



**Eighteenth Meeting of the Greater Mekong Subregion  
Subregional Transport Forum  
Ho Chi Minh City, Viet Nam  
23–24 July 2014**

**SUMMARY OF PROCEEDINGS**

**I. Introduction**

1. The Eighteenth Meeting of the Subregional Transport Forum (STF-18) was held in Ho Chi Minh City, Viet Nam. The Forum was jointly organized by the Ministry of Transport (MOT) of Viet Nam and the Asian Development Bank (ADB). The objectives of the Forum were to: (i) finalize and endorse an Implementation Plan (IP) for the Regional Investment Framework (RIF) comprising highest priority transport projects identified in the endorsed RIF; (ii) discuss recent developments on road safety in the region; (iii) review the progress of work toward the establishment of the Greater Mekong Railway Association (GMRA); (iv) discuss the progress of work on the review of the Greater Mekong Subregion (GMS) Transport Sector Strategy (2006–2015); and (v) discuss other topics relevant to the transport sector. (The Forum Program and Agenda is attached as **Appendix 1**).

2. The Forum participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Union of the Republic of Myanmar, the Kingdom of Thailand, the Socialist Republic of Viet Nam, and ADB. Representatives from three development partner organizations [Agence Francaise de Developpement (AFD); the Government of Australia's Department of Foreign Affairs and Trade (DFAT); and the Japan International Cooperation Agency (JICA)] also attended the Forum. (The list of participants is attached as **Appendix 2**).

3. The Forum was chaired by Mr. Pham Thanh Tung, Director General, International Cooperation Department, MOT, Viet Nam, and co-chaired by Mr. Hideaki Iwasaki, Director, Transport and Communications Division, Southeast Asia Department (SETC), ADB. His Excellency, Mr. Nguyen Hong Truong, Vice Minister, MOT, Viet Nam gave the Opening and Welcome Remarks.

**I. Opening Session**

4. His Excellency, Mr. Nguyen Hong Truong, in his opening and welcome remarks, emphasized that transport is a key sector of GMS cooperation. Viet Nam has a significant role in all three major GMS economic corridors, i.e. North-South, East-West, and Southern Corridors. East-West Corridor and Southern Corridor in the territory of Viet Nam were operational since 2005–2006. The completion of these corridors has been significantly contributed to the economic development of Viet Nam and the region as a whole. He mentioned the progress made in some of the key sections of the corridors within the territory of Viet Nam, such as the Noi Bai-Lao Cai and the Hai Phong-Ha Noi-Lao Cai expressways, the Vung Tau-Ho Chi Minh City-Phnom Penh-Bangkok highway, and Ho Chi Minh City-Moc Bai on National Road 22. He also mentioned

the benefits due to such improvements, such as the reduction in travel times, and the emergence of industrial zones and export processing zones along these routes. These in turn have resulted in creation of jobs for local residents.

5. In tandem with infrastructure development, he noted that ADB also has been supporting GMS countries in the implementation of bilateral and multilateral road transport agreements. He cited the successful example of the Bilateral Road Transport Agreement between Viet Nam and Cambodia along the Southern Economic Corridor. However, since vehicles from Thailand are not passable through to Viet Nam and vice versa, and thus recommended that the three countries discuss the exchange of traffic rights either bilaterally or tri-laterally. He also informed the Forum that Viet Nam and Lao PDR plan to fully apply the “Single Stop Inspection and Single Window Inspection” model at Lao Bao-Dansavanh in January 2015. He also invited the Forum participants to attend the Traffic Opening Ceremony for the implementation of the Memorandum of Understanding (MOU) between and among the Governments of Cambodia, Lao PDR, and Viet Nam in October 2014.

6. In conclusion, he expressed appreciation for the thrust of the GMS Transport Sector Strategy (TSS, 2006–2015) to broaden the scope of the GMS transport program to include not only roads, but also railways and other modes of transport. This thrust was reflected by the effort toward the establishment of the GMRA. He expressed the wish that ADB and other development partners support the construction of the missing rail link connecting Ho Chi Minh city to Phnom Penh, as well as connecting Viet Nam and Lao PDR. Likewise, he expressed that the Forum plans to discuss and support projects that will help in further advancing connectivity and the development of the subregion, such as the connection from the Northwest Viet Nam through Northern Lao PDR and to Myanmar. He also expressed Viet Nam’s support and cooperation in the implementation of the Cross Border Transport Agreement (CBTA). (The Opening and Welcome Remarks is in **Appendix 3.**)

7. Mr. Pham Thanh Tung, the Forum Chair, in his opening opening remarks, said that he was glad to see old friends in GMS regional cooperation in the transport sector, which showcases the success of the overall GMS cooperation program. The achievements in the transport sector are very important since they serve as the foundation for the GMS economic corridors. He also cited the GMS CBTA as a critical instrument for transforming the transport corridors into genuine economic corridors. He noted that the STF has the important role of preparing the list of high priority projects that will serve to further enhance and to consolidate regional connectivity thus illustrating the success of the GMS regional cooperation program into the future.

8. Mr. Hideaki Iwasaki, Co-Chair, in his opening statement, noted that STF-18 represents another milestone in the history of the GMS, in that it aims to produce the main guide for cooperative undertakings in the GMS transport sector in the medium-term, in the form of the transport component of the IP for the GMS RIF. The GMS Ministers at their 19th GMS Ministerial Conference in December 2013 saw the need for a pragmatic, achievable, and dynamic IP to ensure that highest priority projects in the RIF pipeline are translated into reality. Together with the IP, they also mandated the development of a simple monitoring and evaluation (M&E) system. STF-18 aims to finalize the consolidated list of highest priority transport projects, which were a result of the consultations with the GMS countries’ transport focal agencies and officials in early 2014. The finalized consolidated list will in turn go into the overall multi-sector IP to be presented to the GMS Leaders in the 5th GMS Summit in December 2014. He then presented an outline of the other agenda items of the Forum, including developments and future steps in transport and trade facilitation, as well as in road

safety programs, which are important for increased regional connectivity; an initial review of the current GMS TSS; and the progress in an important area of cooperation, namely the establishment and operationalization of the GMRA. (The Co-chair's statement is in **Appendix 4**).

## **II. Session 1. Rationale and Process for the Preparation of the RIF-IP and the Proposed Monitoring and Evaluation System**

9. Mr. Nguyen Minh Cuong, Principal Regional Cooperation Specialist, Regional Cooperation and Operations Coordination Division of the Southeast Asia Department, ADB presented the captioned proposed system, the objective of which was to provide the background and context for one of the key outcomes of the Forum. i.e., the list of highest priority transport sector projects that will be included in the IP for the GMS RIF. First, he presented an overview of the RIF, and the significance and characteristics of the transport sector projects therein. Then, he explained the rationale and the preparation process for the IP, including the criteria used for the selection of projects to be included in it. He also explained the broad features of the proposed M&E system for the IP, noting that its purpose is mainly to monitor the progress of project implementation rather than evaluate project impacts. He then outlined the next steps with regard to the IP, including its endorsement by the 5th GMS Summit in December 2014. (The RIF IP presentation is in **Appendix 5**.)

### **Discussion:**

10. Participants raised the following observations and clarifications:

- Viet Nam expressed agreement with the criteria used for prioritizing and selecting projects for inclusion in the IP, and emphasized the need for an effective way to mobilize the large amount of resources required, particularly for the ports and railway projects.
- PRC sought clarification on the criterion “availability of financing”, if this means that even if we have identified a project as high priority but financing is not available, we could not be included in the IP. (Co-Chair clarified in later discussions that this is not the case, as such projects could still be considered for inclusion through future reviews of the IP.)
- The World Bank representative remarked that climate change impact can also be considered a selection criterion and emphasized the importance of mechanisms to attract private sector financing, for instance through public-private partnerships.
- Cambodia noted that in the planning process for the RIF, they had to conduct national consultations with various agencies, and suggested that ADB consider providing assistance for conducting national workshops for such purpose.
- Lao PDR raised the need to resolve cases where a bi-lateral connectivity project is rated as high priority by one country but rated low priority by the other; he cited as an example a proposed bridge project between Lao PDR and Myanmar, which is included in the former's list of priority projects proposed for inclusion in the RIF Implementation but not in the latter's list; other similar cases are a bridge between Lao PDR and Cambodia, and another bridge between Lao PDR and Thailand.
- Co-Chair suggested that such issues be addressed in the following session, in which individual projects in countries' proposed lists for inclusion in the IP will be discussed and considered.

**III. Session 2. Presentation of the Preliminary Set of Transport Projects for Inclusion in the RIF Implementation Plan;  
and  
Session 3. Summary of Session 2**

11. The GMS delegations presented their respective countries' proposed lists of highest priority transport projects proposed for inclusion in the RIF IP, by the following participants: (i) Mr. Vasim Sorya, Director General, Planning and Administration, Ministry of Public Works and Transport, Cambodia; (ii) Ms. Zhang Hongbin, Advisor, Department of International Cooperation, Ministry of Transport, PRC; (iii) Mr. Math Sounmala, Director General, Department of Planning and Cooperation, Ministry of Public Works and Transport, Lao PDR; (iv) U Sann Aung, Director General, Transport planning Department, Ministry of Rail Transportation, Myanmar; (v) Mrs. Parichat Kotcharat, Inspector General, Ministry of Transport, Thailand; and (vi) Mr. Nguyen Van Thach, Deputy Director General, International Cooperation Department, Ministry of Transport, Viet Nam. The presentations were based on the latest list of priority projects selected from the RIF that resulted from the joint assessments and consultations with the countries' transport officials. The resulting list would follow the discussions in this session will intended to be the list of transport projects for inclusion in the draft IP to be presented to the GMS Leaders in their Summit in December 2014. (The GMS delegations' respective country presentations are in **Appendices 6-A to 6-F**).

**Discussion:**

12. In starting the discussion on the presentations, Co-Chair noted that the purpose of the two sessions is to be able to produce a consolidated list of highest priority projects based on the lists presented by each country and on the results of the discussions in the Forum. In preparing the list, the issues to be addressed include (i) availability of budget or financing; (ii) reconciling differing priorities between countries regarding the same or linked projects; and (iii) trying to ensure that the consolidated list represents the countries' collective priorities in transport sector in the context of the subregion.

13. On the bi-lateral projects with differing country priorities, the following were discussed and resolved:

- a. Selamphao Bridge, at the end of NR14A between Lao PDR and Cambodia, with connecting roads – Cambodia stated that it did not include the project in its list because the funding assistance being sought from the PRC is not yet firm; originally, local budget financing was being contemplated for the bridge, but when it was decided that financing assistance would be sought from the PRC, the road connecting to Siem Reap was added. Lao PDR, on the other hand, initially included it in their list of high priority (“Yes”) projects, but said that since needs time to confirm the financing assistance from the PRC (perhaps 2 years), the project can be transferred to the non-priority (“No”) list in the meantime. **It was finally agreed that the project would be included in the “No” list.**
- b. Paksan-Bungkan bridge between Lao PDR and Thailand – Lao PDR said the project was included in their “Yes” list because it has long been agreed upon between the two countries in their joint committee. Thailand did not include it in their original “Yes” list because the feasibility study for the project has not been completed and no budget has been allocated for it yet. However, after bilateral discussions at the sidelines of the Forum, **Lao PDR and Thailand agreed to include the project in**

- both their “Yes” lists, but with a note**, as follows: “Included on a tentative basis, and subject to the availability of budget for the THA part, indicatively 50% of the project financing (for the Lao PDR part, the Government of Lao PDR is considering seeking financing from the Thai Government's NEDA)”. **The estimated cost for the project was also changed to "To be Determined" (TBD).**
- c. Lao Myanmar Friendship Bridge over the Mekong River at Xiengkok-Kainglap – This project was originally included only in the Lao PDR’s “Yes” list, but not in Myanmar’s. However, after bilateral discussions between the two countries, **it was agreed that it would be included in each country’s “Yes” list.**
14. On additional projects not in the original country “Yes” list but in the RIF pipeline or “long list”, the following were discussed and resolved:
- a. Vientiane-Boten Railway – Lao PDR transferred this from its original “No” list to its “Yes” list. Lao PDR noted that although financing assistance being sought from PRC, this project is high priority and that the proposed railway is a link to the Kunming-Mohan railway in the PRC. **It was agreed that the project would be included in Lao PDR’s “Yes” list.**
- b. GMS Transport Corridor Maintenance Project – Viet Nam commented that the GMS countries have increasingly recognized the need to focus greater attention to the important issue of road asset maintenance. This project should, therefore, be considered as high priority. Given, however, that there are still other pending issues regarding road asset maintenance, **the Forum decided to include this, in the meantime, in the “No” list.**
15. The following proposed additional “Yes” project by Viet Nam, which is neither in the original country “Yes” list nor in the RIF pipeline or “long list”, was discussed and resolved:
- Northern East-West Corridor: Son La - Dien Bien - Tay Trang Border Gate (Viet Nam and Lao PDR) section, to connect with the RIF-listed Luang Namtha (Lao PDR) to the Friendship Bridge (Lao PDR/Myanmar) at Xiengkok-Kainglap – Viet Nam stated that they consider this a top priority project, as it will connect to two other GMS countries (Lao PDR and Myanmar) and also forms part of the [Association of Southeast Asian Nations](#) (ASEAN) Highway network. Moreover, the World Bank has indicated its interest to finance the project, and some parts of the road are already under construction. Co-Chair maintained that as a general rule, a project can only be selected for inclusion in the “Yes” list, i.e., in the RIF IP, if it is included in the RIF “long list”. If a new project is identified as priority for inclusion in the IP, it will have to be first included in the RIF, which will be subject to periodic review and revision as a “living” framework. **The Forum finally decided that this particular project can be included in Viet Nam’s “Yes” list, with the justification that it forms a natural extension to projects in Lao PDR and Myanmar that are already included in the RIF.**
16. The Forum discussed other related issues, as follows:
- a. PRC inquired whether the Myanmar projects include only those to be financed by ADB; there might be a need for more connectivity projects between Myanmar and other GMS countries given Myanmar’s policy of greater openness and integration

with its neighbors. Co-Chair said that Myanmar's prioritization of projects included those that will be financed from other sources, and further noted that of the three projects in Myanmar's "Yes" list only one is being financed by ADB.

- b. The participants also inquired regarding the mechanism for reviewing and revising the IP and the RIF, given its importance in ensuring sufficient flexibility in the prioritization of projects for implementation in line with changing circumstances.
- PRC commented, for instance, that if the IP will be endorsed by the Summit, then changes to it would also have to be approved by the Summit, which takes place only every three years.
  - Mr. Cuong, in further clarifying his presentation on the M&E system in Session 1, said that what will be presented at the 5th GMS Summit in December 2014 will be both the IP and a proposed mechanism for regularly reviewing the IP, as well as the RIF. A possible review process is for the RIF to be reviewed and revised, as necessary, at the annual Ministerial Conference after going through the normal hierarchy of the Sector Working Groups/Forums and the Summit of Ministers (SOM). The IP, on the other hand can be reviewed and changes to it proposed at the Sector Working Groups/Forums and it can then go to the SOM for finalization and adoption.
  - It was also discussed whether only the "Yes" list will be presented to the Summit or both the "Yes" and the "No" lists will be presented. Co-Chair noted that the IP ("Yes" list) is being drawn up to increase the probability of and monitor progress in the next 3–5 years. However, it does not mean that projects not included in IP now are dropped, as they would still have the chance of being included in the future through a regular review process.
  - After a thorough discussion of the issues, the Forum decided the following:
    - i. The IP (the "Yes" list as agreed upon by STF-18) will be **reported** to the 5th GMS Summit; the "No" list will no longer be reported, but with the understanding that the projects in the list can be considered for inclusion in subsequent reviews of the IP.
    - ii. Together with the IP, a mechanism for the regular review and revision (as necessary) of the IP, as well as of the RIF, will be presented for approval/endorsement of the 5th GMS Summit.
    - iii. The Secretariat will circulate by end-August to the STF-member countries the proposed M&E system/mechanism for the regular review of the IP and the RIF prior to its finalization by the SOM in October.

17. After the foregoing discussions, including the bilateral discussions between the concerned countries at the sidelines of the Forum, the STF agreed that the consolidated list of priority ("Yes") projects for inclusion in the RIF-IP should be finalized upon the submission of a further reviewed and revised list to the GMS Secretariat by the concerned countries after this Forum. [The consolidated "Yes" list of projects resulting from discussions at the STF-18 Forum (subject to further review by the countries and eventual finalization) is attached as **Appendix 7**. The list of projects classified in the meantime as non-priority ("No" list) is also attached for information of STF members as **Appendix 8**.]

#### **IV. Session 4. Transport and Trade Facilitation (TTF)**

18. Mr. Cuong gave a presentation on the experience and plans in transport and trade facilitation in the GMS. His presentation included a brief on the key elements of and the progress and achievements under the GMS CBTA, as well as the context and feature of the GMS TTF Action Program, including its midterm review and broad directions for future TTF activities. (The TTF presentation is in **Appendix 9**.)

##### **Discussion:**

19. PRC noted that the GMS TTF experience and plans will also be presented and discussed at the upcoming 6th Economic Corridors Forum (ECF-6) in August 2014, but that ECF matters are being handled by another ministry and not by MOT. Mr. Cuong informed that these matters were also discussed in a TTF workshop held in Manila in early July 2014 and attended by various concerned ministries of the GMS countries; he explained, moreover, that although TTF matters will be presented to the ECF, this will be only for information and that the ECF-6's focus will be on the review of the ECF and its future directions.

20. Cambodia noted that the review of the progress of TTF in the GMS has been or will be discussed in a number of forums, such as one recent workshop in Manila and in the upcoming ECF-6. He suggested that what ADB may need to continue facilitating discussions, as the initiator of the CBTA, is to convene the National Transport Facilitation Committees, which have the responsibility for implementing the CBTA. He also remarked that the Customs Transit System (CTS) under the CBTA is different from that under ASEAN; whereas the latter is implemented by customs officials, while the former is implemented by many agencies and not just by customs. He noted, however, that the CTS under the CBTA has not yet been implemented as it still awaits the full ratification of the annexes and protocols by all the participating countries. He further commented that GMS TTF initiatives are not anchored in or just a subset of ASEAN initiatives.

21. The Co-Chair remarked that although TTF developments are being presented for information of the STF, this is not the proper forum to discuss TTF issues.

22. The PRC informed the Forum that there was a request made at the Fourth CBTA Joint Committee Meeting (JCM-4) in November 2013 to have the subcommittees of the Joint Committee to meet back-to-back with the STF-18 this year, and inquired as to how this request is being addressed by ADB. Mr. Cuong replied that he would inquire with the ADB staff involved in JCM matters. (On the second day of STF-18, he informed the Forum that such back-to-back meetings are being planned for 2015.)

#### **V. Session 5. Recent Developments on Road Safety in the Region**

23. Mr. Shiharu Date, Senior Transport Specialist, SETC, ADB, made two presentations on ASEAN Road Safety Initiatives and on Community Based Rural Road Safety in Cambodia. The first presentation outlined the regional technical assistance of ASEAN Road Safety Initiatives that ADB has been implementing since 2012. These initiatives have been through workshops and other educational and capacity building activities for the recipient of ASEAN countries. The second presentation provided some facts and statistics on rural road safety situation in Cambodia, the basic concepts and elements of the community based rural road safety program in Cambodia, and a set of proposed next steps. The program is structured around the so-called "3Es" of road safety, namely engineering (road design, signs, etc.), education (the basic idea of

having the community protecting themselves), and enforcement. (The Communiyt-Based Rural Road Safety presentation is in **Appendix 10.**)

**Discussion:**

24. Cambodia informed the Forum about the ASEAN Action Plan for Road Safety, which was adopted in 2006 but which was not followed by any updated successor plan. He then raised certain specific issues: (i) with regard to fact that about 80% of the crashes in Cambodia involve motorcycles, he note that this is largely due to the prevailing perception among the people that motorcycles are just lie bicycles, which even children can drive; (ii) there have been increases in road crashes in large part due to inadequate experience of drivers of motorcycles, heavy trucks and cars; (iii) the limited availability of public transport forces people to use motorcycles for transporting students to school, with even young students driving motorcycles without a proper driving license. Further, he suggested that ADB consider providing another TA or loan for promoting road safety.

25. Mr. Date explained that since 2008 ADB, with other development partners, have financed or in the ongoing projects about \$5 million of road safety initiatives. He also noted that the Cambodia's transport ministry has a key means for managing and helping reduce crashes since it has the authority over issuing driving licences based on proper education standards required. Cambodia, however, remarked that the transport ministry does not have enough resources to oversee and monitor a sector, which now number over two million drivers.

**VI. Session 6. Progress Report on the Establishment of the Greater Mekong Railway Association (GMRA)**

26. Mr. James Leather, Principal Transport Specialist, SETC, ADB, presented an update on the GMRA. His presentation included the background and milestones toward the establishment of the GMRA from the initiation of its concept up to the signing of the MOU by four countries at the 19th GMS Ministerial Conference in December 2013 (and the expected signing by Viet Nam at the upcoming ECF-6 in Ha Noi in August 2014), and by Thailand within 2014; the goals and priority actions of the GMRA; updates on the activities under the technical assistance being provided by ADB for the establishment of a Secretariat and support for its first two year's operations; and next steps and timetable. (The GMRA presentation is in **Appendix 11.**)

**Discussion:**

27. The participants gave the following comments and information:

- DFAT mentioned their involvement in the railway sector in Cambodia and said that they would continue to monitor the social impact of railways.
- Viet Nam highlighted the importance of the proposed construction of the missing rail link between Ho Chi Minh City and Phnom Penh, and emphasized that if the project is not given priority, it would be difficult the target completion. Cambodia supported Viet Nam's statement.
- Mr. Leather remarked that the target of having a rail link among GMS countries by the year 2020 may be too optimistic. He said that achieving this would depend on significant work in clearly identifying projects, packaging them well, and mobilizing funding.



## **VII. Session 7. Review and Evaluation of the GMS Transport Sector Strategy (TSS) 2006–2015**

28. Mr. Robert Anderson, consultant for the review of the GMS Transport Sector Strategy (TSS, 2006–2015), presented the key findings of the review. He explained that what was done was an initial review of the TSS at the broad strategic level, prior to a full and detailed review that would be undertaken in the future. The initial review also includes a suggested scope, approach and requirements for the full review. The initial review involved the assessment of the TSS's strategic thrusts vis-à-vis the general criteria of relevance, effectiveness, efficiency, sustainability, and development impact. (The TSS presentation is in **Appendix 12.**)

### **Discussion:**

29. The countries expressed appreciation for ADB's initiative to conduct an initial review of the TSS, and general agreement with the finding that, on the whole, the TSS has been at least partly successful or at most highly successful with regard to its overarching goals.

30. PRC inquired why the first goal regarding completing the corridors was rated highly successful when there still some missing links and major gaps in some of the corridors. Mr. Anderson explained that the assessment focused on the progress only of the 36 projects listed in the TSS, and not the totality of all the corridors' sections. Relatedly, PRC commented that, given that there are still major gaps in connectivity, it may not yet be appropriate to focus on road maintenance as recommended for the next phase of the transport strategy. Chair remarked, however, that maintenance is really also an important issue, and based on ADB's dialogue with countries, there are still serious difficulties in attaining adequate maintenance of transport assets.

31. Cambodia commented, with regards to the goals of moving toward open market for transport services and promoting multi-modalism, that the focus has so far largely been on roads with limited projects in rail and air, which are also important to achieve full connectivity. Mr. Anderson confirmed that under the TSS, about 70% of projects are in the roads subsector, but explained that under the RIF there is greater balance among the subsectors (and in fact, railway projects dominate the pipeline of future projects in terms of estimated cost). Co-Chair added that under the Sustainable Transport Initiative of ADB (since 2010), there are efforts focused to shift to modes other than roads. However, there is also recognition that the development of railways is more difficult and there is need for more intensive studies.

32. Viet Nam and Cambodia also noted that there has been limited progress in the implementation of the CBTA, although there has been some progress in the establishment of bilateral and trilateral agreements between countries. They, therefore, agreed with the recommendation to pay greater attention to software development and implementation.

33. Lao PDR stated that transport is very important for their overall development and, therefore, they focus emphasis on improving connections with other countries. With regard to the CBTA, a full review and assessment involving all concerned parties is needed in order to agree on effective ways to accelerate its implementation.

34. PRC suggested that given the importance of the review of the TSS and the achievements under it, this review report should be shared not just with transport sector officials but also with a wider audience, including the countries' Ministers and Leaders at the Ministerial Conferences and the Summit. Co-Chair agreed that it will be useful to share the review with

Ministers and Leaders, but this should not present only the achievements but also a candid presentatio of difficulties met and the goals that have not been achieved.

35. The Forum agreed that the draft report on the Initial Review of the TSS would be circulated to the STF country delegations for their comments, in addition to the comments already given during the discussions at STF-18. A final draft of the report is targeted for presentation and review by the SOM expected to be held in late September or early October, with the intention of finalizing the report, which will be among the deliverables to be presented to the 5th GMS Leaders' Summit to be held in December 2014.

### **VIII. Session 8: Statements/Updates from Development Partners**

36. Mr. Andrew Shepherd, First Secretary, DFAT-Ha Noi, informed the Forum that the Australian government recently launched its new aid policy, under which aid will be delivered based on the priority areas for assistance. Among these areas are infrastructure and trade facilitation. The latter comes under the Aid for Trade Program, which is expected to grow from about 13% to 20% in terms of total budget by 2020. A number of issues is considered in the provision of assistance, including maximizing development impact, leveraging funds, filling financing gaps, and opportunities for engaging the private sector. Australian aid is all in the form of grant financing and focuses on activities that have high social returns, even if economic returns are low. Moreover, Australia focuses close attention on project risks, as well as on social and environmental safeguards.

37. Mr. François Carcel, AFD, said that AFD is present in all the GMS countries through their local resident missions. The STF is very important to AFD since transport is part of its global strategy, and it has substantial involvement in transport projects in Viet Nam, as well as in the rest of the region. AFD provides sovereign loans, and more recently, also non-sovereign loans to entities that do not need government guarantees. AFD is also closely involved in financing projects that help protect the environment and have a positive effect with regard to climate change. Although AFD has limited financing resources, it is providing assistance not only to transport but also to other sectors as well, such as urban and rural development. Among the key projects that it has assisted is the Yen Vien-Lao Cai project in Viet Nam, which is expected to be completed in 2015, and AFD plans to have a second phase, which covers the Lao Cai-Hekou link.

38. Mr. Masatomo Toyoda, JICA-HCMC, made a presentation on JICA's assistance to the GMS subregion. He noted that, essentially, JICA is a bilateral donor agency and works bilaterally with individual countries on their priority projects. However, they also try to ensure that their operations are harmonized and consistent with the overall regional priorities and interests. (The JICA presentation is in **Appendix 13**.)

### **IX. Other Matters**

39. In line with the tradition of rotating the venue of the STF among the GMS members according to the alphabetical order of country names, the Cambodia delegation assured that they be pleased to host the Nineteenth Meeting of the GMS Subregional Transport Forum (STF-19) in 2015, although the specific city, time and venue would be determined at a later date.

### **X. Wrap up and Closing**

40. As requested by the Chair, the Co-Chair gave some wrap up points, as follows:

- The Forum has achieved its key objective of agreeing on a list of high priority projects proposed for inclusion in the RIF IP to be reported to the 5th GMS Summit.
- The Secretariat acknowledges the assignment of providing the STF members the mechanism for the review and adjustment of the IP and the RIF prior to its finalization by the GMS SOM–5th Summit Task Force Meeting in October 2014.
- The Forum recognized the remaining significant challenges in the implementation of the CBTA and other TTF measures, and the need to accelerate progress in this area.
- The Forum also recognized road safety as an important element of transport development and the need to address the core issues to be addressed in this regard.
- The Forum was apprised on the progress toward the establishment of the GMRA, and the discussion showed the countries' increasing interest in railways as an effective, efficient, and environment-friendly transport mode, but also with the recognition of the difficulties to be faced in its development.
- The Forum also discussed the findings of the initial review of the TSS and appreciated the many crosscutting issues that need to be addressed in the transport sector, such as the crucial need for efficiently functioning software, for adequate transport asset maintenance, and continued development of connectivity infrastructure. The findings, regarding both achievements and challenges, should be shared with a wider audience. It was also agreed that countries will provide their further comments on the review.
- A last item that needed recognition is the need to consider climate change issues in transport sector activities.

41. The Chair expressed satisfaction for the Forum's success and thanked the participants for their active participation and significant contributions. Wishing everyone a useful and pleasant field visit in the afternoon to the Moc Bai-Bavet border facilities between Viet Nam and Cambodia, he then formally closed the Forum.