Myanmar; (v) Ms. Jatuporn Wongta, Chief of Regional Cooperation Section, International Affairs Division, Ministry of Transport, Thailand; and (vi) Mr. Nguyen Van Thach, Deputy Director General, International Cooperation Department, Ministry of Transport, Viet Nam.

7. The country reports included information on the progress being made on the projects in the existing GMS transport corridors (i.e., the East West, the North-South, and the Southern Economic Corridors), developments in other transport modes (inland waterways, seaports, railway, and air transport). The status of the implementation of the GMS Cross Border Transport Agreement (CBTA) and other issues that bear on the transport sector were presented. (The country delegations' respective reports are attached as **Appendices 5A-5F**.)

## III. Expanded Network of GMS Corridors

8. Mr. Ronald Butiong, Economist at the Regional Cooperation and Country Coordination Division, Southeast Asia Department, ADB first presented the status of three original and existing GMS corridors, namely, the East-West, North-South, and Southern Corridors. He then presented the map of the existing and proposed new GMS corridor network. This new corridor network is basically the one contained in the Final Report of the Transport Sector Strategy Study, with some modifications to include other key road sections. He also informed that the GMS Senior Officials' Meeting held on 4 April 2007 in Siem Reap, Cambodia agreed to adopt the new corridor network and to submit it for endorsement by the 14<sup>th</sup> GMS Ministerial Conference in June 2007. (A copy of his presentation is in **Appendix 6**.)

9. Among the key comments given by the participants on the expanded network of corridors are as follows:

- the corridors are to be considered more as economic corridors that cover entire areas and not just road or highway networks, and as including other transport modes;
- the corridors, to the extent possible, should generally link strategic growth centers, including capitals (national or provincial, as appropriate);

- other alignments and specific points need to be added, such as the northernmost connections to India through Myanmar; and
- the new corridor network should also be basically consistent with the corridors for the programmed CBTA implementation.

Mr. Butiong clarified that the alignments shown on the new network are only indicative and that the main principle on which the network is corridor development where development efforts are focused on specific geographical areas within those corridors.

#### **IV. Overview of Recent Developments in the GMS**

10. Mr. Ronald Butiong also presented updates for key developments in the overall GMS Program, particularly as they relate to the transport sector. He first presented the key findings and recommendations of the Midterm Review of the 10-Year GMS Strategic Framework (GMS-SF) undertaken in late 2006. The Review found that significant progress has been made in pursuing the strategic thrusts and priority initiatives of GMS-SF during the first half of its implementation period and that the Framework remains valid and serves as a good basis for moving forward in the next five years. He discussed some of the results of cooperation under the GMS-SF in terms of improved connectivity through the development of the GMS transport network, increased economic activity, and improvements in poverty indicators. However, the Review also found some scope for broadening the coverage of the GMS-SF and fine-tuning and refocusing of its implementation to enhance its effectiveness and maximize the benefits from subregional cooperation. He also presented the broad developments and future plans in other GMS infrastructure and economic sectors, such as power and telecommunications, agriculture, tourism, transport and trade facilitation, including the status of and planned activities under the GMS Cross Border Transport Agreement, as well as the broad elements of the GMS Core Environment Program. Ms. Anupma Jain, Social Sector Specialist at the Social Sectors Division, Southeast Asia Department, ADB gave a complementary presentation on the key challenges, issues, accomplishments, and focus of efforts in the social sectors and on human resource development in the GMS, including those concerning health, education and training, labor migration, gender, and ethnic minorities. She also discussed the relations between infrastructure development, particularly the corridors, and these "soft" sectors. (A copy of their joint presentation is in **Appendix 7.**)

#### **V. STF Action Plan for 2008-2012**

11. Mr. Peter Broch, Transport Economist, Infrastructure Division, Southeast Asia Department, ADB led and moderated the discussion on the preparation of the Action plan for the GMS transport sector covering the next five years, 2008-2012. He noted that the main basis for the Plan is the completed and endorsed Transport Sector Strategy (TSS), a published summary version of which was distributed to the participants. A working draft Action Plan based on the TSS served to guide the discussions.

12. The Meeting agreed in principle to adopt the Action Plan, which will be revised by the Secretariat to include the comments and inputs provided by the country delegations. The revised draft will be circulated to the countries for review and then finalized for consideration by the 14<sup>th</sup> GMS Ministerial Meeting in June and ultimately for endorsement by the Third GMS Summit in March 2008. The revised Action Plan is presented in **Appendix 8.**

## VI. Key GMS Transport-Related Projects in the ADB Pipeline

13. Mr. Cooney briefed the Meeting on the broad achievements so far (what has been done), the recent/current projects being implemented or for implementation in the near term (what is being done), and the possible projects to be undertaken in the future (what might be done) under the ADB's transport infrastructure program for the GMS. (A copy of his presentation is in **Appendix 9**.)

## VII. Remarks/Updates from Development Partners

14. Mr. Suzuki Kazuya of the ASEAN and Mekong region, Asia Department I of the Japan International Cooperation Agency (JICA) noted that since the early 1990s, Japan, in collaboration with ADB and other development partners, has been supporting development of the Mekong region, with particular focus on the CLMV (Cambodia, Lao PDR, Myanmar, Viet Nam) countries. The Japanese government has committed to continue to support the region under the "New Concept of Mekong Region Development" issued in 2003. He also informed the meeting that JICA will be merged with JBIC, and therefore three major ODA components (technical assistance, grant aid and ODA loans) will be managed under one roof, enabling comprehensive planning and quick decision making, which is expected to result in a more integrated and efficient foreign assistance program. (A copy of his presentation is in **Appendix 10**).

15. Mr. Izuru Kobayashi, Representative of the Japan Overseas Development (JODC), Bangkok Office, noted that the GMS Program's accomplishments in terms of infrastructure development and enhancing connectivity are remarkable. However, there may now be a need to give greater attention to promoting investment and efficiency. In this regard, he said that the development of efficient logistics systems play an important role, such as the efforts of JETRO in the EWEC. He provided more information on this during the session on logistics.

16. Mr. Marc Palu of AusAID said that Australia is committed to assisting economic cooperation and integration in the Mekong region. Australian assistance is not just focused on main infrastructure network development but also in trying to ensure that these are linked to and serve the poor communities, and is therefore involved in such projects as upgrading of feeder roads to help provide access to markets. It is also much interested in the soft aspects of regional development, such as strengthening governments' capacities, removing nonphysical barriers. For instance, AusAID is providing assistance to CBTA implementation at certain key border areas. Mr. Cooney expressed gratitude to AusAID for its assistance in various ADB initiatives, e.g., feeder road projects, improvement of the Southern Coastal Corridor, asset management and road maintenance programs. (A copy of the AusAID statement is in **Appendix 11**.)

17. Mr. Jorgen Eriksson, Program Development Specialist of the Environment Operations Center (EOC) of the GMS Core Environment Program informed the meeting that the EOC will work with the GMS governments in carrying out environmental assessments of the GMS transport corridors, both existing and proposed.

18. Mr. Lieven Geerink of the Mekong River Commission (MRC) gave a presentation on the basic elements of MRC's Navigation Strategy and Program, as well as on the projects under the Program. He noted the great benefits that water transport can bring. He illustrated the substantial efficiency gains and cost savings that can result from the use of transport along the

Mekong River for international trade purposes. He noted that the Mekong River can be developed as a major transport corridor. (A copy of his presentation is in **Appendix 12.**)

19. Mr. Zhi Liu, Infrastructure Coordinator of the World Bank's (WB) regional office in Bangkok informed the meeting that the WB's operational program has recently been giving more and more focus on regional integration. The WB believes that it can contribute to GMS regional cooperation efforts in two main ways. One is by contributing knowledge products, and in this regard WB intends to further intensify its collaboration with ADB and the GMS countries regarding TA programs. On the lending side, he informed the meeting of the scheme that the WB has adopted, setting aside part of IDA funds to support components in the IDA countries of regional integration/cooperation projects (involving three countries or more), whereby two-thirds of the IDA financing can be mobilized from Regional IDA funds.

20. The representatives from UNESCAP, Mr. Madan B. Regimi and Ms. Virginia Tanase, noted that their organization has been working closely with ASEAN, the GMS Program, and ADB in the area of transport development, citing that the major UNESCAP initiatives, the Asian Highway and the Trans-Asian Railway, are closely related and interface with the GMS transport corridors. Moreover, UNESCAP, just like the GMS Program, is trying to achieve regional integration not just through infrastructure development but also through software aspects of integration, such as harmonized legal systems, institutions, and practice. They said that UNESCAP will continue to collaborate and share its knowledge and expertise with ADB and the GMS countries in transport development and facilitation.

#### **VIII. Special Topic Presentation: Multi-Modal Transport**

21. Mr. Paul Apthorp of TNT gave a presentation on multi-modal transport, giving its basic elements and principles and current trends and developments in the field, as well as key issues and problems relating to it as it is actually practiced in the GMS, including the realities and difficulties of transshipment. He summarized his recommendations as follows: (i) full implementation of the CBTA; (ii) eliminate the requirement for border transshipment; (iii) encourage the cross border movement of freight vehicles that comply with International standards; (iv) actively promote the introduction of modern, lightweight trailers to replace the old heavy FEU/Skeletal units in use. (A copy of his presentation is in **Appendix 13.**)

#### **IX. Special Topic Presentation: The Role of Transport in Logistics Systems**

22. Mr. Izuru Kobayashi, Representative of the Japan Overseas Development (JODC), Bangkok Office, presented additional information on the Japanese Ministry of Economy Trade and Industry (METI) initiatives in the EWEC and JETRO's development of a Logistics Network Map for the region to help in the development of efficient logistics systems in the GMS. (A copy of his presentation is in **Appendix 14.**)

23. Mr. Ruth Banomyong, Director of the Centre for Logistics Research and Faculty of Commerce and Accountancy at the Thamassart University gave a presentation on logistics systems, emphasizing its key role in the development and competitiveness of national economies as well as of the overall regional economy. (A copy of his presentation is in **Appendix 15.**)

**X. Other Matters**

24. 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 agreed that Viet Nam will host the Twelfth Meeting of the STF.

**XI. Consideration of the Draft Summary of Proceedings**

25. The Meeting adopted the Summary of Proceedings of STF-11.

**XI. Acknowledgements**

26. The GMS countries and the ADB expressed their sincere thanks and appreciation to the Government of Thailand, in particular, to the Ministry of Transport, for the warm hospitality and excellent arrangements provided to the Eleventh Meeting of the Subregional Transport Forum.