

The logo for the Asian Development Bank (ADB), consisting of the letters "ADB" in white serif font on a dark blue square background.

GMS Program: Recent Developments and Linkages

Pinsuda Alexander
Economist (Regional Cooperation)
SERC, ADB

SECOND MEETING

GMS Urban Development
Working Group

4–5 July 2018 • Manila, Philippines

Outline of Presentation

1. Recent Developments in the GMS Program
Outcomes of the 6th GMS Leaders' Summit – GMS Leaders' Directives, GMS Ha Noi Action Plan, and Regional Investment Framework 2022 and developments across other sectors
2. Updating and Progress Reporting of GMS Regional Investment Framework
Urban Development and Other Multisector and BEZ projects
3. Discussions of RIF Project Progress/Updates

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Recent Developments in the GMS Program

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6th GMS Leaders' Summit



- 30-31 March, Ha Noi, Viet Nam
- GMS Summit and related events:
 - Closed door retreat
 - Summit Plenary
 - CLV Summit
 - GMS Business Summit
- Outcomes
 - Joint Summit Declaration
 - Adopted Ha Noi Action Plan (2018-2022)
 - Adopted Regional Investment Framework 2022

Ha Noi Action Plan (HAP) 2018-2022

sets refined strategic directions and operational priorities in the remaining 5 years of the GMS Strategic Framework 2012-2022

Regional Investment Framework (RIF) 2022

A “living” pipeline of 227 projects worth \$66 billion to support the HAP

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GMS Leaders' Joint Summit Declaration

“A sustainable GMS will be regionally integrated and globally connected.”

- GMS Leaders recognized the achievements of the GMS Program in its first 25 years
- GMS Leaders adopted the Ha Noi Action Plan and Regional Investment Framework to guide the medium directions and project pipeline of the GMS Program for 2018-2022
- Leaders directed the GMS Ministers and Senior Officials to begin considering the long term vision for the GMS beyond 2022
- Leaders affirmed commitment to the Sustainable Development Goals and Paris Agreement on Climate Change
- Leaders encouraged greater cooperation for trade promotion activities, including acceleration of development of economic corridors and cross-border trade infrastructure, and improving trade-management capacity.

<http://greatermekong.org/joint-summit-declaration-6th-gms-summit-leaders>

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Advances in Connectivity- Transport

Tsubasa Bridge –along SEC



Lao-Myanmar Friendship Bridge at Xiengkok-Kainglap



2nd Tha-Mya Friendship Bridge – along EWEC



China-Vietnam second road bridge over Beilun River

Advances in Connectivity- Transport

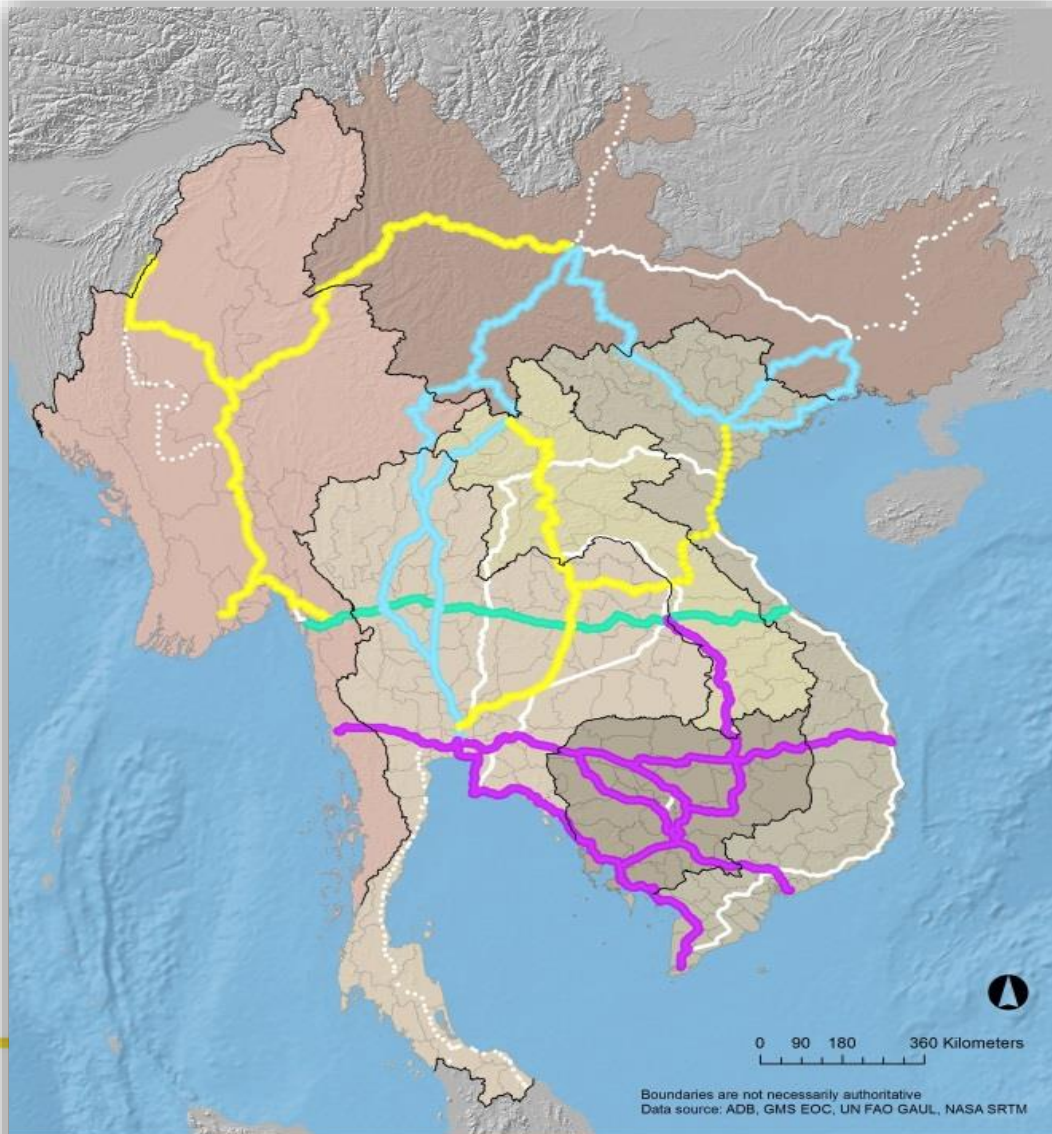
Highway Expansion project
in Thailand – along EWEC &
SEC

China-Thailand Railway
(Bangkok-Kele)

Poipet–Klong Loek
Railway Bridge (Thailand
side)



Advances in Connectivity- Economic Corridors



Expanded GMS Economic Corridor Network

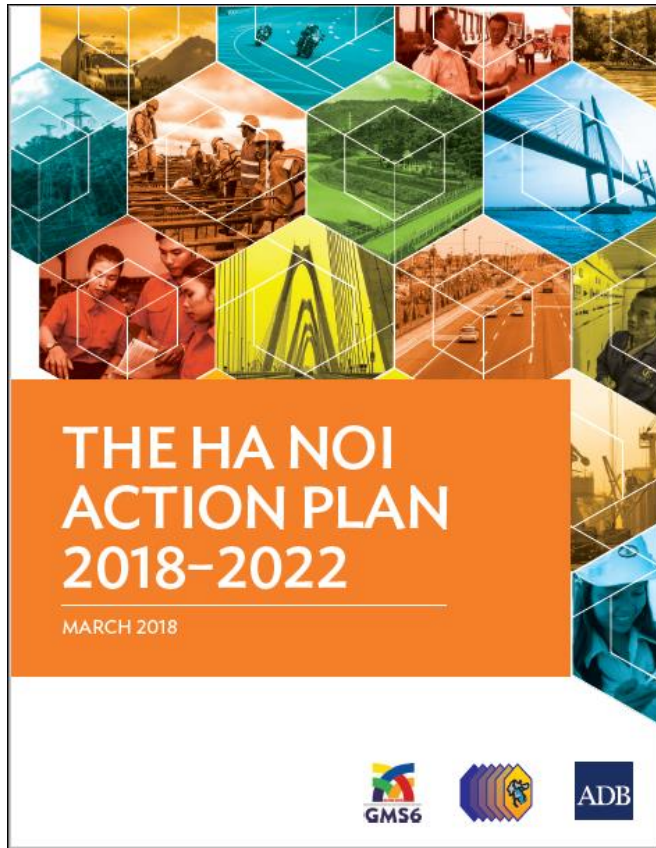
Economic Corridors
of the Greater Mekong Subregion
(Draft 14 March 2016)

GMS Economic Corridors
East-West Economic Corridor
North-South Economic Corridor
Southern Economic Corridor
East-West Economic Corridor

— Current transport corridor
..... Potential extension



Ha Noi Action Plan (HAP) 2018-2022



- Provides directions and operational focus to the GMS programs and guides the identification of projects
- Key elements are:
 - spatial strategy focused on economic corridors
 - refinements in sector strategies and priorities
 - improvements in planning, programming, and
 - monitoring systems and processes
 - enhancements in institutional arrangements and partnerships

<http://www.greatermekong.org/ha-noi-action-plan-2018-2022>

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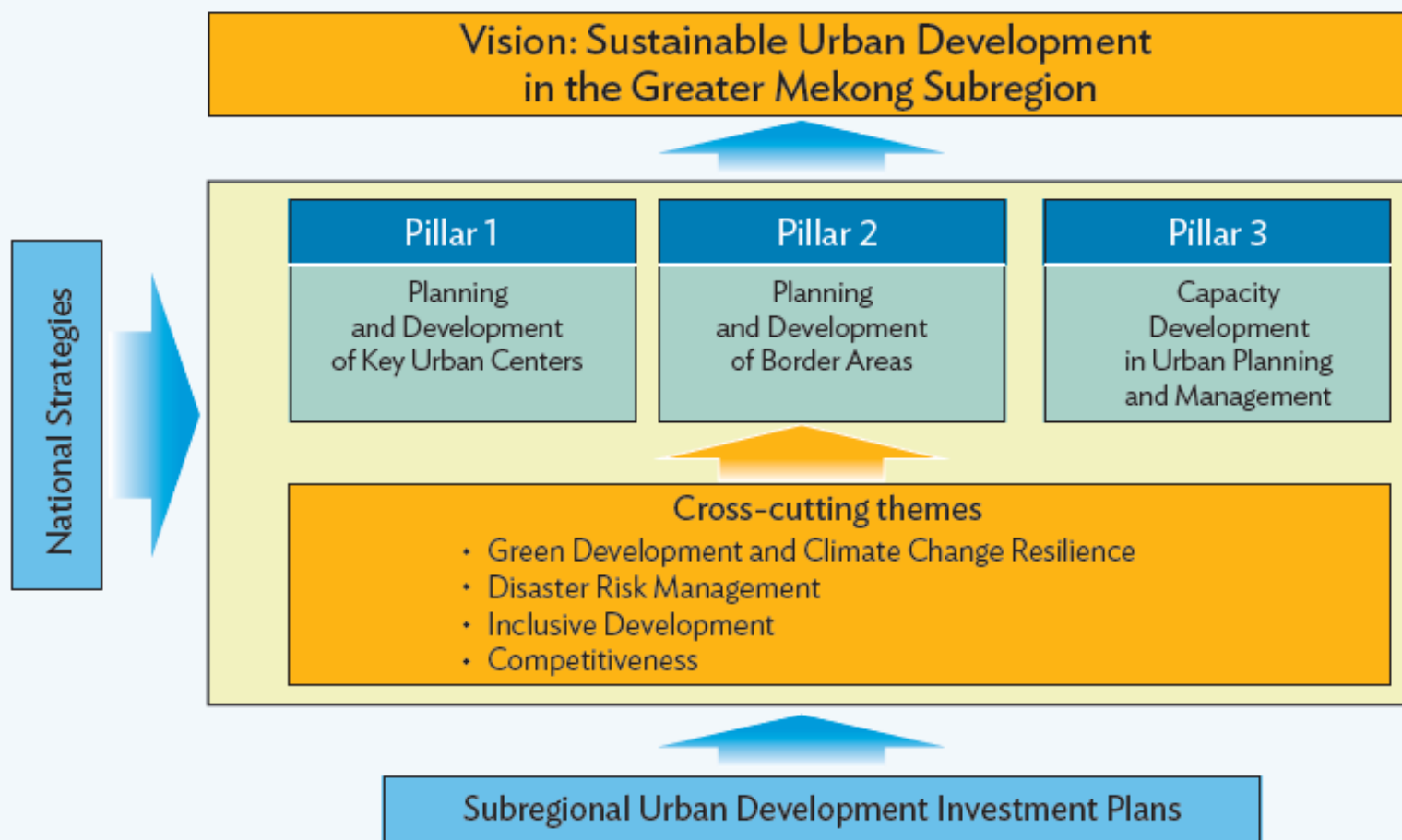
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Sector Strategies and Priorities- Urban Dev't. & Other Multisector and BEZs

Figure 4: Key Features of the Urban Development Strategic Framework



Source: Based on ADB. 2015. *GMS Urban Development Strategic Framework, 2015–2022*. Manila

Sector Strategies and Priorities- Urban Dev't. & Other Multisector and BEZs

Sector Operational Priorities	Key Actions
<ul style="list-style-type: none">Plan and develop key urban centers and border areas using holistic and regional approaches and focusing on urban systems as part of spatial planning for economic corridors	<ul style="list-style-type: none">Identify key urban centers along GMS corridors and urban systemsDevelop multisector spatial plans for high-priority urban areasProvide and upgrade infrastructure in GMS corridor towns and in other key urban areasIdentify or update key border areas and priority border points based on reconfigured GMS economic corridorsPrepare multisector spatial plans for priority border areasDevelop border zones

<http://www.greatermekong.org/ha-noi-action-plan-2018-2022>

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Sector Strategies and Priorities- Urban Dev't. & Other Multisector and BEZs

Sector Operational Priorities	Key Actions
<ul style="list-style-type: none"> • Develop capacities in urban planning and management 	<ul style="list-style-type: none"> • Undertake capacity improvements in urban planning and management • Prepare national and subnational spatial strategies and development plans • Establish multilevel institutional framework for coordination, planning and implementation at the subregional level • Improve institutional coordination at the national level • Establish mechanisms for improved synergies with other GMS sector working groups and forums • Promote knowledge sharing to collaboratively explore subregional approaches in sustainable urban development (e.g., peer-to-peer technical exchanges) • Develop data sources that can be used for identifying characteristics and potentials of economic areas of cities and towns along and off-corridors

<http://www.greatermekong.org/ha-noi-action-plan-2018-2022>

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GMS Leaders' Statements on Urban Development and Border Area Development

- Proposed initiative on urbanization and smart cities: emphasizes economic corridor development, spatial planning, and cross-border special economic zones in key potential corridors and border cities of the GMS through urban infrastructure development, technical systems for urban management, modern infrastructure links for both soft and hard, connectivity via the Internet of things, and state-of-the-art digital systems (*Prime Minister Hun Sen, Cambodia, 6th Summit Retreat*)
- Support for the establishment of cross-border special economic zones, and urban development along economic corridors (*Prime Minister Nguyen Xuan Phuc, Viet Nam, 6th Summit Plenary*)
- GMS member countries link their special economic zones to open the way for our sub-region to become part of the ASEAN, Asian, and global value chains, based on the “3Ms” principle of Mutual Trust, Mutual Respect, and Mutual Benefit (*Prime Minister Prayut Chan-o-cha, Thailand, 6th Summit Plenary*)

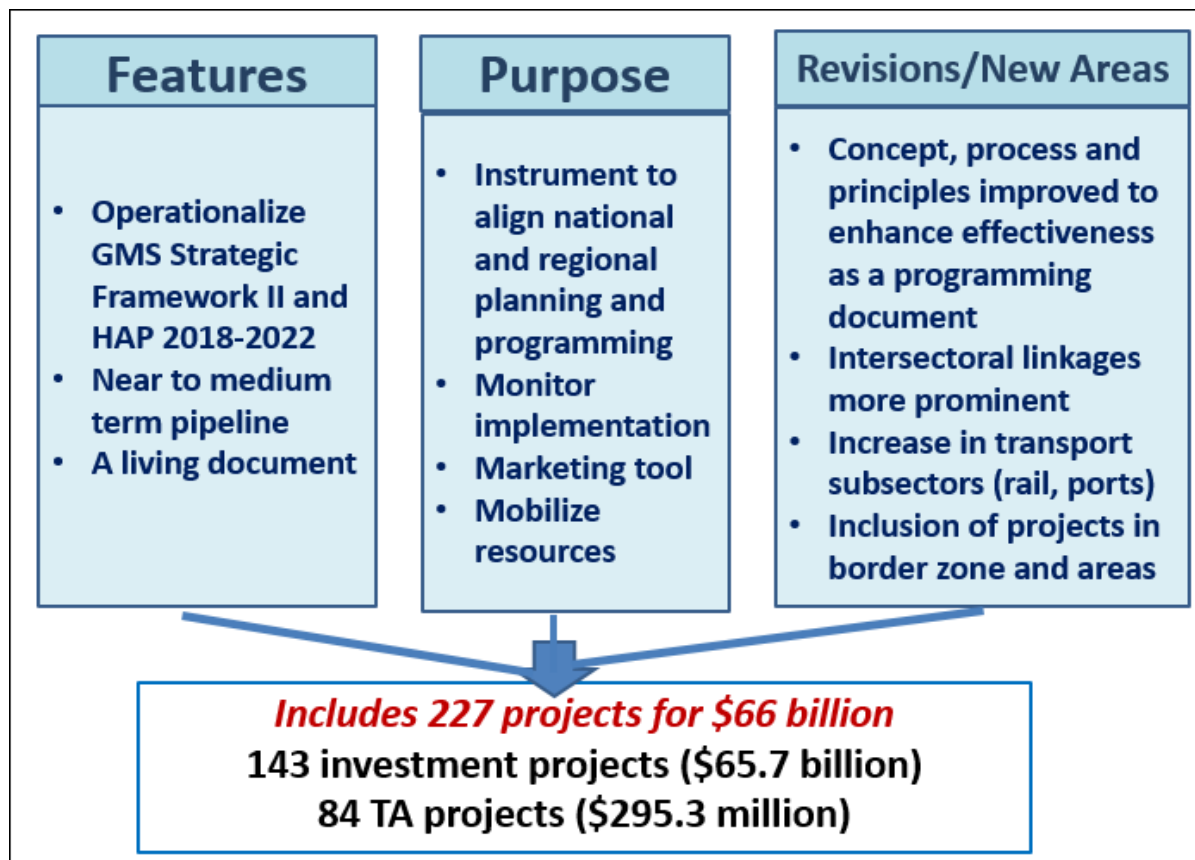
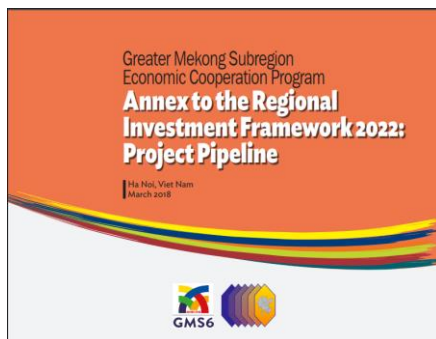
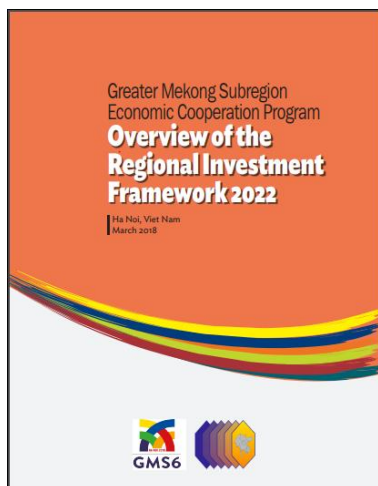
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Regional Investment Framework (RIF) 2022



<https://greatermekong.org/gms-regional-investment-framework-2022>

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RIF 2022 Overview

COMPOSITION

- Comprises 227 investment and technical assistance projects that require \$66 billion in estimated financing and are expected to commence by 2022.

Regional Investment Framework 2022 Summary by Sector

Sector	Number of Projects			Cost Estimates (\$ million)		
	Investment	TA	Total	Investment	TA	Total
Transport	85	12	97	55,753.0	10.4	55,763.4
Energy	11	8	19	2,230.1	14.5	2,244.6
Agriculture	9	10	19	1,695.2	95.8	1,791.0
Environment	3	4	7	560.0	13.3	573.3
Health and Other HRD	4	7	11	702.2	21.5	723.7
Urban Development	7	6	13	1,147.1	9.7	1,156.8
Others/BEZ	6	6	12	2,084.9	8.0	2,092.9
Tourism	12	17	29	1,430.0	83.2	1,513.2
TTF	3	9	12	91.3	16.6	107.9
ICT	3	5	8	28.0	22.3	50.3
Total	143	84	227	65,721.8	295.3	66,017.1

Updating and Progress Reporting of GMS RIF 2022

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GMS RIF 2022 Business Process for Progress Updates and Adding/Dropping of Projects

Q1

The ADB GMS Secretariat initiates report preparation by advising ADB sector divisions and **GMS national coordinators (NCs)** to communicate with country sector agency focal points.

Latest Regional Investment Framework (RIF) publication is disseminated for use and reference during budget and development programming cycle.

ADB's sector divisions interact with country sector strategy focal points through GMS working groups and forums to

- receive and compile the completed and agreed sector reports, and
- submit the sector reports to ADB GMS Secretariat for collation.

GMS NCs collaborate with line ministries for progress and proposed projects.

Q2 –Q3

Q3

ADB GMS secretariat

- assembles reports for each country and sector into the consolidated Regional Investment Framework status report;
- distributes the status report to the countries' GMS NCs, sector agencies, and ADB's sector divisions;
- distributes the status report to interested development partners;
- uploads the status report to ADB GMS website; and
- includes the status report in the documentation for a subsequent GMS event—senior officials meeting, ministerial meeting, or summit.

- RIF progress report is revised to annual report.
- GMS national coordinators play a key role in collaboration with line ministries and in projected investment pipelines.
- RIF 2022 report discussions are to better align with GMS working groups and forums.
- Final RIF 2022 reports are to be disseminated as reference for development and budget planning cycles.

Note: Revisions to business process are in red font.

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Progress Report Formats- Ongoing Projects

Table A- Projects in RIF 2022

No.	(1) Project Title	(2) Country Coverage	(3) Description <i>(Please indicate if there are changes in the project description/specifications)</i>	(4) Year of Approval	(5) Cost Estimate (\$ million)		(6) Potential Funding Source and Amount (\$ million)		(7) Status Updates <i>Please indicate progress/changes in project development status or implementation. (Refer to Guide for Accomplishing the Progress Report table.)</i>	(8) Key locations and GMS Economic Corridor Alignment	(9) Expected/Planned Measurable Outputs	(10) Project Contact
					Original	Updated (if any)	Original	Updates (if any)				
1	Lao PDR-Viet Nam Power Transmission Interconnection II	Lao People's Democratic Republic (Lao PDR), Viet Nam	This project will (i) construct a 59-kilometer (km), 500-kilovolt (kV) transmission line and a 230 kV/500 kV substation in <u>Hatxan</u> , Lao PDR; and (ii) will construct a 94 km, 500 kV transmission line and expand the existing 220 kV/500 kV substation in <u>Pleiky</u> , Viet Nam. The project will enable the transmission of 3,157 gigawatt-hours/year of electricity, to be produced by eight small hydropower plants (with a total capacity of 1,013 megawatts [MW]) in southern Lao PDR, to be developed by independent power producers.	2019	120.0		World Bank—40.0 <u>Cofinancing</u> (TBD)—80.0					

New Columns:

- ✓ (8) Key locations and GMS Economic Corridor Development
- ✓ (9) Expected/Planned Measurable Outputs
- ✓ (10) Project Contact

Progress Report Formats- Proposed Projects

Table B- New Projects for inclusion in RIF 2022

(1) No.	(2) Project Title	(3) Subsector	(4) Description	(5) Year of Approval	(6) Cost Estimate (\$ million)	(7) Potential Funding Source and Amount (\$ million)	(8) Justifications		(9) Key locations and GMS Economic Corridor Alignment	(10) Expected/Planned Measurable Outputs	(11) Project Contact
							(a) Strategic thrust/operational priority in HAP and/or relevant sector strategy supported (Refer to Annex I)	(b) Other Justifications			

New Columns:

- ✓ (7) Justifications: HAP Strategic Thrust or Operational Priorities supported
- ✓ (8) Key locations and GMS Corridor Alignment
- ✓ (9) Expected/Planned Measurable Outputs
- ✓ (10) Project Contact

RIF 2022 Project Selection Criteria

- Has **strong subregional development benefits and impacts** and consistent with GMS Strategic Framework 2012-2022, HAP 2018-2022, and sector strategies
- Aligned with **national priorities & sector operational priorities**
- Will **commence on or before 31 December 2022** but within 2013-2022 period
- Projects involving multiple countries should be discussed bilaterally

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GMS RIF 2022- Urban Development

PROGRESS REPORT ON URBAN DEVELOPMENT PROJECTS IN THE GMS REGIONAL INVESTMENT FRAMEWORK (RIF) 2022

As of _____

Table A. PROJECTS IN ORIGINAL RIF 2022 LIST

I. Investment Projects

(1) No.	(2) Project Title	(3) Country Coverage	(4) Description (Please indicate if there are changes in the project description/specifications)	(5) Year of Approval	(6) Cost Estimate (\$ million)		(7) Potential Funding Source and Amount (\$ million)		(8) Status Updates Please indicate progress/changes in project development status or implementation. (Refer to Guide for Accomplishing the Progress Report table.)	(9) Key locations and GMS Economic Corridor Alignment	(10) Expected/Planned Measurable Outputs	(11) Project Contact
					Original	Updated (if any)	Original	Updates (if any)				
1	Corridor Towns Development Project II	Cambodia, Lao PDR, Viet Nam	The Second Greater Mekong Subregion (GMS) Corridor Towns Development Project is being implemented in seven towns in Cambodia, the Lao People's Democratic Republic (Lao PDR), and Viet Nam. The project has been in operation since 2016 and is slated to end in 2022. It includes livelihood support, development of climate resilience, and institutional capacity building in public investment management. The expected impact of the project will be the transformation of the towns into centers of activity in the GMS economic corridors. The outcome will be improved urban infrastructure that supports economic linkages, strengthens the green-growth potential of participating GMS towns and corridors, and enhances the climate resilience of those towns and corridors.	2016	211.8		Asian Development Bank (ADB)—170.0 Governments of Cambodia, the Lao PDR, and Viet Nam—31.8 Association of Southeast Asian Nations (ASEAN) Infrastructure Fund—10.0		Ongoing.			

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GMS RIF 2022- Urban Development

II. Technical Assistance Projects

(1) No.	(2) Project Title	(3) Country Coverage	(4) Description (Please indicate if there are changes in the project description/specifications)	(5) Year of Approval	(6) Cost Estimate (\$ million)		(7) Potential Funding Source and Amount (\$ million)		(8) Status Updates Please indicate progress/changes in project development status or implementation. (Refer to Guide for Accomplishing the Progress Report table.)	(9) Key locations and GMS Economic Corridor Alignment	(10) Expected/Planned Measurable Outputs	(11) Project Contact
					Original	Updated (if any)	Original	Updates (if any)				
1	PPTA for Corridor Towns Development Project III	Myanmar	This project preparatory technical assistance (PPTA) is formulating the Third GMS Corridor Towns Development Project. The subprojects include feasibility studies, and assessment of all safeguard requirements. This project is helping the participating towns to consolidate their urban-planning and investment policies into a strategic local economic	2015	1.5		ADB—1.1 Cofinancing —0.4		Ongoing			

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GMS RIF 2022- Urban Development

TABLE B. PROPOSED NEW PROJECTS FOR INCLUSION IN RIF 2022

I. Investment Projects

No.	(1) Project Title	(2) Subsector	(3) Description	(4) Year of Approval	(5) Cost Estimate (\$ million)	(6) Potential Funding Source and Amount (\$ million)	(7) justifications Please indicate the basic rationale and justifications for the project, based on:		(8) Key locations and GMS Economic Corridor Alignment	(9) Expected/Planned Measurable Outputs	(10) Project Contact
							(a) Strategic thrust/operational priority in HAP and/or relevant sector strategy supported (Refer to Annex I)	(b) Other Justifications			

II. Technical Assistance Projects

No.	(1) Project Title	(2) Subsector	(3) Description	(4) Year of Approval	(5) Cost Estimate (\$ million)	(6) Potential Funding Source and Amount (\$ million)	(7) justifications Please indicate the basic rationale and justifications for the project, based on:		(8) Key locations and GMS Economic Corridor Alignment	(9) Expected/Planned Measurable Outputs	(10) Project Contact
							(a) Strategic thrust/operational priority in HAP and/or relevant sector strategy supported (Refer to Annex I)	(b) Other Justifications			

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GMS RIF 2022- Other Multisector & BEZs

PROGRESS REPORT ON OTHER MULTISECTOR/BORDER ECONOMIC ZONES PROJECTS IN THE GMS REGIONAL INVESTMENT FRAMEWORK (RIF) 2022

As of _____

Table A. PROJECTS IN ORIGINAL RIF 2022 LIST

I. Investment Projects

(10) Project Contact	(9) Expected/ Planned Measurable Outputs	(8) Key locations and GMS Economic Corridor Alignment	(7) Status Updates <i>Please indicate progress/changes in project development status or implementation. (Refer to Guide for Accomplishing the Progress Report table.)</i>	(6) Potential Funding Source and Amount (\$ million)		(5) Cost Estimate (\$ million)		(4) Year of Approval	(3) Description <i>(Please indicate if there are changes in the project description/specifications)</i>	(2) Country Coverage	(1) Project Title	No.
				Original	Updates (if any)	Original	Updates (if any)					
				Asian Developm ent Bank (ADB)— 450.0		890.0		2016	The program will help the Guangxi Zhuang Autonomous Region of the PRC implement its strategies and action plans for regional cooperation and integration with countries of the Association of the Southeast Asian Nations (ASEAN), particularly those in the Greater Mekong Subregion (GMS). This multitranch financing facility (MFF) will generate five major outputs: (i) sustainable development of small and medium- sized enterprises (SMEs); (ii) cost-competitive, safe, and efficient cross-border financial transactions and investments; (iii) e-commerce to facilitate access to markets; (iv) key infrastructure- and trade-related services; (v) improved cross-border connectivity. The breakdown of the cost estimates and years of approval is as follows:	People's Republic of China (PRC)	Guangxi Regional Cooperation and Integration Promotion Investment Program, MFF tranches 1–3 (formerly Joint PRC–Viet Nam Cross-Border Economic Zones)	1

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GMS RIF 2022- Other Multisector & BEZs

II. Technical Assistance Projects

(1) No.	(2) Project Title	(3) Country Coverage	(4) Description (Please indicate if there are changes in the project description/specifications)	(5) Year of Approval	(6) Cost Estimate (\$ million)		(7) Potential Funding Source and Amount (\$ million)		(8) Status Updates <i>Please indicate progress/changes in project development status or implementation. (Refer to Guide for Accomplishing the Progress Report table.)</i>	(9) Key locations and GMS Economic Corridor Alignment	(10) Expected/Planned Measurable Outputs	(11) Project Contact
					Original	Updated (if any)	Original	Updates (if any)				
1	Policy Coordination and Planning of Border Economic Zones of the People's Republic of China and Viet Nam (formerly Joint Feasibility Study on Cross-Border Economic Zones in the PRC and Viet Nam)	PRC, Viet Nam	This policy and advisory technical assistance (TA) is enhancing the capacity of the governments of the PRC and Viet Nam to develop, manage, negotiate, and promote border economic zones (BEZs) in their border areas. Outputs will include (i) policy recommendations for coordinated BEZs; (ii) strengthened development and management of the BEZs, along with public-private coordination; and (iii) capacity building of government stakeholders.	2017	0.4							
2	PPTA for Yunnan-Lincang Cross-Border Economic Cooperation and Integration Promotion Investment Program prepare	PRC	This project preparatory technical assistance (PPTA) will arrange the proposed loan for a project focused on the PRC-Myanmar border, with a scope that will include: (i) cross-border economic cooperation zone infrastructure (water supply, wastewater, solid waste, roads), (ii) border facilities, (iii) hospitals, (iv) schools (primary and vocational); and (v) capacity	2018	0.5							

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GMS RIF 2022- Other Multisector & BEZs

TABLE B. PROPOSED NEW PROJECTS FOR INCLUSION IN RIF 2022

I. Investment Projects

No.	(1) Project Title	(2) Subsector	(3) Description	(4) Year of Approval	(5) Cost Estimate (\$ million)	(6) Potential Funding Source and Amount (\$ million)	(7) justifications Please indicate the basic rationale and justifications for the project, based on:		(8) Key locations and GMS Economic Corridor Alignment	(9) Expected/Planned Measurable Outputs	(10) Project Contact
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1											
2											

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No.	(1) Project Title	(2) Subsector	(3) Description	(4) Year of Approval	(5) Cost Estimate (\$ million)	(6) Potential Funding Source and Amount (\$ million)	(7) justifications Please indicate the basic rationale and justifications for the project, based on:		(8) Key locations and GMS Economic Corridor Alignment	(9) Expected/Planned Measurable Outputs	(10) Project Contact
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1											
2											

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Questions and Discussions

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GMS website:

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www.greatermekong.org

<https://www.facebook.com/GMSProgram/>

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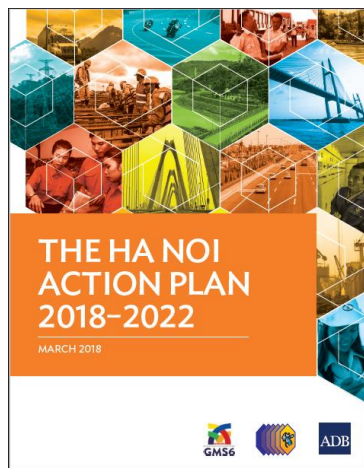
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Outcomes of the 6th GMS Leaders' Summit

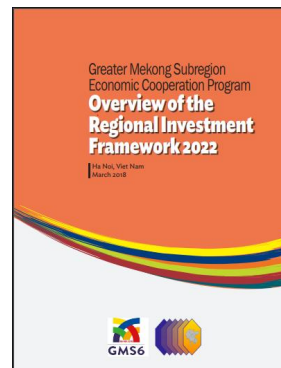
Ha Noi Action Plan (HAP) 2018-2022



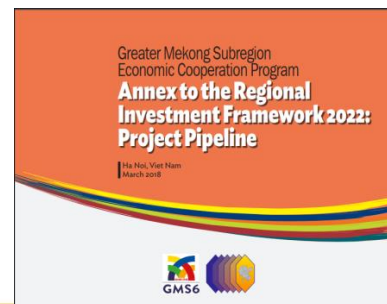
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A “living” pipeline of 227 projects worth \$66 billion to support the HAP



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