

**Greater Mekong Subregion (GMS)
Second Meeting of the GMS Urban Development Task Force
14–15 November 2013, Kunming City, Yunnan, People’s Republic of China**

Summary Proceedings

I. Introduction

1. The Second Meeting of the Urban Development Task Force held in Kunming City from 14–15 November 2013 was undertaken with the objective of further strengthening regional cooperation in the urban development sector and stimulating integration and competitiveness of GMS corridor towns and border areas. A productive exchange of views and insights took place on two main agenda: i) urban development in the context of the role of cities and urban connectivity in promoting GMS sustainability, functional integration and competitiveness; and ii) country perspectives on existing urban development plans and strategies including implications of the respective country strategies in relation to regional cooperation and integration. The meeting also discussed and confirmed the GMS Regional Investment Framework (RIF) pipeline of projects for urban development as well as the proposed medium- term agenda of the Task Force. The meeting agenda is **Appendix 1**.

2. The Second Meeting was chaired by Mr. Yingming Yang, Deputy Director General, International Department, Ministry of Finance, People’s Republic of China (PRC) and co-chaired by Ms. Amy S.P. Leung, Director, Urban Development and Water Division (SEUW), Southeast Asia Department, Asian Development Bank. It was attended by members of GMS Urban Development Task Force representing Cambodia, People’s Republic of China (PRC), Lao People’s Democratic Republic (PDR), Myanmar, Thailand, Viet Nam and ADB. The list of meeting participants is **Appendix 2**.

II. Opening Session

3. The Chair formally opened the meeting with a warm welcome and underscored the significance of the meeting to foster closer integration of urban strategies among GMS countries and promote a regional urban development over and above the current national planning priorities. He acknowledged the expected outcome of the event in stimulating integration and competitiveness of GMS corridor towns and border areas as he looked forward to dynamic exchange of views and to a productive meeting of the Task Force.

4. In her opening statement, the Co-Chair highlighted the importance of the Second Meeting in pursuing the initiatives and collaborative works undertaken by the Urban Development Task Force to establish closer regional cooperation in realizing the GMS Regional Investment Framework (RIF) for urban development sector. She noted that as an integral part of operationalizing the new GMS Strategic Framework, several urban sector development projects will be undertaken in the medium-term under the RIF when ADB anticipates increasing demands for more innovative interventions in terms of green growth and climate resilience, and private sector participation. She then ran through the objectives and agenda of the meeting and thanked the Chair and the Province of Yunnan for graciously hosting the Second Meeting of the Urban Development Task Force.

5. On behalf of the Province of Yunnan, Mr. Tang Xinmin, Deputy Director General, Department of Finance, Yunnan, PRC extended his warm welcome to all participants from the GMS countries and to the ADB officials. He pointed out that since the GMS cooperation was launched in 1992, under the great attention paid and guidance provided by the Chinese Government, Yunnan Province takes the initiative to pro-actively participate in the development of the cooperation mechanism, and has become the main gateway for China to participate in the GMS program.

6. In his brief statement, Mr. Hamid Sharif, Country Director, ADB PRC Mission, lauded the joint efforts of PRC and ADB in establishing the Regional Knowledge Sharing Initiative (RKSI) to promote knowledge sharing and networking among GMS countries. He took cognizance of the worthwhile objective of the Task Force which is to provide the mechanism for exchange of national and regional policies and knowledge sharing on urban development strategies in relation to the development of corridor towns and border areas in the GMS.

III. Session 1: Assessment of Urban Development System, Patterns and Trends in the GMS

7. Professor Douglas Webster presented the key features of his assessment report on the urban development in the GMS giving emphasis on the current trend, structure and dynamics of the GMS urban system. His presentation focused on the role that GMS urban system and the individual cities and towns can play in functionally integrating and complementing a sustainable development of the GMS. Professor Webster discussed the recommended mechanisms whereby GMS cities can contribute to improved environmental sustainability and competitiveness. He also suggested on the role that ADB can play in terms of investment in infrastructure and capacity development, and knowledge sharing to facilitate development of the GMS. He concluded the presentation with a discussion on the findings of his assessment and the implications for GMS development. **Appendix 3** is a copy of Mr. Webster's presentation.

Discussions

8. The Co-Chair encouraged the participants to comment, express their views or seek clarification on the key discussion points from the presentation of Mr. Webster. She took note of the essential economic drivers in urban sector development and asked the participants to indicate which of the economic drivers each country should focus on in relation to their respective urban development strategies. The Co-Chair also urged the participants to think beyond the corridor towns and border areas and raised the question on whether there is room for the member countries to work and plan together and in what manner ADB would be of assistance to urban development.

9. The Chair took the lead to present his observations and raised major points in relation to the discussions on the urban system in the GMS. He queried on the need to determine the optimum urbanization rate in the context of growth performance and poverty reduction. This refers to the relationship between urbanization rate and optimum economic structure, where in most cases, higher urban performance result in low poverty reduction. With regard to the relationship between manufacturing industries in terms of their proximity to ports, the Chair is of the opinion that ports are more advantageous compared to other modes of transport. He also commented on the aspect of food security in the urban areas, where he noted that smaller urban population need to assure food security and therefore the development of manufacturing industries in smaller urban centers should be key drivers to rural productivity. Based on the urban pattern and structure, he raised the question on the potential of Cambodia and Lao PDR

to become food basket in the GMS. He also noted that urban policy in PRC has become a barrier for rural population to move to the urban centers since these were affected by the registration system that prevent rural migrants to become urban citizens.

10. The delegation from Myanmar and Viet Nam commented on the need to update the data and information in the assessment report particularly in relation to the urban population and structures for their respective countries. In the case of Myanmar, the future analysis of data and information on urbanization trends will have to take into consideration the results of the national census that will be conducted in 2014.

11. The delegation from Cambodia, PRC, Lao PDR and Thailand expressed their general agreement of the assessment report but opted to raise their observations and comments during their respective presentation of the country's perspective in urban development.

12. Given the time constraint, the Co-Chair agreed to the position of the participants and requested the country representatives to make their respective presentations.

IV. Session 2: Presentation of Country Perspectives on Urban Development

Cambodia

13. Deputy Secretary General Benghong Socheat Khemro of the Ministry of Land Management, Urban Planning and Construction and head of the Cambodia delegation started his presentation with the report on the increasing urbanisation rate in Cambodia. This has provided increasing opportunities for investors not only in the capital city of Phnom Penh but also in the other emerging cities and towns with diverse business possibilities. With an urban population growth of 1.54%, Mr. Khemro conveyed that the Royal Government of Cambodia needs to invest in building and upgrading road infrastructure connecting urban centers and rural areas so as to create more opportunities for rural population and provide them market linkages for products and commodities from rural areas.

14. On the urban systems in Cambodia, Mr. Khemro described the current institutional urban structure including the spatial planning procedure involving the participation of key stakeholders in provincial planning process under the rectangular development strategy.

15. Mr. Khemro acknowledged the ADB assistance for the inclusion of three corridor towns in Cambodia in the first batch of the GMS Corridor Towns Development Project and the current technical assistance provided for the Integrated Urban Environmental Management in the Tonle Sap Basin Project. He noted, however, that most Development Partners have so far targeted rural development and other sectors as priorities for poverty alleviation in Cambodia; thus the urban sector has been rather left out. There has been some technical assistance mostly in the form of research and basic physical planning assisted by the German GTZ and European Union in Western region province of Battambang and Siem Reap. The French Government is assisting Phnom Penh city in preparing its master plan and Japan International Cooperation Agency is extending assistance on urban infrastructure and services such as drainage and public transport. UN HABITAT has an on-going assistance on housing programs for the urban poor in Phnom Penh.

16. Cambodia is particularly interested on what the best role for small and medium-size enterprises (SMEs) will play in urban development and what type of infrastructure is necessary

so SMEs will attract foreign direct investments. **Appendix 4** is a copy of the PowerPoint presentation on Cambodia perspective.

PRC

17. On behalf of the Chair, Dr. Lei Zhuning, Deputy Director General, Foreign Affairs Office of Yunnan Province presented PRC's perspectives on urban systems, patterns and strategies. He started with the report that the urbanization rate of PRC has already reached 52.67% in 2012 which is at par with world average. By 2020, urbanization rate would reach to around 60%, with 100 million more people from the rural areas migrating to the cities.

18. According to Mr. Zhuning, the number and scale of cities are continuously expanding and clustering of cities is showing a more prominent pattern. Despite these developments, Mr. Zhuning stressed that the quality of urbanization in PRC is still low, and cited the major challenges and problems dealing with large number of rural residents who are difficult to be integrated into urban society, where the problem of "urban disease" becomes increasingly prominent. He noted that the spatial distribution of cities and towns does not match the bearing capacity of resources and environment, and that the urban scale and structure are not reasonable. Mr. Zhuning laments that in PRC, the relevant system and mechanism for urbanization are not well established.

19. In terms of the urban development strategies, Mr. Zhuning summarized the strategic tasks that PRC will need to undertake, and these are: i) carry out "citizenization" of the migrant population in an orderly way; ii) optimize the spatial layout and pattern of urbanization; iii) enhance cities' capability to realize sustainable development; and iv) promote integrated urban-rural development. He also discussed the trend of urbanization in Yunnan and Guangxi Provinces.

20. As a reaction to the presentation of Mr. Webster, Mr. Zhuning generally agreed with the point of view that PRC's urban system is "constellation-based, not corridor-based". He added that PRC's urbanization strategy gives priority to city groups or clusters as the main pattern in urban spatial layout. It also supports the sister cities program to promote cooperation and connectivity. Along this line, the objective of urban development would be: i) to develop three world-class metropolitan areas in Beijing-Tianjin-Hebei Provinces, the Yangtze River Delta, and the Pearl River Delta; and ii) to develop ten more regional city groups including the two in GMS area--one at Beibu Gulf (Gulf of Tonkin), the other in central Yunnan, as specified by the 12th national five-year plan.

21. Dr. Zhuning also discussed the key economic drivers to PRC's urbanization which are related to: i) rebalancing the economy where urbanization becomes a major measure to boost domestic demand; ii) urbanization of population as the core task that focus on sharing of basic public service among more than 200 million migrants from rural area, an unprecedented historical empowerment; and iii) urbanization in sync with new-type industrialization, modernization of agriculture and information technology development.

22. In reference to Mr. Webster's view on urban sector projects along the corridor towns and border areas, Mr. Zhuning argued that investment should be based more on the principle of efficiency and the importance of urbanization in the corridor towns and border areas should not be underestimated. To support urbanization at border areas is conducive to fostering a favorable win-win situation and gradual regional integration. Mr. Zhuning's contention is that intra-regional trade level is still not satisfactory, and that GMS countries are competing for foreign direct investment (FDI) and market. He added that other factors, e.g., the list of sensitive

goods, non-tariff barriers, transparency problems, and cross-border transportation agreements which are not in full play, are hampering regional integration.

23. Mr. Zhuning agreed to the notion of involving the private sector through public-private partnership (PPP) arrangements in relation to the mobilization of funds and selection of priority investments for urban sector development. Along this effort, the national government and multilateral organizations still need to play a pivotal role. He further elaborated that investment should be based on market principle, but other factors should also be taken into consideration in GMS. Mr. Zhuning cited as an example the major transportation routes that may cause huge spillover effect, driving regional development and creating new demand, especially for formerly landlocked places.

24. In his concluding statement, Mr. Zhuning asserted that poverty-alleviation, balanced regional development, and development of ethnic minorities are also important factors in the decision-making of GMS countries. A more future-oriented and holistic point of view would be more helpful for mobilizing funds from GMS countries. **Appendix 5** is a copy of the Powerpoint presentation on PRC perspective.

V. Session 3: Continuation of Country Presentations

Lao PDR

25. Director XengXiong Nengxay, Department of Housing and Urban Planning, Ministry of Public Works and Transport (MPWT) gave the presentation of Lao PDR's perspective on urban development. He reported that since 1990, the government has adapted a concrete policy on urban development and management by initiating the integrated urban development of Vientiane Capital and the four secondary and provincial towns. In his graphic presentation of the urban system and hierarchy in Lao PDR, Mr. Nengxay explained that the government has demonstrated improvements in the institutional organizations, particularly the establishment of the urban development and administration authorities for the Capital City, provincial towns and district center in order to build a basis for upgrading the town to become a municipality based on the local administration law.

26. In terms of the urban systems and development trend, Mr. Nengxay informed that MPWT has prepared a comprehensive urban transport study for Vientiane Capital in 2008. Following this trend, 113 out of 145 district centers throughout the country had urban master plan which is an important basis for urban development and for ensuring the balance between socio-economic development and environmental protection. He explained that the main objective of the country's urban strategy is to define the directions, targets and investment plan for urban development that is consistent with the real situation. This will serve as the significant basis to the continuous improvement, construction and upgrading of the basic infrastructures, protection of the artistic and cultural uniqueness, architecture and environment, urban services and urban management throughout the country.

27. With reference to the presentation of Mr. Webster, Mr. Nengxay then presented the urban development programs and priority projects in relation the promotion of competitiveness and sustainability of the urban sector development **Appendix 6** is a copy of the PowerPoint presentation on Lao PDR perspective.

Myanmar

28. The country perspective on urban development was presented by Ms. Daw Hlaing Maw Oo, Deputy Chief Architect, Ministry of Construction. She informed that towns and urban areas in Myanmar are designated by notification regardless of size. In 2009, there were 366 notified

towns and cities in Myanmar. In terms of the urbanization pattern, Ms. Daw explained that while the majority of Myanmar's citizens still live in the rural areas, this will likely change at a rapid speed and on a large scale based on migration pattern from the rural areas to the urban centers. Given current national population growth rate of around 1.1%, the urban population growth rate is around 2.5 times higher than the national population growth rate. Urban population in Myanmar in 2010 was 18.34 million representing 30.68% of the total population of 59.78 million.

29. According to Ms. Daw, the urbanization trend will be largely influenced by the three urban centers outside Yangon. These urban centers are in Bago, Mandalay and Mawlamyine. Ms. Daw also presented the three important GMS Border Crossings in Myanmar, and these are; i) Muse-Ruli border whose economic driver will be trade and tourism, ii) Tachileik-Mai Sai border to be driven by tourism sector, and iii) Myawaddy-Mae Sot border which will benefit from trading and possible tourism.

30. Reacting to the presentation of Mr. Webster, Ms. Daw elaborated on the concept of concentrated decentralization development strategy where the capital city of Yangon serves as the administrative, transport and logistic hub while designated national economic growth centers will be the location of special economic zones, ports and airport, including trading and financial establishments. The urban development strategy for 2030 targets the major cities to be developed as green cities. Under the development strategy, government will also support development efforts for secondary regional growth centers and other towns with varying growth potentials. Ms. Daw stressed that there are potentials for establishing dry port logistics facilities in the border town but this would require considerable investment and private sector participation.

31. In relation to urban development plan, Ms. Daw mentioned that urban master plans have been prepared in 13 towns and there are 12 provincial towns covered under the GMS program, eight of which have not been covered by ADB support. The vision statement incorporated in the plan emphasized the linkage to the GMS. Ms. Daw asserted that in the context of promoting connectivity and functional integration in the GMS, Myanmar wants to complement and not compete. **Appendix 7** is a copy of the PowerPoint presentation on Myanmar's perspective.

Thailand

32. The country presentation of Thailand was delivered by Ms. Sansanee Srisukri, Senior Expert in City Planning, Department of Public Works and Town & Country Planning, Ministry of Interior. According to Ms. Srisukri, the urban system in Thailand is largely influenced by its emphasis on regional perspective, taking into account its support to the ASEAN Economic Council and the GMS program. The national government decentralized the urban system to local authorities and encouraged them to initiate their own urban development. She then proceeded to explain the functional categorization of the urban system by the National Economic and Social Development Board (NESDB) and relating this to the categorization based on the GMS development plan.

33. With reference to the economic role and importance of urban centers, Ms. Srisukri described the three growth corridors and their corresponding urban centers, gross provincial product (GPP) and key development indicators. Referring to the presentation of Mr. Webster, Ms. Srisukri discussed the urban development strategies of Thailand which are focused on transportation infrastructure improvement, in particular the construction of dual-track rail and high speed train. The urban strategies are also related to the enforcement of regulating and promotion tools, special economic zones, investment promotion. This will be beneficial in the operation of the 12 special economic zones located in 10 provinces and the one-stop service

centers that were established in urban centers. Ms. Srisukri elaborated on the promotion tools in relation to the provision of incentives from the Board of Investment, Ministry of Commerce, and the Customs House for tariffs and non-tariff barriers and the convenience of customs procedures.

34. Ms. Srisukri ended her presentation with the strategic measures to strengthen regional cooperation and functional integration among GMS corridor towns, summarized as follows: i) formation of Sister Cities among urban centers within the country and in the GMS; ii) conduct of frequent interaction among town planners and policy planners on urban systems, patterns and strategies through working groups and meeting events; iii) organization of international forums and seminars on urban sector development; and iv) integration of urban sector policy and strategies for sister cities development to define distinct role of each city but in a mutually supportive manner. **Appendix 8** is a copy of the PowerPoint presentation on Thailand perspective.

Viet Nam

35. Ms. Luong Thi Hong Hanh, Deputy Director General of the Department for Infrastructure and Urban Center, Ministry of Planning and Investment presented Viet Nam's urban development perspective. She started with the discussion on the current urban trends, patterns and strategies being carried out by the national government. In 2013, the urbanization rate of Viet Nam is about 33%, which is considered the lowest urban growth rate in the GMS. By 2015, Viet Nam expects the number of urban centers to increase to over 870 cities and towns. Ms. Hanh informed that in 2015, the urban population growth will increase to 35 million people and it will about 52 million by 2025 when the urbanization rate is expected to reach 50%.

36. According to Ms. Hanh, the national economic policies are focused on the improvement and growth of manufacturing industries, services, agriculture, tourism and retail sales. She explained the urban sector strategies where the government put high priority on the key economic regions and large urban areas that are considered as dominant growth poles at national level. The target from 2015 to 2025 focuses on the urbanized area and reducing dispersed development; urban network gradually generated from 2026 to 2050. In terms of the border areas and corridor towns, Ms. Hanh mentioned the cities clusters will be formed and connected along the coastal corridor from the north to the south, from the east to the west, and along the border with PRC, Lao and Cambodia.

37. With regards to Viet Nam's urban development strategy, Ms. Hanh enumerated the key urban centers and growth areas that have been delineated as priority for development. Ms. Hanh mentioned that the urban strategy for the North Central and South Central will focus on the development of large urban centers which plays as engine for regional economic development and cites as gateway to the world with ports, coastal economic corridor strengthening for international economic integration. She added that urban development support will also cover the midland and mountainous northern highlands to create a harmonious balance between the sub-region in terms of economic development including the tourism and services promotion. The urban development strategies for the Mekong delta will focus on urban infrastructure development and investment to mitigate adverse impact of climate change.

38. In reaction to the national urban systems and development strategies as presented by Mr. Webster, Ms. Hanh agreed to the assessment of the low urbanization rate in Viet Nam and in the GMS. She however argued on the discussion on the urban systems and patterns discussed by Professor, citing the following key points:

- i) There are limited numbers of urban centers whose population size range from 250,000 to 1 million.
- ii) Urban systems of the GMS countries are significantly different and the distribution of cities, urbanization patterns and quality of life differ in terms of urbanization growth rates.
- iii) Except Cambodia and Lao, the other four countries follow the pattern of polar development such as in the cities Ho Chi Minh, Yangon, Bangkok, and Kunming.

39. The other comments made by Ms. Hanh on the presentation of the urban development strategies in the GMS were related to the following concerns:

- i) Challenges for effectively promoting economic development in other areas;
- ii) Urban sector development requires the transformation of predominantly rural agricultural land to urban uses;
- iii) The need to make significant investments in urban infrastructure to improve accessibility of suburban areas and the provision of urban services;
- iv) Cities along the corridors and border areas function based on their competitive and/or comparative advantages; and
- v) The assessment study should be expanded to include the Northern Corridor which covers part of Southern PRC via Nanning and Dongxing.

40. In support to urban development, Ms. Hanh expounded on the need to: i) facilitate the development of a second tier of GMS cities with a population of 250,000 to one million; ii) speed up the development of cities with strong competitive and comparative advantage, and iii) build up the urban function for tourism, amenity development and manufacturing. The positive implication of such support will be the formation and development of strategic cities with key economic regions.

41. On the question as whether the urbanization trends have been adequately described and assessed for Viet Nam, the presentation of Ms. Hanh enumerated the following responses:

- i) Some data presented in the assessment report are outdated. Information should be updated for better analysis on the urbanization trends and structures.
- ii) Urbanization should consider the three patterns related to increase in birth rate, migration and physical size.
- iii) In the particular case of the urban trend in Viet Nam, the employment structure, urban density, the expansion of city boundaries and the conversion of rural agricultural land to urban use should be taken into serious consideration.

42. In response to the presentation of Mr. Webster on the factors defining the importance of urban centers in Viet Nam, Ms. Hanh explained that most of urban centers in Eastern Corridor are coastal cities and therefore the impact of climate change and rising sea levels on the development of cities in Eastern Corridor should be well considered. She added that housing and resettlement of households residing in flood prone and disaster risk areas along Mekong River should be observed.

43. Related to the required additional information in the assessment report, Ms. Hanh presented the following comments:

- i) Urban sector data and information in GMS Urban Development report need to be updated and well defined in terms of its analysis.
- ii) The updated urban population living in the urban slums in Viet Nam is 41.3%.
- iii) Data on number of cities and urban districts with population of more than 50,000 should be updated. The latest figure is 73 cities and urban districts.
- iv) Ho Chi Minh City has a population that is double of Hanoi city.

- v) Review the contents of paragraph 7 on page 10 on the proposed number of population in relation to size of the urban center. It is noted that many key cities in central coast have not reached the required population base.
- vi) Review the tourism strategy to consider not only Central VietNam, but also Northern part and the Highland Region of Viet Nam.

44. **Appendix 9** is a copy of the PowerPoint presentation on Viet Nam perspective.

VI. Session 4: Plenary Discussions on GMS Sustainability, Functional Integration and Connectivity

45. Mr. Webster acknowledged the high quality of presentation delivered by the country representatives and gave the synthesis of the country perspectives. He initiated discussions on common strategies for urban development among the GMS countries. He noted the general agreement on the low level of urbanization rate in the respective countries that also contributed to the lower urban growth of the GMS. Mr. Webster then presented the highlights of each country's presentation in relation to the urbanization trends, patterns and structure as they related to his assessment of the GMS urban system. He acknowledged the need to update data and information on the urban population growth including the analysis of the urbanization growth rate in Myanmar and Viet Nam.

46. In his reaction to observations made by the Chair, Mr. Webster agreed with the position that ports do not have to be located along manufacturing establishment as there are cases in PRC where ports are established inland and remote from manufacturing. Through road corridors and railways, manufacturing could be established inland and in border areas far from the location of ports. Based on the exchange of views and comments raised by the participants, he summarized the commonalities of urban systems and strategies at a macro level, as follows:

- i) Future orientation in urban development to adapt a "rear view mirror" approach. This would imply establishing baseline data and information, including in-depth analysis and future projections.
- ii) Create demand driven urbanization through effective consultation and participation approach.
- iii) Each country has existing national urban policy that should guide urban development.
- iv) Adapting new techniques in formulating vision statement and scenario setting taking as example the Settlement Systems that is highly dynamic in Myanmar and Thailand.
- v) Urban development should consider potential of cities and not the size of the city. There is need to realistically define the potential role of towns and cities and determine economic opportunities.
- vi) Leading cities in the GMS require development of multi-modal corridors.

47. Following the summary highlights presented by Mr. Webster, the Co-Chair raised the question on how economic corridor development would be incorporated in the existing development plans in the GMS countries, and whether this can be done through the concept of Anchor Towns. It seems that this could be addressed by the provisions of national urban policy which every GMS country has formulated.

48. In the development of border towns, the Myanmar delegation noted that the economic development of towns and cities across the border areas are growing naturally. However, there are also cases in Myanmar where inland urban centers and corridor towns located away from the border areas are also developing naturally due to market forces.

49. In reaction to the summary discussion of Mr. Webster, the Chair argued that if the general objective is to promote economic integration, then, investment in cross border economic zone is valuable in regional cooperation. On the advocacy of Myanmar to complement and not compete, Mr. Tang considered such notion more of a challenge in the manner of how it could be implemented. He raised the question whether this should be driven by market forces or government policy. He mentioned that how to promote complementarity in the GMS demands global analysis in terms of its implication in the economic structures of the countries. Mr. Tang stated that Myanmar could be the real beneficiary in global complementarity. In the PRC, urban development strategies need to consider demographic changes as PRC's population is ageing and migrant workers are constrained to become urban citizens due to existing policy regulation.

DAY 2

VII. Session 5: Synthesis of Day 1

50. Mr. Florian Steinberg, Senior Urban Development Specialist of ADB SEUW led the synthesis of Day 1 sessions. He expressed his appreciation to country representatives for the stimulating and thorough presentation and was pleased to note that the presentation followed the guide questions in relation to the GMS Urban Development as discussed by Mr. Webster. He further noted that the additional information and updated data in country presentations would be very useful in finalizing the GMS Urban Development Strategy document which is considered a major accomplishment of the Task Force. With this introductory statement, Mr. Steinberg proceeded with the presentation of the synthesis of the key elements to promote integration, connectivity and complementation in the country presentation. **Appendix 10** is a copy of his PowerPoint presentation.

Discussions

51. The Chair initiated the discussion by raising five points. One about the engagement of local government in a structured manner through the Mayor's association to promote functional integration and complementarity as another way of implementing sister cities concept. The GMS program should take advantage of the knowledge exchange among the local government through the Sister Cities and promote networking that has been established between among the member of the Mayor's association in the GMS. According to the Chair, there are existing network among cities in PRC where city mayors and district authorities meet or exchange perspectives and knowledge on urban development. His second point is to highlight multimodal transport as it relates to urban development.

52. The Chair also emphasized the need to give priority to capacity development in urban planning and management at sub-regional level as he expressed appreciation of Myanmar's advocacy on complementation not competition. His fourth point is about development of technical standards that will facilitate discussion among GMS countries. Lastly, he noted that the synthesis missed the discussions on the important issue related to cross jurisdiction and economic management within the GMS countries. There is need to seriously consider the aspect of management and administration in relation to cross jurisdiction. The Chair added that cities closer to each other have stronger economic linkages than within the same country or province for that matter.

53. The Lao PDR delegation seconded the need for developing technical standards for inclusive sustainable development of the urban sector. It was cited that there are different definitions and conflicting views on the size of cities, hence the necessity to develop common standards.

54. Mr. Jorn Brommelhorster, Principal Economist, ADB PRCM raised the point on knowledge sharing with the GMS program as he queried on the kind of knowledge to be shared, with whom and how the Task Force can build on and actively participate. He shared the experience on the importance of knowledge sharing in the EU bringing together dedicated staff and learning from each other.

55. On synthesis point made by ADB about the Southern Economic Corridor (SEC) Coastal Subcorridor that does not seem important, the Cambodia delegation clarified that the proposed investment and technical assistance project of ADB is in line with the policy of the Royal Government of Cambodia and ADB assistance is very much appreciated.

56. The Thailand delegation suggested to take stock of what has been presented and taken up during the first meeting of the Urban Task Force to merge with this second meeting's presentations and points.

57. The Co-Chair reiterated ADB's call for GMS countries suggestions on how ADB can help them. She clarified that ADB may not be able to help all at the same time but prioritization can be done together to realistically move forward with the GMS Urban development agenda.

58. Mr. Webster added on the essential aspect of capacity building in urban planning for Green Cities and advised on the need to incorporate; i) the greening concept, adapting elaborate method system, ii) local economic development emphasizing on the role of place, consolidating resource potentials, determining threats and opportunities, and iii) economic infrastructure such as logistics facilities and those with real leverage to urban development.

59. The PRC delegation shared their experience with Sister Cities where common standards are established. In PRC, there are established friendship cities, cross border cities with established mechanism as those in sister cities. The pre-condition for friendship cities are the presence of communication facilities and urban infrastructure. It was explained that there could be two types of friendly cooperation: one is among two or three cities with same capacities; and another where cooperation is between big and small cities.

60. The Co-Chair shared her thoughts about peer to peer relationships under the Green Cities Initiatives. This relationship involves developed cities and less developed cities. ADB is in touch with CITYNET which is ready to provide assistance in preparing events and share best practices and experience in urban sector development. ADB took note also looking into multi modal transport and thus the need to closely coordinate with GMS transport working group.

VIII. Session 6: Discussions and Confirmation of the GMS Regional Investment Framework (RIF) for Urban Development

61. Mr. Steinberg presented the GMS RIF for Urban Development for discussion and confirmation by the Task Force. He started with the discussions on the strategic urban development principles of the RIF which are: i) competitive; ii) green; and iii) inclusive cities. Mr. Steinberg explained that modern environmental services such as water, waste water, solid waste management results in positive health impacts for all and will have beneficial effects on environmental infrastructure to support green development. He elaborated that improved climate resilience such as flood control measures will considerably reduce losses from climate change impacts. Mr. Steinberg added that economic infrastructure such as markets, logistics, and export processing zones would lead to enhanced productivity, increased attractiveness for

investors and residents and support the green economy. He then proceeded with the urban development pipeline of potential projects which has undergone review and agreements by different GMS bodies on several occasions, including the Urban Development Task Force in its first meeting in July 2013. **Appendix 11** is a copy of said PowerPoint presentation.

Discussions

62. The PRC and Thailand delegations noted that both countries are not specifically indicated as participating countries even on technical assistance pipeline of projects. ADB explained that most of the technical assistance pipeline is project preparatory in nature and since PRC and Thailand do not have proposed investment projects lined up, TA pipeline is mostly programmed for the other GMS countries with proposed investments that need preparation.

63. PRC and Thailand suggested that in the spirit of planning for urban development in GMS in general, a regional TA for capacity development be provided to include all GMS countries with the cross cutting theme of green growth, climate change and private sector participation. In response ADB proposed that the Cross-Border Economic Zones (CBEZs) Development project preparatory technical assistance (PPTA) be transformed into a capacity development TA (CDTA) with pre-feasibility for pilot CBEZs development and where all (instead of selected) GMS countries will be covered.

64. The Cambodia delegation expressed full endorsement of the current pipeline and does not have specific concerns.

65. Myanmar delegation requested to be part of Batch IV Corridor Towns Development investment and PPTA. While this proposal from Myanmar may be favorably considered, ADB recommended to first focus on the implementation of Corridor Towns Development Batch III PPTA and investment projects and based on results and progress of implementation, we can accordingly assess inclusion of additional Myanmar towns under Batch IV.

66. For Lao PDR, the delegation informed that discussions will be made with their relevant Ministries regarding the nomination of four towns to be included in Batch IV.

67. Viet Nam delegation suggested the conduct of feasibility studies for logistics and urban infrastructure development. Also proposed was the TA to support the preparation of the National Urban Development Strategy. It was noted that such proposed TA become part of the PPTA activities in Batch II.

68. The Co-Chair informed that the GMS RIF documents, including the Urban Development RIF pipeline, are almost finalized and in the process of being printed. In this regard, if the proposed adjustments agreed in this meeting can no longer be reflected in the printed version for confirmation by the GMS Ministers this December, these will surely be reflected in the next versions of the GMS RIF particularly in the Urban Development pipeline.

69. Mr. Diwesh Sharan, Director, Urban and Social Sectors Division, ADB East Asia Department highlighted his department's commitment to support regional cooperation and integration in the GMS including development of regional economic corridors through urban development in Guangxi and Yunnan provinces of the PRC. He highlighted some relevant past urban projects in these provinces, and underscored the importance of early identification of suitable future projects.

IX. Session 7: Proposed CDTA on Strengthening Urban Planning in GMS Corridor Towns and Proposed PPTA on Cross-Border Economic Zones Development

70. Mr. Rudolf Frauendorfer, Lead Urban Development Specialist, ADB SEUW presented in more detail the proposed CDTA on Strengthening Urban Planning in GMS Corridor Towns. He highlighted the TA rationale, objectives, components, expected outputs, executing agencies as well as timeline of the TA in relation to the proposed four batches of the GMS Corridor Towns Development. **Appendix 12** is a copy of his PowerPoint presentation.

71. Mr. Steinberg presented in more detail the proposed PPTA on Cross-Border Economic Zones Development. In view of earlier discussion in Session 6, this TA is proposed to be transformed into a CDTA and with selected pre-feasibility studies. All GMS countries will also be expected to participate. **Appendix 13** is a copy of his PowerPoint presentation.

X. Session 8: Confirmation of the GMS Urban Development Task Force and Agenda for 2014 Activities

72. Mr. Steinberg also presented the proposed 2014 agenda of the GMS Urban Development Task Force in relation to the medium-term and general agenda. The medium term agenda include the following:

- 2013: Urban Systems Assessment
- 2014: GMS Urban Strategies – Green Growth Orientation
- 2015: Private Sector and GMS Urban Development
- 2016: Cross-Border Economic Zones
- 2017: Lessons from Implementation of CTDP Batch 1

73. The general agenda has 5 major topics; i) review of implementation experiences, ii) assistance and support to the preparation of the GMS Minister's Conferences, iii) preparations for the Economic Corridor Forum (ECF), iv) GMS Urban Development Website, and v) knowledge sharing. **Appendix 14** is a copy of his PowerPoint presentation.

Discussions

74. The Chair recommended that the report on GMS Urban Systems Assessment and Urban Strategies which have been the subject of two task force meetings be packaged into a publication that can be delivered to GMS Ministers in time for 2014 GMS Summit.

75. In view of time constraints, the Co-Chair enjoined everyone to submit to the Secretariat additional comments and concerns, if any, on today's sessions.

XI. Closing Session

76. The Co-Chair acknowledged the substantive discussions and valuable exchange of views during the meeting. She gave the assurance that the Task Force is moving forward to achieve GMS common endeavors in strengthening regional cooperation in the urban development sector and in stimulating integration and competitiveness of GMS corridor towns and border areas. On behalf of the Asian Development Bank, the Co-Chair thanked the host country PRC and the participants from the GMS countries for their active involvement and participation in the Second Meeting of the Urban Development Task Force.

77. The Co-Chair summarized the highlights of the meeting as follows:

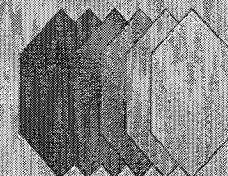
- i. The presentation of Professor Douglas Webster on Urban Development in the GMS provided the participants in-depth perspectives on the pattern, structure and dynamics of the GMS urban system in accelerating sustainable development in the Region. Mr. Webster's comprehensive report gave a strong emphasis on the role that the GMS urban systems and its individual cities can play in functionally integrating and thereby accelerating sustainable development in the GMS.
- ii. The country presentations on urban development trends, systems and strategies provided the participants with deeper insights on the national efforts of each of the GMS member-countries to promote connectivity, integration and competitiveness of the corridor towns and border areas.
- iii. Noteworthy from the presentations are the key urban development strategies that are being adopted by the GMS countries to stimulate investments and trigger the development of corridor towns. The discussions by the country representatives were highlighted by the strategic measures to be implemented in their respective countries to further enhance regional cooperation and functional among the GMS countries
- iv. The discussions and revisit to the GMS Regional Investment Framework (RIF) for Urban Development Sector gave a good appreciation of the RIF as the means of widening and deepening economic corridors. The RIF aims to accelerate the transformation of traditional infrastructure corridors into economic corridors through a multi-sector approach. The confirmation of the RIF for Urban Development Sector including the provision of technical assistance on Strengthening GMS Urban Planning is a major output of this Second Meeting.
- v. The discussions and agreements on the proposed Agenda in 2014 manifested the common resolve to achieve the broader goal of balanced urbanization that supports competitiveness, equitable growth and the green economy in the GMS.

78. The Chair expressed his appreciation for the lively discussions on urban development in Greater Mekong Subregion and the dynamic exchange of country's perspectives in promoting functional integration and competitiveness in the corridor towns. He was truly encouraged by the insightful presentation of Professor Webster on the GMS urban systems and economic development trends giving emphasis on the role and potential of urban systems in GMS development. The Chair expressed his sincere appreciation to initiatives and committed efforts of ADB to pursue a cohesive partnership among GMS countries in the implementation of the Regional Investment Framework for the GMS urban development sector. He then assured the ADB and the members of the Task Force of the active involvement of PRC in the pushing the agenda of the Task Force in 2014.

SECOND MEETING

GMS Urban Development Task Force

14–15 November 2013 • Kunming, People's Republic of China

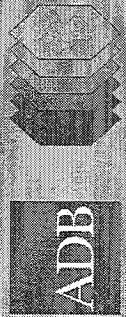


PROVISIONAL AGENDA

Chair:	Mr. Yang Yingming Deputy Director General International Department Ministry of Finance, PRC
Co-Chair:	Ms. Amy S.P. Leung Director Urban Development and Water Division (SEUW) Southeast Asia Department (SERD), Asian Development Bank (ADB)
Day 1: Thursday, 14 November	
0830-0900	Registration
0900-0925	Opening Session <ul style="list-style-type: none"> Opening and Introductory Remarks by Chair and Co-Chair Welcome Remarks by Governor, Yunan Province, PRC Brief Statement by Hamid Sharif, Country Director, ADB PRC Mission
0925-0930	Group Photo
0930-0945	Coffee Break
0945-1030	Session 1: Urban Development in the Greater Mekong Subregion: The Role of Cities and Urban Connectivity in Promoting GMS Sustainability, Functional Integration and Competitiveness Presentation by Prof. Douglas Webster, ADB Consultant
1030 -1700	Session 2: Country Perspectives on Urban Development ---- Presentations by member country representatives (30 minutes each and 10 minutes of discussions) in promoting GMS connectivity, integration and competitiveness of corridor towns) Country presentation of 15-20 slides will be guided by the following essential contents: <ul style="list-style-type: none"> What are your general observations about the national urban systems and development strategies as presented by Mr. Douglas in the Urban Development in the GMS? What are the implications of these strategies in the national efforts of your country to promote connectivity, integration and competitiveness of corridor towns

	<ul style="list-style-type: none"> • Have urbanization trends been adequately described and assessed for your country? Please provide additional information that needs to be taken into account in the assessment of the urbanization trends. • Does the presentation of the national urban system of your country adequately describe the economic role and importance of the urban centers covered? Please provide additional information on the national urban system, if possible. • As a way forward, identify key development strategies that should be adopted to trigger the development of the corridor towns. Please also indicate what type of urban sector investments that would further promote connectivity, integration and competitiveness of the corridor towns and cross border areas. • What strategic measures can be implemented to strengthen regional cooperation and functional integration among GMS corridor towns?
1030-1110	Cambodia Perspectives on Urban Systems and Development Strategies <ul style="list-style-type: none"> • Presentation by the Cambodia Lead Urban TF Member highlighting the key elements based on the Guide Questions • Discussions
1110-1150	PRC Perspectives on Urban Systems and Development Strategies <ul style="list-style-type: none"> • Presentation by the PRC GMS National Coordinator highlighting the key elements based on the Guide Questions • Discussions
1150-1300	Lunch Break
1300	Session 3. Continuation of Country Presentations
1300-1340	Lao PDR Perspectives on Urban Systems and Development Strategies <ul style="list-style-type: none"> • Presentation by the Lao PDR GMS National Coordinator highlighting the key elements based on the Guide Questions • Discussions
1340-1420	Myanmar Perspectives on Urban Systems and Development Strategies <ul style="list-style-type: none"> • Presentation by the Myanmar GMS National Coordinator highlighting the key elements based on the Guide Questions • Discussions
1420-1500	Thailand Perspectives on Urban Systems and Development Strategies <ul style="list-style-type: none"> • Presentation by the Thailand Lead GMS Urban TF member highlighting the key elements based on the Guide Questions • Discussions
1500-1540	Viet Nam Perspectives on Urban Systems and Development Strategies <ul style="list-style-type: none"> • Presentation by the Viet Nam Lead GMS Urban TF member highlighting the key elements based on the Guide Questions • Discussions

1540-1600	Coffee/ Tea Break
1600-1700	<p>Session 4. Plenary Discussions on GMS sustainability, functional integration and connectivity</p> <ul style="list-style-type: none"> • Mr. Webster will give a synthesis of the country perspectives and initiate discussions on common strategies in urban development with emphasis on the development of corridor towns and border areas. Participants will be encouraged to share views. • The Co-chair will facilitate the plenary discussions.
1830-2000	Dinner
DAY 2: Friday, 15 November	
0900-0920	<p>Session 5. Synthesis of the Day I Session</p> <p>Presentation by SEUW, ADB of the highlights of discussions and agreements during Day 1.</p>
0920-1020	<p>Session 6. Discussions and Confirmation of the GMS Regional Investment Framework (RIF) for Urban Development Sector</p> <ul style="list-style-type: none"> • Presentation by ADB on GMS RIF for Urban Development Sector • The Co-Chair will facilitate discussions and seek confirmation on the GMS RIF.
1020 -1035	Coffee, Tea Break
1035 -1125	<p>Session 7. Discussion on Proposed CDTA on Strengthening Urban Planning in the GMS Corridor Towns Development Project and PPTA on Cross-Border Economic Zones Development</p> <ul style="list-style-type: none"> • Proposed Capacity Development Technical Assistance on Strengthening Urban Planning in the GMS Corridor Towns Development • Proposed Project Preparatory Technical Assistance on Cross-Border Economic Zones Development <p>The Co-Chair will facilitate discussions and seek consensus on the draft MOU.</p>
1125 -1225	<p>Session 8. Confirmation of the GMS Urban Development Task Force TOR and Discussion of the Agenda on the 2014 Activities</p> <ul style="list-style-type: none"> • Presentation by ADB on the TOR and indicative 2014 Work Plan/Agenda of the GMS Urban TF • The Co-Chair will facilitate discussion and seek agreements on the agenda.
1230-1240	<p>Closing Session</p> <ul style="list-style-type: none"> • The Co-Chair will summarize the agreements. • The Chair will give the concluding remarks.
1240-1400	Lunch



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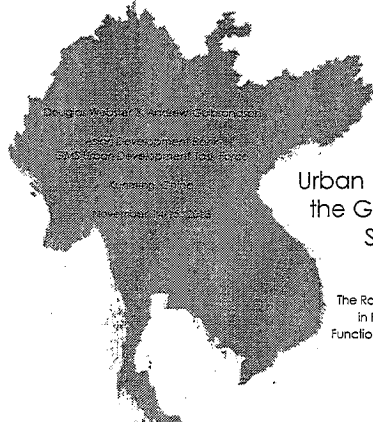
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Appendix 3



Urban Development in the Greater Mekong Subregion:
The Role of Cities & Urban Connectivity in Promoting GMS Sustainability, Functional Integration & Competitiveness

Douglas Webster & Andrew Gibson
GMS Urban Development Task Force
November 2013

Factoids

- 33% of the GMS population (106.7 of 322 Million) lives in urban areas
- Urbanization Levels vary from 19.5% in Cambodia to 44.2% in Thailand
 - Low by World Standards: World is >50% Urbanized
- But urban areas account for 50 – 65% of GDP & 75% in Thailand
- Urbanization Population Growth Rates vary from 2.6% (CAGR) in Myanmar (1.7X National Growth Rate) to 4.9% in Yunnan (6X Provincial Growth Rate)
 - Higher than World Average (Mean)
- All GMS Jurisdictions have dominant City, all over 1 million in population, except Lao PDR (Vientiane)
 - Vientiane is expected to hit 1 million by 2020

7/4/2014 GMS Urban Development Webster

Factoids (2)

- GMS urban systems tend to bi-polar with the bulk of the population living in large cities over 1 million (36.9%) or small under 50K (23%)
 - Guangxi is the exception with a more balanced urban system
- Only 19.4% live in cities between 250K and 1 million
- 255 Cities in GMS >50K Population
- Bangkok is only global city: defined by high-level services & globally connected airport
- Largest Agglomerations
 - Bangkok, HCMC, Yangon, Kunming, Nanning, Ha Noi, Eastern Seaboard Thailand, Phnom Penh (in order noted)

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Does a GMS Urban System Exist?

- DIVERSITY
- Urban Household Income Varies: High-Middle Income in Bangkok > Emerging Middle Income in Larger Centers in Yunnan & Guangxi > Low-Income in Other SEA Jurisdictions
- Urban Economic Structure Varies widely across clusters, from Manufacturing in ESB, HCMC, Nanning to Tourism / Amenity in Dali, Luang Prabang to High-End & Hospitality / MICE Services in Bangkok
- Service Coverage Varies widely, e.g.,
 - Urban Access to Improved Water: Lao PDR 72% to Thailand 99%
 - Cell phone Penetration (National): Myanmar 9% to Thailand >100%
 - Urban Access to Sanitation Facilities: Cambodia 73% to Thailand 95%
- Urbanization Policy Frameworks vary widely
 - Only China (Yunnan & Guangxi) supports accelerated urbanization
 - Other jurisdictions moving in this direction, many from previous anti-urban biases

7/4/2014 GMS Urban Development Webster

Does a GMS Urban System Exist? (2)

- COMMON CONTEXT
- Complementarity between large land-locked areas & ports
 - Commodities / consumer goods flows, not Intra-regional supply chain based
- Enormous Potential In all Jurisdictions for Tourism, MICE, Amenity based development
- Relatively Rapid Urbanization
 - Adding 76.5 million urban residents in GMS by 2040
- Declining or Stagnant Rural Populations
 - Loss of 40 million rural residents in GMS by 2040
- Increasingly similar Urban Development Trajectories (albeit at very different stages) based on pro-growth, East Asian model

7/4/2014 GMS Urban Development Webster

Does a GMS Urban System Exist? (3)

- COMMON DRIVERS
- Increased Domestic & International Migration (Documented & Undocumented) in GMS
- Implementation of AEC (2016) & Bilateral Agreements between China & ASEAN States
- Economic Rise of China, Exerting Economic / Transport "Pull" from North
- Massive Political / Administrative Change In Myanmar Creating Potential for Rise of a Myanmar / Yangon "Pole" to the West Creating Stronger East-West Urban Dynamics
- GMS Comparative Advantage in Tourism / Amenity
 - Compellive Advantage in Some GMS Jurisdictions

7/4/2014 GMS Urban Development Webster

Does a GMS Urban System Exist? (4)

- COMMON DRIVERS
- Considerably Improved Road Transport (Corridors) & Modest Progress on Facilitation of Cross-Border Movement of Goods & Services
- Rise of Low Cost Airlines Vital to Tourism / Amenity Economy
 - Reduce Social Costs of Migration
- Emerging Virtual Region (Myanmar Lagging)
- Emerging GMS Track Record in Cross-Border Energy, Tourist Flows

7/4/2014 GMS Urban Development Webster

Urban Population / Levels by Jurisdiction

Table 2-3 Urban Population Metrics by GMS Jurisdiction, most recent year

Jurisdiction	Total Urban Population	Total Population	Urban % of Total	Urban % of GMS	Urban % of ASEAN	Urban % of World	Urban % of Global Population
Cambodia	2,237,594	24,136,227	13.38%	21.60%	16.70%	7.4%	2.45%
China- Guangxi	16,714,606	18,417,843	46,023,761	93.75%	36.32%	40.02%	17.62%
China- Yunnan	10,617,370	19,969,072	46,946,746	47.78%	23.53%	31.72%	13.64%
Lao PDR	1,131,197	2,053,790	6,256,197	55.08%	16.03%	32.83%	1.92%
Myanmar	13,699,445	3,859,146	5,130,620	103.02%	22.12%	22.12%	12.26%
Thailand	10,825,330	29,133,829	65,981,659	64.62%	28.53%	44.15%	27.31%
Vietnam	19,354,632	23,456,896	81,946,997	76.15%	27.51%	29.63%	23.64%
Total	87,661,710	106,694,081	322,601,062	82.16%	27.17%	33.07%	100.00%

Source: Webster & Gutbrandson
Note: Most Recent Year - Cambodia (2008), China (2010), Lao PDR (2010), Myanmar (2009), Thailand (2010), Vietnam (2009)

7/4/2014 GMS Urban Development Webster

Urban Systems Growth

- Between 2010 & 2040 GMS Urban Areas Will Grow 5X Faster Than Regional Population (UN Coefficients) at 1.77% Annually versus 0.35% Nationally
- Most Rapid Growth Will Take Place in Lao PDR (2.85%), Cambodia (2.45%) & Viet Nam (2.22%)
 - Myanmar difficult to forecast
- Largest Absolute Growth between 2010 and 2040:
 - Viet Nam (23.8 Million),
 - Yunnan + Guangxi (17.6 Million),
 - Thailand (16.2 Million),
 - Myanmar (14.7 Million)

7/4/2014

GMS Urban Development Webster

Urban Systems Forecasts

Table 2-6: Urbanization Trends in GMS Jurisdictions

Jurisdiction	2000		2005		2010		2015		2020	
	Urban	Total	Urban	Total	Urban	Total	Urban	Total	Urban	Total
Cambodia	1,794	1,458	2,411	19,204	3,227	1,554	22	6,537	9,454	14,400
China - Guangxi	12,330	43,835	18,418	46,024	23,608	47,618	26,712	47,799	27,854	46,695
China - Yunnan	9,900	42,556	13,958	42,452	20,457	47,253	28,149	47,744	24,734	42,639
Lao PDR	652	4,675	1,131	6,254	1,693	7,107	2,201	7,823	2,626	8,265
Myanmar	1,000	4,000	1,000	4,000	1,000	4,000	1,000	4,000	1,000	4,000
Thailand	18,972	60,914	29,134	65,982	34,207	68,814	40,034	69,990	45,327	69,678
Viet Nam	7,500	75,000	23,437	62,847	38,833	74,100	41,073	79,377	49,101	91,475
Total	76,862	269,257	110,648	323,901	139,942	341,448	166,148	357,434	187,166	350,164

Source: Webster & Gulbrandsen. Metric: 000s

Note: Future estimates based on urban and total forecast growth rates per UN World Urbanization Prospects 2011 Revision

7/4/2014

GMS Urban Development Webster

GMS Cities & Corridors

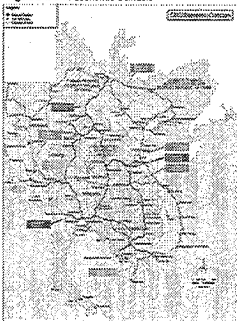
- Nine Economic Corridors Connect 8 of the Region's 12 Largest Cities, collectively accounting for >37 Million People, Accounting for 84% of Class I (1 million+ people) Urban Population

Population of Cities by GMS Corridor (Table 2-5)

Corridor	Urban	Rural	Total
1 Northeast	13,175,075	17,483,244	30,658,319
2 Northern	14,733,171	0	14,733,171
3 North Eastern	11,471,028	668,249	12,139,277
4 Western	8,287,481	0	8,287,481
5 Eastern	21,016,873	2,327,434	23,344,307
6 Central	3,846,523	998,368	4,844,891
7 Southwest	12,411,821	585,933	12,997,754
8 Southern	17,599,644	1,847,498	19,247,142
9 Southeast Coastal	11,185,909	1,693,981	12,879,890

Source: Webster & Gulbrandsen

Figure 2-1: GMS Economic Corridors



Source: ADS

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GMS Urban Development Webster

Cambodia's Urban System

- Cambodia is least urbanized jurisdiction in GMS: 19.5% of national population in 2008, but 1998 - 2008 added 800K Urban Residents
 - Urban CAGR 3.8%: 3X Rural Rate of 1.1%
- Nine cities >50K With a Population of 2.3 Million Account for 89% of Cambodia's Urban Population (2008 Data)
- Two Million People Live in the 5 Largest Cities, All Along the Southern Corridor (2008 Data)
- The Capital, Phnom Penh, Grew 2X Faster (8.1% CAGR) than rest of Urban Population (1998-2008)

Angkor Wat Near Siem Reap



Source: Wikipedia

Phnom Penh Skyline



Source: Wikipedia

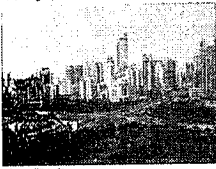
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GMS Urban Development Webster

GMS China's Urban System: Guangxi & Yunnan


- 2000-2010 Urban Population of Guangxi & Yunnan increased from 22.3 to 34.4 million, Growing Very Rapidly at 4.44% Annually (CAGR), primarily driven by Migration
 - Urbanization Level increased from 25.8% to 37.4%, but still considerably below Chinese National Level of 52% (2012)
- GMS Urban Corridor System does not serve many of GMS China's Most Important Cities

Nanning Skyline



Source: Wikipedia

Downtown Kunming




Source: Wikipedia

7/4/2014 GMS Urban Development Webster

GMS China's Urban System: Guangxi & Yunnan (2)


- Two Provincial Capitals (Nanning & Kunming) Account for 7.7 Million People in 2010, up from 4.8 Million in 2000
 - Accounts for 1/3 Urban Growth in the 7 Largest Cities and about 1/4 of total urban growth in Guangxi + Yunnan
 - Cities over 1 million account for 49.4% of Guangxi's Population and 43.4% of Yunnan's
- Urban Systems are very different in Guangxi & Yunnan below the >One Million Category: Guangxi has balanced hierarchy (29.3% of urban population in 500K - 1 Million Cities), Yunnan exhibits bottom-heavy hierarchy (32.2% live in settlements <50K)

Central Baisha (Guangxi SAR)



Source: Wikipedia

Daili Cityscape (Yunnan Province)



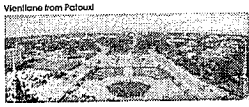
Source: Wikipedia

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Lao PDR's Urban System


- In 2010: Four Key Cities (Vientiane, Savannakhet, Pakse, Luang Prabang), Accounted for 18.1% of National Population of 6.3 Million, Up from 17.2% in 2005 and 14.2% in 1995
- Between 1995 & 2005, the Population of the Three Smaller Cities Grew Much Faster than the Capital Vientiane (Accounting for 47% of the growth of the four cities) - this trend has now reversed
- Vientiane now growing at 2X Rate of Smaller three Cities
- The four leading cities grew by 3.3% (CAGR) between 2005 and 2010, only slightly faster than the national population at 2.3%
 - Urbanization in Lao PDR is Relatively Subdued

Vientiane from Patouxai



Source: Wikipedia

Luang Prabang Street Market




Source: Wikipedia

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Myanmar's Urban System

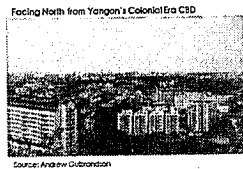
- 58 Urban Centers Have Population > 50K (2009), Totaling 13 Million
 - 21.5% of Population Reside in Cities >50K
- Myanmar's Economy has Potential to Boom - Which would be reflected in Rapid Urbanization - Beyond UN Estimates
- Yangon, 5.1 Million population, is 3rd Largest Metropolis in GMS
- Peri-Urban Bago May Emerge as an Important Manufacturing & Trading Center

Yangon's Colonial Era CBD



Source: Andrew Gurbanian

Facing North from Yangon's Colonial Era CBD




Source: Andrew Gurbanian

7/4/2014 GMS Urban Development Webster

Myanmar's Urban System (2)


- Mandalay (963K) is Prime Entrepot Between China & Points South
- Mawlamyine (435K), is Third Largest City Positioned to Grow Rapidly as Entrepot with Thailand & Key Regional Center
- Nay Pyi Taw, Established in 2005 as Capital, Has Potential to Grow Rapidly as embassies, IDOs, NGOs, & other organizations relocate from Yangon

Flood Flooding in Downtown Mandalay



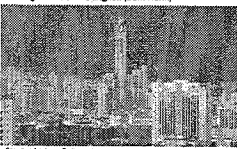
Source: Andrew Guitardsson

Nay Pyi Taw's Underutilized International Departure Hall




Source: Andrew Guitardsson

Facing Downtown Bangkok (from North)



Source: Andrew Guitardsson

Lumphini Park and Downtown Bangkok Skyline




Source: Andrew Guitardsson

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Thailand's Urban System


- Thailand's Urban Population Grew from 19 Million to 29.1 Million (4.38% CAGR) from 2000-2010, Reversing Slower Urban Growth 1990-2000
 - 2000-2010: Urbanization Level Increased from 31.1% to 44.2%
 - 1/2 Urban Growth Product of Migration
- Thailand's two Largest Conurbations are along Southern Corridor: Bangkok Metropolitan Region (14.6 Million) & Eastern Seaboard (1.8 Million Urban Population)

Flood Flooding in Downtown Mandalay



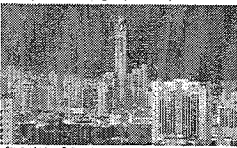
Source: Andrew Guitardsson

Nay Pyi Taw's Underutilized International Departure Hall




Source: Andrew Guitardsson

Facing Downtown Bangkok (from North)



Source: Andrew Guitardsson

Lumphini Park and Downtown Bangkok Skyline




Source: Andrew Guitardsson

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Thailand's Urban System (2)


- Bangkok is not only Dominant GMS City (Gateway to the GMS) but Leading Global City in Terms of Visitors, Aviation, Ranking as Destination City (#1 in World)
- Regional Cities (e.g., Khon Kaen, Nakhon Ratchasima, Udorn Thani) are in Relative Decline Relative to Emerging Amenity Cities, e.g., Phuket & Industrial Cities (ESB, Ayutthaya)

Thai Airways Airbus A330 at Suvarnabhumi Airport




Source: Andrew Guitardsson

Downtown Nakhon Ratchasima



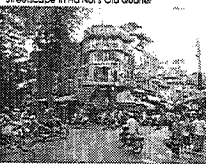
Source: Wikipedia

HCMC Aerial View (Facing SW towards Cholon)



Source: Zolice Lockem

Streetscape in Ho Noi's Old Quarter




Source: Andrew Guitardsson

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GMS Urban Development Webster

Viet Nam's Urban System


- Viet Nam is Largest GMS Jurisdiction (86 Million, 2009)
- From 2000 to 2010 Urban Population Increased from 19.3 Million to 25.4 Million (2.8% CAGR), More than Twice as fast as Nation
 - 6.1 Million New Urban Residents, Accounting for 64.4% of National Population Growth; 4.2 Million of Increment to HCMC + Ho Noi (4.1% CAGR)
 - Urbanization Level Increased from 25.3% to 29.6%, still low relative to level of economic development
- Ho Chi Minh City (2nd Largest City in GMS) Dominates - Over 2X Population of Hanoi
- All 8 Major Cities Located in Eastern Corridor (Including Vung Tau - Port of HCMC)
- Central Coast (Da Nang - Hue - An Bang Beach) Likely Future Zone of Rapid Urbanization

Thai Airways Airbus A330 at Suvarnabhumi Airport



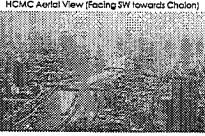
Source: Andrew Guitardsson

Downtown Nakhon Ratchasima



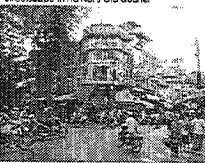
Source: Wikipedia

HCMC Aerial View (Facing SW towards Cholon)



Source: Zolice Lockem

Streetscape in Ho Noi's Old Quarter



Source: Andrew Guitardsson

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GMS Urban Development Webster

GMS Urbanization Drivers: Ports & Urbanization

- Access to Ports (Especially from Landlocked Areas) is Major Driver of Flows
- Manufacturing Location Largely Determined by Proximity to Ports
- GMS Urban System has been Shaped by Historical Factors Related Primarily to Ports (Initial Advantage, Inertia, Coastal Urban Cosmopolitanism)

Figure 2-3: The Historic Dominance of the GMS Southern Corridor

Source: Howard Dick and Peter J. Rimmer (2003) Cities, Transport and Communications: The Integration of Southeast Asia since 1850. London: Palgrave Macmillan.

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GMS Urbanization Drivers: Ports & Urbanization (2)

- Southern Corridor is "Mainstreet" of GMS Based on String of Ports
- Ports Will Continue to be Very Strong Driver of GMS Urban System But With Challenges, e.g., Dedicated Container Trains to Europe (from SW China), Aviation (for High Value: Weight Goods, Tourists, Knowledge)

Figure 3-1: Major International Sea Ports in the GMS

Source: Webster & Gulbrandson (ADB Base Map)

Part of Loam Chabang (Thailand)

Source: Webster & Gulbrandson (ADB Base Map)

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GMS Urbanization Drivers: Amenity & Aviation

- Tourism, Amenity Development is Common Area of Comparative Advantage in All GMS Jurisdictions Based on Beaches, Culture / Heritage, Urban Life, Highland Areas, etc.
 - Competitive Advantage in Some Jurisdictions, e.g., Thailand
 - Fortunately World's Largest Industry
- Highly Dependent on Attractions Intersecting with Aviation Services

Figure 3-2: Major GMS Tourism Zones

Source: Adapted by Webster & Gulbrandson (from ADB)

Shwedagon Pagoda: Yangon's Main Tourist Attraction

Source: AP/Wide World

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GMS Urbanization Drivers: Amenity & Aviation (2)

- Rise of Low Cost Airlines Serving Large Number of Amenity Centers Will Drive Rapid Development of Key Urban Amenity Centers in GMS
- Bangkok's Suvarnabhumi Global Airport + Don Muang are Tourist / Knowledge Gateway to Region
 - Regional Hubs Developing at Kunming, Ho Chi Minh City, Ha Noi & Yangon
- Tourism / Amenity has Potential to Quickly Alter National Urban Settlement Systems in GMS - As Occurred in Thailand

Figure 2-4: Aviation Access in the GMS

Source: Webster & Gulbrandson (ADB Base Map)

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GMS Urbanization Drivers: Amenity & Aviation (3)

Table 2-10: GMS International Tourist Arrivals - Parameters

Country	2009	2010	2011
China - Guangxi	1,796,452	3,027,900	640
China - Yunnan	2,729,754	3,924,720	170,500
Laos PDR	2,513,028	n/a	267.7
Myanmar	1,312,826	377,770	316
Thailand	15,936,400	19,078,000	15,358,000
Viet Nam	1,123,833	3,6514,000	2,327,200

Source: Webster & Gulbrandson

Data Source: World Tourism Organization (WTO), Guangxi SAR Statistical Bureau, Statistics Bureau of Yunnan Province

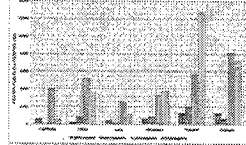
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GMS Urbanization Drivers: Cross-Border Arbitrage

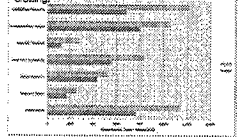
- Border Crossing Areas will Decline in Relative Importance as Factor Arbitrage Potential Declines to 2040
- AEC (2016) + Additional Bilateral Agreements Will Make GMS ASEAN Labor More Mobile, & Should Reduce Differences in Factor Prices & Quality
- Cross-border Differences in Factor Endowments More Likely to be Reflected in a Few Major Zones, e.g., Dawei, not Necessarily Directly at Border

Figure 2-5: Change in Total Intra-GMS Trade by Country



Source: Webster & Gulbrandson

Figure 2-7: Value of Border Trade at Select GMS Border Crossings



Source: Webster & Gulbrandson

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GMS Urbanization Drivers: Cross-Border Arbitrage

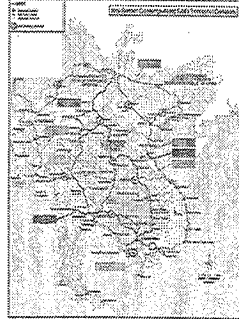
- Strong Exception is Regulatory Arbitrage, particularly Gaming (Huge Potential, e.g., Macau Cross-Border Arbitrage Gaming Receipts 6X Las Vegas)

Table 2-11: Description of Key GMS Border Crossings

Region	Country	Province	City	Partner
East-West	Laos PDR	Thailand	Xieng Khouang	Manthong
	Laos PDR	Thailand	Champasak	Phu Phan
	Laos PDR	Thailand	Champasak	Phu Phan
Southwest	Laos PDR	Thailand	Champasak	Phu Phan
	Laos PDR	Thailand	Champasak	Phu Phan
East	Laos PDR	Viet Nam	Champasak	Phu Phan
	Laos PDR	Viet Nam	Champasak	Phu Phan
East	Laos PDR	Viet Nam	Champasak	Phu Phan
	Laos PDR	Viet Nam	Champasak	Phu Phan
East	Laos PDR	Viet Nam	Champasak	Phu Phan
	Laos PDR	Viet Nam	Champasak	Phu Phan
East	Laos PDR	Viet Nam	Champasak	Phu Phan
	Laos PDR	Viet Nam	Champasak	Phu Phan
East	Laos PDR	Viet Nam	Champasak	Phu Phan
	Laos PDR	Viet Nam	Champasak	Phu Phan

Source: Webster & Gulbrandson (ADB Base Map)

Figure 2-4: Locations of Key GMS Border Crossings



Source: Webster & Gulbrandson (ADB Base Map)

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GMS Urbanization Drivers: Manufacturing

- Manufacturing will Remain Spatially Concentrated
 - China Restricted Industrial Park Spatial Decentralization in 2003
 - Thailand Abandoned Western Seaboard Industrial Zone Concept in 1997; Manufacturing Concentrated in Eastern Seaboard & Ayuthaya
 - Viet Nam's "Every Province" Industrial Park Policy ineffective
 - Cambodian Manufacturing (Garments) Highly Centralized
- Manufacturing Locates in Peri-urban Centers near Ports, Little Potential for Decentralization to Inland Centers
 - Peri-Urban Centers with Manufacturing Potential include Ayuthaya, Bac Giang, Hai Phong, Vung Tau, Bago
- Exception may be new large planned EPZ / Port / Heavy Industry Complexes, e.g., Dawei, Kyaukphyu
- Myanmar's Industrial Geography still Fluid

Hemarat Rayong Industrial Park Layout



Source: Andrew Gulbrandson

Local Factories in Peri-Urban Ho Nai



Source: Andrew Gulbrandson

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GMS Urban Development Webster

FINDINGS

- Over Medium-Term, Virtual (Knowledge), Energy (Pipelines, HVT Lines), Aviation, Coastal Shipping, Rail Container Flows Will Increase Mode Share (by Value) Relative to Highway Corridor Flows
- Smaller Urban Centers (<100k) Likely to Grow Slower than Larger Centers as Feeder Rural Population Declines by 40 Million in Region
 - Strategically Located Smaller Centers Have Potential for Viable Economies Based on (i) Higher Value Agri-business (processing, distribution) and (ii) Highway Service and Logistics Functions
 - Agricultural Processing Parks May be Viable in a Few Key Smaller Centers

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FINDINGS (2)

- Manufacturing will Continue to Remain Spatially Concentrated Creating Opportunity for Peri-urban Centers, But Little Potential for Decentralization to Inland Centers
 - Exception may be new large planned EPZ / Port / Heavy Industry Complexes, e.g., Dawei, Kyaukphyu
- Tourist / Amenity Centers Have Potential to "Boom" Significantly Altering Urban Systems, e.g., Viet Nam's Central Coast (Hue, An Bang), Sa Pa, Kunming's Amenity Corridor (Lijiang, Zhongjiao, Deqin), Jinghong, Lashio Highland Area, Siem Reap, Luang Prabang

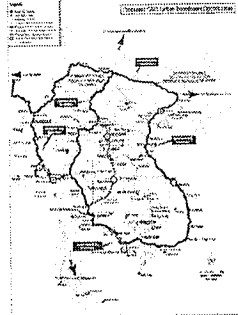
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FINDINGS (3)

- Border Crossing Areas will Decline in Relative Urban Economic Importance as Factor Arbitrage Potential Declines to 2040
 - Casinos & Major Off-Border EPZs Exception
- Secure, Attractive, Comfortable Service / Logistics Stops Needed Along Highway Corridors, especially in Laos, Cambodia, & Myanmar
- Need to Upgrade Critical Missing Highway Links

Figure 4-4. Proposed GMS Urban Investment Priorities



Source: Webster & Gutierrez (ADB Base Map)

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FINDINGS (4)

- Investment Emphasis Should be on Larger Centers with Potential; Second & Third Tier Cities are more Economically & Environmentally Sustainable than Smaller Centers
 - Exception: Upgrading of Key Service Centers along Remote Area Corridors, e.g., Luang Namtha, Houayxay
- Current Green Performance of GMS is Hindered by Reliance on Surface Road Corridors, Remote Small Urban Settlements
 - Potential Exists to "Green" Corridors Through Fuel Systems, e.g., LNG, CNG for Transport & Support to Improved Urban Planning, Building Construction, Intra-Urban Transport, Rural-Urban Land Use Conversion

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FINDINGS (5)

- Based on International Experience (China, US, Malaysia), Corridor Quality (Including Urbanization) & Economic Potential is more Important than Excessive Number / Length of Corridors
 - Feeder Corridors Often Have Limited Economic & Poverty Alleviation Returns
- Deepen Priority Corridors to Become Multi-Modal & Multi-Media
- Priority Corridors Need Quality Rail Transport (Containers; FCT or HSR Passenger), 100% Digital Coverage, Reliable Energy Feeds (Electricity, Gas) Larger Nucleated Urban Centers
 - High Cost of Moving Goods by Land in GMS Acts as a Tax on Urban Centers & Firms

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FINDINGS (6)

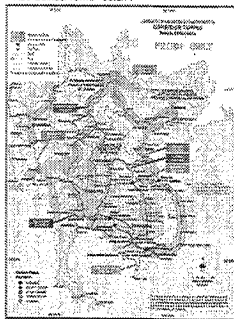
- Incorporate New Understanding & Perspectives re GMS Urban Systems and City Building into Future ADB TA & Investment Programming in GMS
 - Build on Movement from Batch 1 to Batch 2 ADB Corridor Towns Project Toward Larger & More Strategic Cities
 - Include Economic Infrastructure in Support of Urban Strategies in Programming

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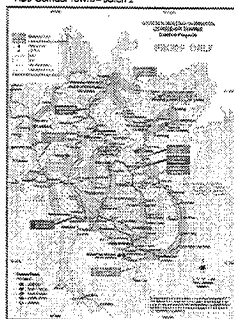
ADB Corridor Towns Project – Batch 1 and 2

ADB Corridor Towns – Batch 1



Source: ADB

ADB Corridor Towns – Batch 2



Source: ADB

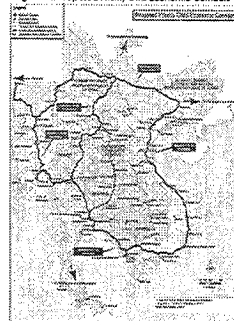
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GMS Urban Development Webster

Proposed Priority GMS Corridors

- Five Priority Corridors
 - Southern East-West Corridor
 - Eastern North-South Corridor
 - Northern East-West Corridor
 - Western North-South Corridor
 - Central North-South Corridor
- Priority Corridor Urban Population: **55,470,036**
 - 67.5% of Urban Population in Cities over 50,000
 - 52.0% of Urban Population in the GMS
 - 17.2% of Total GMS Population

Figure 4-1: Proposed Priority GMS Economic Corridors



Source: Webster & Gutierrez

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GMS Urban Development Webster

High Potential Urban Nodes for Investment

- High Potential 2nd Tier Urban Nodes: 2.4% of the GMS Urban Population

Characteristics of Priority Urban Nodes

Country	Population	Location	High Potential	Priority
Laos	763,766	Western	No	High
Myanmar/Myiwe	435,422	Western / East West	No	No
Thailand	4,547,500	Central / East West	No	High
Luang Prabang	62,056	Central / Northcentral	Yes	No
Central Laos	83,467	Southwest / Central	No	High
Da Nang / Hue	1,073,694	Eastern / East West	Yes	High
Luang Prabang / Phongsavan	150,750	Eastern	No	High

Source: Webster & Gutbrandson

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IMPLICATIONS / REQUIRED ACTION

- Enhanced Data Bases on GMS Cities Needed, Particularly related to: (i) Urban Economic Structure, Function & Dynamics, (ii) Green Performance, including Land Use Efficiency, Conventional Pollution, GHG Emissions, Densities, Rural-Urban Land Conversion, Building Performance, (iii) Quality of Life, e.g., Service Coverage, Household Income, Poverty Levels
 - Data Bases Would Create Better Decision Support Framework & Enable Monitoring Using Flagship & Key Indicators
- Develop Explicit National Urban Policy / Spatial Frameworks
 - Thailand Pioneered National Spatial Planning in Southeast Asia in Late 90s - Still Guides Spatial Development

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IMPLICATIONS / REQUIRED ACTION (2)

- Develop *Spatial / Urban Systems Framework* for Region
 - Emphasize Missing Links, Economic Complementarities, Learning
- Reorient GMS Spatial / Development Planning from a Corridor Perspective to an Urban Systems (Including Rural-Urban Linkages) Perspective
 - Corridors are Instruments, Cities are Ends (If Demand Based Urbanization)
- Update Corridor Alignments (Especially in Myanmar), Monitor Real Highway Link Specifications & Conditions (Current Data Bases are Scattered & Unreliable)

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IMPLICATIONS / REQUIRED ACTION (3)

- Reduce Fossil Fueled Highway Dependence (Environmentally Inefficient) through promotion of Cross-Border Rail in Medium-Term
 - ESCAP Knowledge Leader re Pan-Asian Rail
- Push for Energy Efficient Transport Corridors in Shorter Run, e.g., CNG/LNG Corridors as being Developed in US
- Continue to Push for Cross-Border Seamless Movement Facilitation (Visas, Electronic Cargo Manifests, Seamless Movement of Vehicles)
 - Modest Progress to Date

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IMPLICATIONS / REQUIRED ACTION (4)

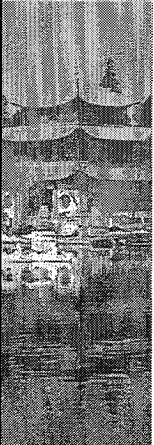
9. Encourage Development of Medium-Sized Cities at Points of High Accessibility (e.g., Junctions, Near Ports) based on Tourism/Amenity; Regional Service Functions; Logistics & Distribution such as ICTs, Agri-business
 - Avoid Creating Too Many Tourist Destinations Too Fast & Unrealistic Strategies Related to Manufacturing Decentralization
10. Encourage Growth of Larger Cities to Provide More Scope for Urban Greening
 - Establish Urban Greening Monitoring / Report Cards in Selected Cities
11. Establish Working Group on GMS Cities to Determine Major City Building Stakeholders, Researchers (& Data Bases), Political / Administrative Actors, Development Agency & NGO Actors
 - Mid-sized and Smaller Cities Would be Major Beneficiary because they receive less attention

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IMPLICATIONS / REQUIRED ACTION (5)

12. Working Group Could Focus on a Limited Number of Themes / TA, e.g:
 - a. Realistically Defining Urban roles / Visions / Development Strategies
 - Demand for Global Cities Very Limited
 - b. Urban Planning Emphasizing Sustainability / Environmental Performance
 - c. Branding, Promotion, Investment
 - d. Urban Finance
13. Increase Private Sector Interest in GMS Cities; Need Shift in Emphasis from Public Infrastructure (Increasingly in Place) to Maximizing Returns from GMS Infrastructure & Urban Base
 - Facilitate PPP
 - Convene GMS Cities Investment Fair

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Role of Kunming: Vision

To become China's
Amenity Center
Gateway to Southeast Asia
City of Romance and Everlasting Spring
Adding value to
Kunming's rich natural and cultural endowment

Kunming Planning Shui On 43

THANK YOU

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Kingdom of Cambodia
Nation Religion King

Ministry of Land Management, Urban Planning
and Construction

Cambodia:
National Urban Development Perspective

Phnom Penh, 12th July 2012

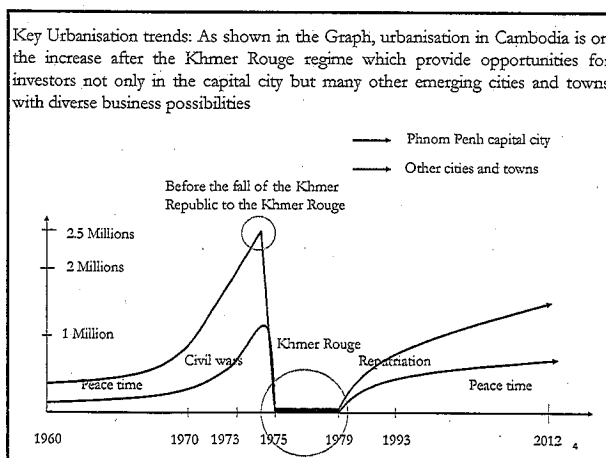
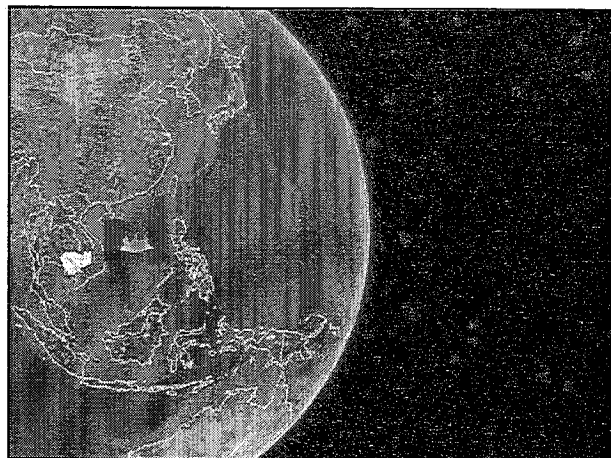
Beng Hong Socheat Khemro (Ph.D.)
Ministry Spokesperson
Deputy Secretary General

1

Content:

- Country's profile and urbanisation trend
- Existing Country's urban Strategy, priority, milestone for urban development
- Institutional urban structure
- Approach, policy and incentives for urban investment
- Development partner in urban sector

2



Urbanisation Trends

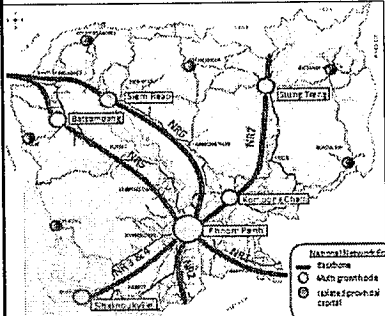
- Urban Population Growth: 1.54 %
- Fast growing cities and towns:
 - Capital city of Phnom Penh (2.8 percent annual population growth),
 - Economic pole cities of Siem Reap and Sihanoukville
 - Provincial and district agricultural potential capital cities and towns, Battambang, Sisophon, Kampot, Kampong Speu, Soung, Snoul, Kratie, Kampongcham, Svay Rieng,
 - Provincial and district tourism potential capital cities and towns Steung Treng, Mondulkiri, Ratanakiri, Kep, Koh Kong,
 - Cross border cities and towns. Poi Pet, Barvet, Koh Kong, Samrong,

5

Existing Country's urban Strategy, priority, milestone for urban development

6

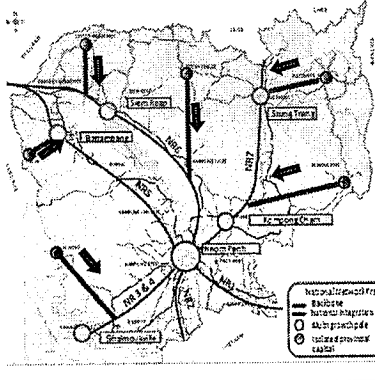
Through road infrastructure improvement to the capital city and other important key economic poles, the Royal Government hopes to maximise the benefits from the economic poles to other provincial cities and town with proper planning



The planning also aim to decentralise development from the capital city to other secondary cities and towns

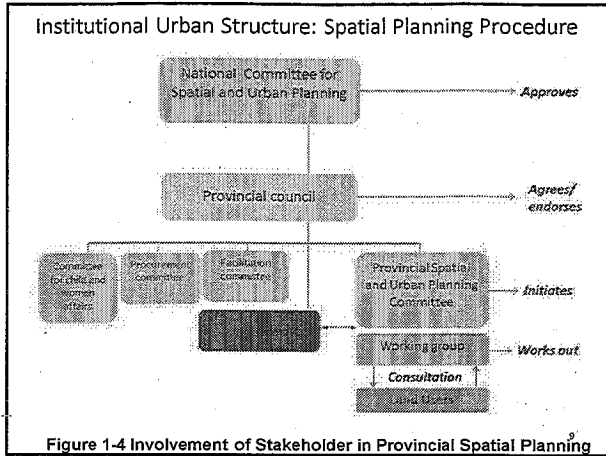
7

The Royal Government has invested heavily on infrastructure in order Promotion of national integration



In order to reduce poverty in rural areas throughout the country The Royal Government has invest in building and upgrading road infrastructure connecting urban centres and rural areas as to create more opportunities for rural population through rural-urban linkages and provide them with markets for rural produces

8

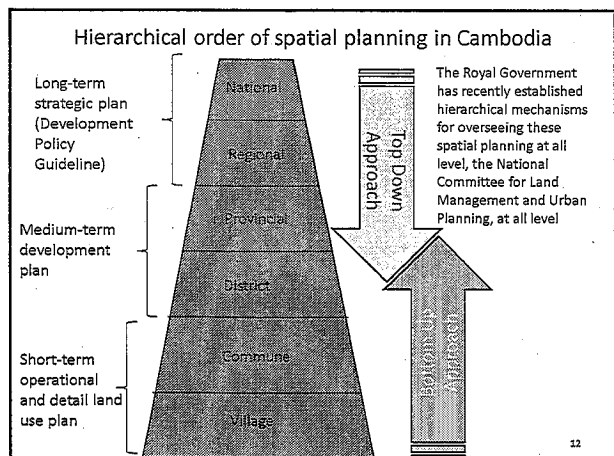
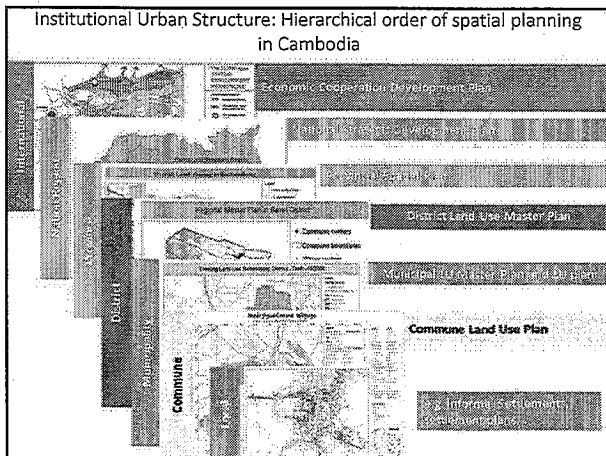


Institutional Urban Structure: Spatial Planning Procedure

In order to achieve sustainable and environmental friendly development, the Royal Government of Cambodia will embark on the following physical planning:

- National Spatial Plan
- Regional Spatial Plan
 - Inter-countries regional plan, Cambodia-Laos-Vietnam, Greater Mekong Sub-Region
 - In-country regional plan, Coastal Area plan, Northeastern region plan
- Provincial and Municipal Plan (Master Plan)
- District and Khan Plan (District Strategic Development Plan)
- Communal Plan (Commune Land Use Plan)
- Village Plan (Participatory Land Use Plan),

All of which attempt to achieve first, proper utilisation of resources, second, sharing benefits from resource utilisation to investors and the public and third, contribute to land market stabilisation and fourth, sustain social and economic development.



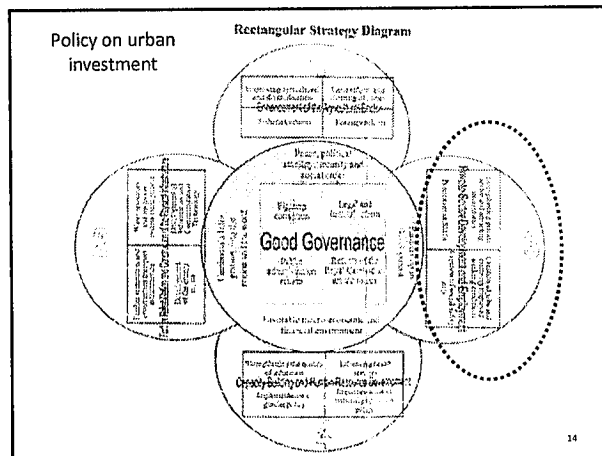
Hierarchical order of spatial planning in Cambodia

In order to achieve sustainable and environmental friendly development, the Royal Government of Cambodia will embark on the following physical planning:

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Policy & Legal Framework for sustainable urban development

- Policy:
 - The Royal Government’s Declaration on Land Policy
 - Interim Paper on Strategic Framework on Land Policy
 - National Spatial Policy
 - Law on Land Management, Urbanisation and Construction
 - Policy on Social Land Concession
 - Policy on State Land Management
 - Land Valuation Policy
- Legal framework:
 - Law on Territorial and Land Management
 - Sub-Decree 85 on Building Permission
 - Land Registration
 - Circular 03 on Squatter Settlement Resolution

As well as many others are in the process of formulation.

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Development Partner in urban sector

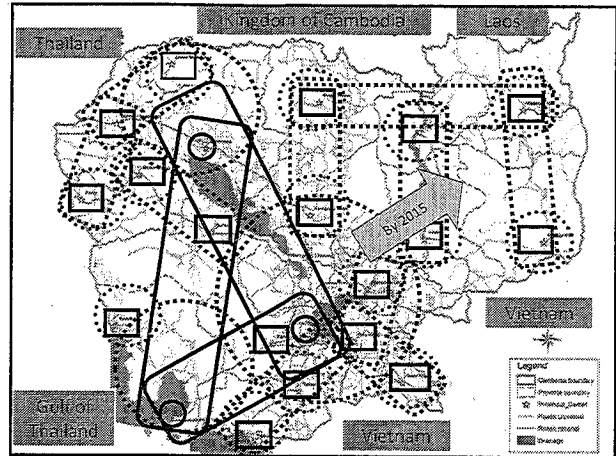
Most Development Partners have so far targeted rural development and other sectors as their priorities for poverty alleviation in Cambodia , thus urban sector has been rather left out.

There have been of course some technical assistance mostly in the forms of research and basic or trial physical planning assisted by the German GTZ and now GIZ and EU in Western region province of Battambang and Siem Reap and the assistance from the French Government on Phnom Penh city master plan as well as JICA on the city’s infrastructure and services such as drainage and public transport.

Other IOs have also have projects and programmes on urban related issues such as housing the urban poor in Phnom Penh by UNHABITAT .

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**Urban planning for growth:
National Urban Development Strategy**



THANK YOU
for Your Kind Attention

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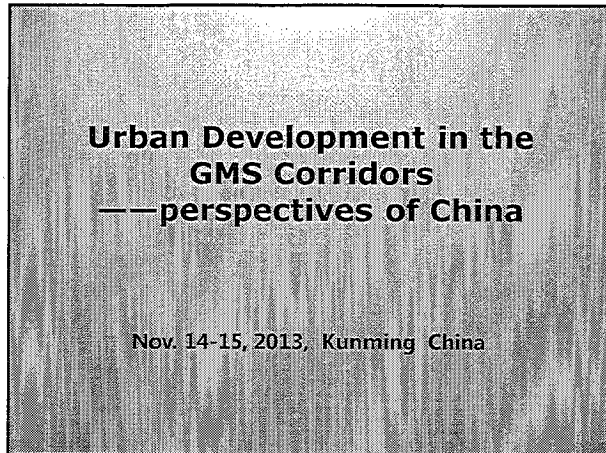
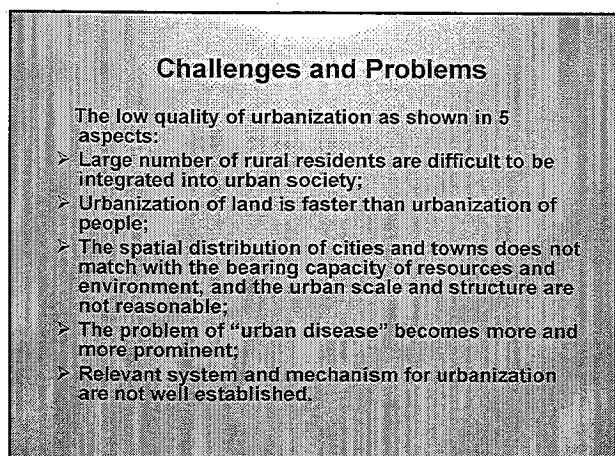
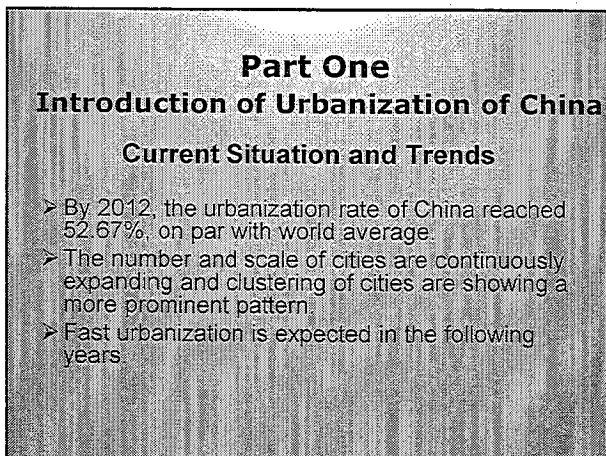


Table of Contents

1	Introduction of Urbanization of China: at national level and Guangxi and Yunnan in Particular
2	Feedback on the Keynote Report on Urban Development in the GMS
3	Policy Recommendations on Development Strategies and Strategic Measures



The National Strategy of Urbanization

- The context of China's urbanization: A large population, relative limited resources, fragile ecological environment and imbalanced urban-rural development.
- 4 strategic tasks of China's urbanization are:
 - Carry out citizenization of the migrant population in an orderly way;
 - Optimize the spatial layout and pattern of urbanization;
 - Enhance cities' capability to realize sustainable development;
 - Promote integrated urban-rural development.
- ◆ Target: By 2020, urbanization rate reaches around 60%, with 100m more rural population shifting to cities

The Urbanization Strategies of Guangxi and Yunnan

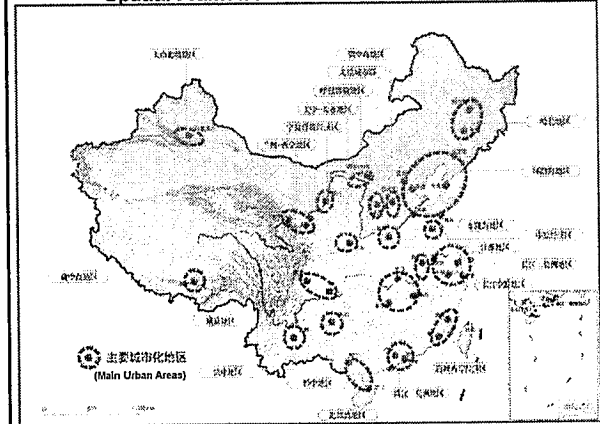
	Guangxi	Yunnan
Current Situation	Urbanization rate at 43.53% in 2012	Urbanization rate at 39.3% in 2012
Urbanization Strategies (main tasks)	(1) Enhance the diffusion effect and the driving capability of large and medium-sized cities; (2) Emphasize the development of counties and central towns; (3) Strengthen urban infrastructure construction; (4) Promote the integration of urban-rural service industry; (5) Carry out reform on the household registration system.	(1) Accelerate the development of central Yunnan; (2) Improve the quality of urban development, promote the integration of urbanization and industrial development; (3) Improve urban human settlements and optimize the urban spatial layout; (4) Move cities and towns to hills and transfer peasants to cities; (5) Set up a supervisory mechanism on environmental protection.
Targets	In the next 5 years, urbanization rate shall be at 53%.	By 2015, the urbanization rate reaches 42-43%; in the next 5 years the rate shall reach 48%.

Part Two Feedback on the Keynote Report on GMS Urbanization

On Urbanization Strategy of China

- Generally agree with the point of view that China's urban system is "constellation based, not corridor based" (P.45)
- China's urbanization strategy: city groups/clusters as the main pattern in urban spatial layout
 - To develop 3 world-class metropolitan areas in Beijing-Tianjin-Hebei Province, the Yangtze River Delta, and the Pearl River Delta;
 - To develop 10 more regional city groups including the two in GMS area—one at Beibu Gulf (Gulf of Tonkin), the other in central Yunnan, as specified by the national 12th five-year plan

Spatial Framework of Urbanization of China



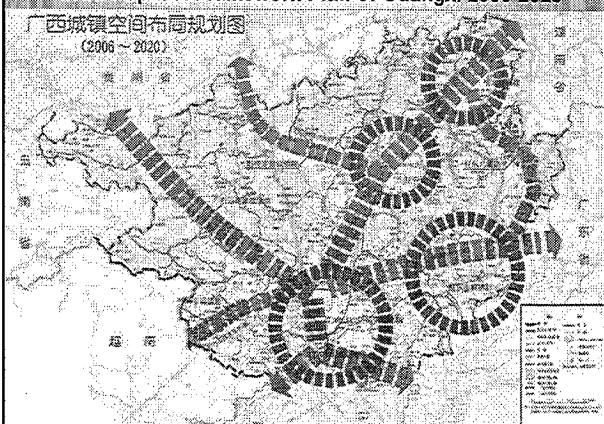
Additional Info on the Driving Forces of China's Urbanization

- Rebalancing the economy: urbanization as a major measure to boost domestic demand
- Urbanization of population as the core task: sharing of basic public service among more than 200m migrants from rural area—an unprecedented historical empowerment
- Urbanization in sync with new-type industrialization, modernization of agriculture and informatization

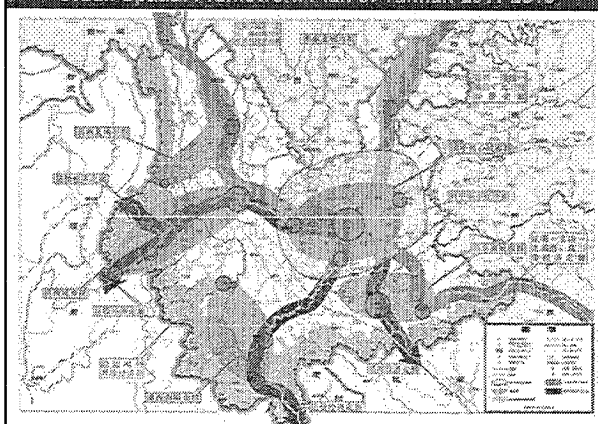
On the Role of Economic Corridors in GMS

- Agree with the judgment that GMS is largely landlocked and depends more on sea ports. (P.2, P.12)
- Therefore, the importance of economic corridors in urbanization should be put in perspective. (P.37)
- Economic corridor is a major measure to overcome difficult geography and national boundaries, and promote regional integration in GMS.
- Economic corridors feature large in urban spatial planning in Guangxi and Yunnan. Almost all the important cities/towns of Guangxi and Yunnan are distributed along the outbound (GMS) and domestic economic corridors.

Urban Spatial Framework Plan of Guangxi 2006-2020



Urban Spatial Framework Plan of Yunnan 2011-2015



Urban Spatial Patterns and Features of Guangxi and Yunnan

	Guangxi	Yunnan
Spatial Layout of the Urban System	<p>4 city groups and 4 city belts:</p> <p>The 4 city clusters are: (1) the Nanning-Beihai-Qinzhou-Fengchenggang city group centered on Nanning; (2) the Central Guangxi city group centered on Lianzhou; (3) the Northern Guangxi city group centered on Guilin; (4) the Southeast Guangxi city group centered on Wuzhou, Yulin and Guigang.</p> <p>The 4 city belts are: (1) the Youjiang River city belt centered on Baise and Pingguo; (2) the Guizhou-Guangxi corridor city belt centered on Hechi and Yizhou; (3) the Southwest city belt centered on Chongzuo, Ningming and Pingxiang; (4) the Northeast city belt centered on Hezhou, Zhongshan and Fuchuan.</p>	<p>6 city groups:</p> <p>(1) the Central Yunnan city group centered on Kunming and including Qujing, Yuxi and Chuxiong; (2) the Western Yunnan secondary city group centered on Dali, Baoshan and Ruili; (3) the Southeast Yunnan secondary city group centered on Mengzi and Wenshan; (4) the Northeast Yunnan secondary city group centered on Lijiang; (5) the Southwest Yunnan secondary city group centered on Jinghong and Pu'er; (6) the Northwest Yunnan secondary city groups centered on Zhaotong and Ludian.</p>
Main Features	A city group network is taking shape	<p>(1) Solely centered on Kunming;</p> <p>(2) The border economic belt.</p>

Comparison of Guangxi and Yunnan

	Guangxi	Yunnan
Nearby Economic Centers	Conveniently linked with Guangdong	Separated from Chongqing and Chengdu by difficult terrains
Sea Port Access	Beihai, Qinzhou, Fangchenggang	None
Terrain	76% mountainous area	94% mountainous area
Industrial Development	Relatively good and improving	Weak and ill-structured, lack of integration with urbanization
Length of Land Border	1020 Km	4060 Km

- Yunnan is comparatively more dependent on economic corridors. As evidenced by history, the fate of cities and towns of Yunnan has been closely linked with the trading routes.
- ◆ A more balanced view: Development of economic corridors and urbanization supplement each other; both are important.

On Urbanization Projects along the Corridors or at Border Areas

- Agree with the point that investment should be based more on the principle of economic efficiency. (P.37)
- However, the importance of urbanization at border areas should not be underestimated. (P.37)
- Construction of AEC and China-ASEAN FTA is a long, gradual process.

On Urbanization Projects along the Corridors or at Border Areas

- Intra-regional trade level is still not satisfactory, and GMS countries are competing for FDI and market.
- Other factors, e.g., the list of sensitive goods, non-tariff barriers, transparency problems, cross-border transportation agreements which are not in full play, etc., are hampering regional integration.
- To support urbanization at border areas is conducive to fostering a favorable situation for win-win and regional integration gradually.

On Mobilization of Funds and Selection of Priority Routes

- Agree to involve the private sector in the form of PPP. Meanwhile, the governmental and multilateral organizations still need to play a pivotal role.
- Investment should be based on market principle, but other factors should also be taken into consideration in GMS, for example:
 - Major transportation routes may cause huge spillover effect, driving regional development and creating new demand, especially for formerly landlocked places.
 - Poverty-alleviation, balanced regional development, development of ethnic minorities, etc. are also important factors in the decision-making of GMS countries.
- ◆ A more future-oriented and holistic point of view probably would be more helpful for mobilizing funds from GMS countries.

Part Three Policy Recommendations

On Development Strategies

- Explore the possibility of forming regional city constellations or city economic circles in a larger scale through the construction of priority economic corridors, for example, the Hanoi-Nanning-Kunming economic circle.
- Promote inter-city connectivity between big city and surrounding small and medium-sized cities/towns, so as to reduce the Matthew effect while facilitating the spillover and trickle-down effect.
- More investment on industrial parks with comparative and competitive advantages, medium-sized (second tier) cities with developmental potential, and featured small towns.

On Development Strategies


- More support to the economic cooperation and urban development at selected border areas
- More investment to support regional railway construction to reduce logistic costs
- More support for the development of vocational education
- As to industrial development, agriculture (agri-processing), tourism, logistics, tele-communication, international finance, energy are recommended as key areas for regional cooperation

On Strategic Measures

- Strengthen regional cooperation. To hold regional urbanization symposium or investment fair.
- Increase city-to-city interaction and cooperation by pairing up more "sister cities" in the GMS.
- Integrate GMS plan with member countries' plans
- Cooperate on building regional industrial chain
- Offer more training programs for the law enforcement and management departments at border areas.
- Enhance coordination among GMS countries, and governments at various levels within GMS member countries.
- Accelerate the process of approval and implementation (thru pilot projects) of GMS CBTA and other cross-border transportation agreements

Thank you!

Perspectives on Urban Development Strategy to 2030 of Lao PDR



Urban Development Task Force Meeting
in Kunming 14-15 November 2013

1

Contents of the Presentation

1. Overview of the country
2. General information of urban system and urban development
3. Urban development strategy
4. Organizations and measures for implementing the strategy

2

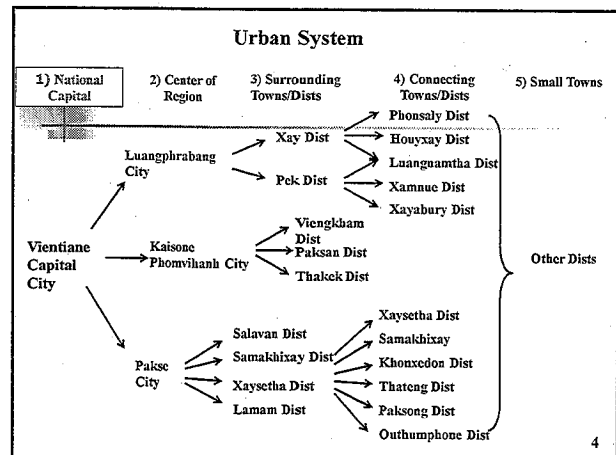
2. General information of urban system and urban development

At the present, the country administration is divided into 1 capital, 16 provinces and 145 districts. There are 4 districts being the places where the municipality of Vientiane Capital is located, 16 districts as provincial capitals and 125 districts as district centres.

Since 1990, the government has a concrete policy on urban development and management by initiating the integrated urban development of Vientiane Capital and then the 4 Secondary Towns and Provincial Towns and were continued to develop and following by the other district towns.

At the same time, the government has improved the institutional organizations, particularly the establishment of the urban development and administration authorities for the Capital City, provincial towns and district centres in order to build a basis for upgrading the town to be municipality according to the local administration law.

3



Urban hierarchy			5
National Capital/City	Vientiane Capital City	1. Chanthabury Dist 2. Sattanak Dist 3. Sikhottabong Dist 4. Xiexetha Dist	04 Dists
Provincial Municipality	City	1. Luangprabang City = Center of Northern 2. Kaysone Phomvisan = Center of Middle 3. Pulse City = Center of Southern	03 Dists
	Surrounding and Connecting Dists	1. Phonsaly Dist 2. Luangnamtha Dist 3. Xamnuo Dist 4. Xay Dist 5. Pek Dist 6. Houxay Dist 7. Xayabury Dist 8. Viengkham Dist 9. Pakxane Dist 10. Thakok Dist 11. Salavano Dist 12. Lamam Dist 13. Sannakhyay Dist	13 Dists
District Municipality		Other districts that are not provincial municipality	128 Dists
Small Towns		Cluster villages development	1070 Cluster villages

2. General information of urban system and urban development (con'd)

In 1998, the Ministry of Public Works and Transport (MPWT) has initiated to study on the draft strategy for urban development in the Lao PDR, draft strategy on Vientiane urban development in 2000, draft national strategy for rural-urban infrastructure development in 2001, and draft strategy on rural-urban and regional linkages in the Greater Mekong Sub-region in 2005.

In 2008, the MPWT has studied the comprehensive urban transport for Vientiane Capital.

Now, 113 out of 145 district centres throughout the country had urban master plan which is an important basis for urban development and management for ensuring the balance between socio-economic development and environmental protection.

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3. Urban development strategy to 2030

3.1 Vision

To be modern town; to protect the artistic and cultural uniqueness, architecture and to have good-liveable environment; to be economic, cultural, social and services centre that to support the rural development, the industrialization and modernization *and linkage to the Greater Mekong Subregion.*

3.2 Objectives

The main objective of the Strategy is to define the directions, targets and investment plan for urban development that is consistent with the real situation and will be the significant references to the continuous improvement, construction and upgrading of the basic infrastructures, protection of the artistic and cultural uniqueness, architecture and environment, urban services and urban management throughout the country.

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3. Urban development strategy to 2030 (con'd)

3.4 Rationale

We should pay attention to build district centres and provincial towns to have an appropriate number of citizens, become a political, economic, cultural and social centre of each district, province or zone.

The urban development and construction works become more and more important and urgent tasks. We shall pay attention to the protection and restoration of Luangprabang Town that was a World Heritage Site, also develop of Vientiane Capital and provincial towns for their new appearance in compliance with the urban master plan, reflecting the unique architecture of the nation, environment protection in associated with the improvement and expansion of basic facilities.

We shall take an account to develop a region and a zone of the capital city and provincial towns to be a political, administrative, socio-economic and cultural centre to support the surroundings areas become a small town in order to gradually reduce disparity between urban and rural;

We also should participate in the implementation of master plans for development of economic triangles or the global plans for development of territories that are adjoining with the neighbouring countries.

(Resolutions of the IX Congresses of the Lao PDR Revolutionary Party 2010).

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3. Urban development strategy to 2030 (con'd)

3.5 Directions of the strategy

Study the urban hierarchy of towns throughout the country; to identify the directions, development plans and to develop the urban master plans for each urban level.

Continue to develop Vientiane Capital, provincial towns and district centres to become towns with basic infrastructure, urban services system to fulfil the demand.

Develop communities or big villages to become small towns in the rural areas in order to reduce gradually the development gap;

Construct of basic infrastructure for towns which have economic potential and towns along the economic corridors and economic triangles together with construct of facilities that supporting the industrialization and modernization;

Build towns to be colourful to protect and rehabilitate of towns and territorial zones that are World's Heritage Sites.

Improve and upgrade capacity of institutions and legal instruments in the urban sector in order to ensure the efficiency of the urban management and services.

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3. Urban development strategy to 2030 (con'd)

3.6. Targets

• Build Vientiane Capital, provincial towns and district centres to be political, administration, economic, social and cultural centres of the Nation and localities to be clean, beautiful, environmentally sustainable and liveable towns;

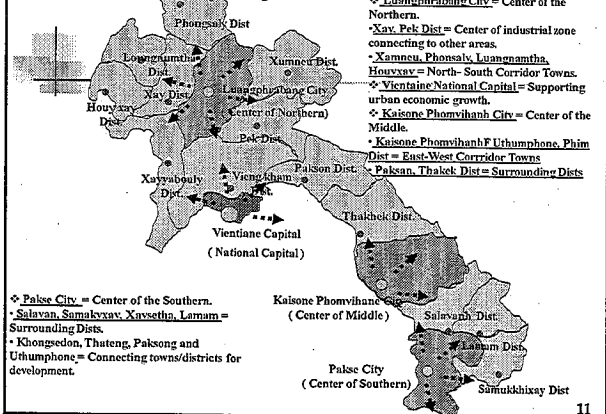
• Build Luangprabang Town as a centre of the North; build Xay Town (Oudomxay Province), Pek (Xiengkhouang province) to be industrial centres to link with other areas and towns along the North-South economic corridor such as Luangnamtha, Xamneua, Phongsaly, and Houyxyay to balance the economic development and link with the neighbouring countries;

• Continue to build Vientiane Capital as supporting force of economic growth in parallel with Kaysone Phomvihanh Town (Savannakhet Province) as centre of the central part of the country which is located along the East-West economic corridor that links to the GMS;

• Build Pakse Town (Champasak Province) to be the economic and technic-scientific centre of the Southern region to link the economic relation with central, northern and neighbour countries

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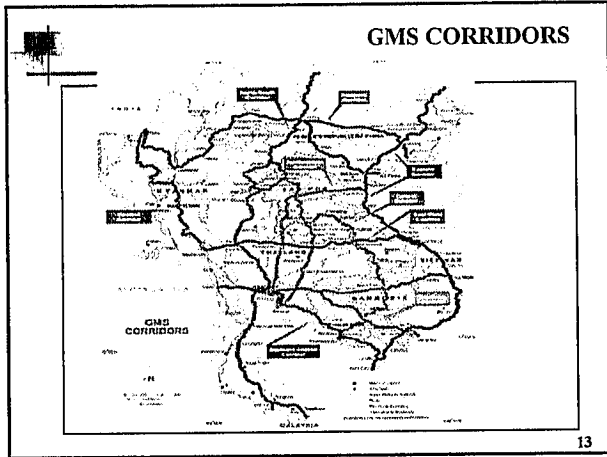
Perspective on Urban Development



Proposed Urban Development Plan 2011E2030 for GMS Corridor

North-South	Luangnamtha	Vientiane (Dist. Nanthas Dist.)	R.3	GMS II (ADB)
	Bokan	Houyxyay Dist.		
Northeastern	Xayabury	Xienthao Dist. Xayabury Dist.	R.4	
	Luangprabang	Xiengnuean		
	Xiengkhouang	Pek Dist.	R.7	
	Houaphan	Xam Neua Dist. Viengxay Dist.	R.6	
Central	Luangprabang	Luangprabang	R.13	
	Vientiane Capital	4 Districts		
	Bolikhamxay	Paksan Dist.		
	Khammouane	Thakhek Dist.		
East-West	Champasak	Pakse Dist.		
	Savannakhet	Kaysone Phomvihanh Dist. Urthumphone Dist. Phim Dist.	R.9	GMS I (ADB)

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3. Urban development strategy to 2030 (con'd)

3.7 Programmes and Priority Projects

The following are programmes and priority projects in order to realize and implement the urban development strategy successful:

Program 1: Improvement of organizational structure and human resources development.

Project 1: Capacity development on urban planning, development and management.

Project 2: Public awareness to encourage all people to participate in urban planning, development and management.

Program 2: Formulate and amend legal acts and technical standards which are related to the urban sector.

Project 3: Formulate amend legal acts that are related to the urban sector

Project 4: Develop the technical standards that are related to the urban management and development .

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3. Urban development strategy to 2030 (con'd)

3.7 Programmes and Priority Projects

Program 3: Basic Infrastructure Development and Urban Environmental Management.

Project 5: Study plan for urban water supply systems development.

Project 6: Study plan for urban sanitation systems development.

Project 7: Study plan for solid waste management and development.

Project 8: Study plan for urban transportation systems development .

Project 9: Study plan for urban housing development.

Project 10: Develop of urban centers, rear towns, borders towns, GMS economic corridor towns, special economic zones and cluster villages.

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3. Urban development strategy to 2030 (con'd)

3.7 Programmes and Priority Projects

Program 4: All levels of Country Area Allocation

Project 11: Study plan for district structural development; revise the existing urban master plans, develop new urban master plans for those towns that do not have urban master plans yet.

Project 12: Study detailed plan of towns, special plan for each zone, rear towns, border towns and towns along the GMS economic corridor, special economic zones and development cluster villages.

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4. Organizations and measures for implementing the strategy

4.1 Responsible organizations

The following are organizations responsible for urban development and management :

- Ministry of Public Works and Transport (MPWT): responsible for macro-management of each work relating to the urban development through the country.
- The other concerned ministries and sectors: responsible for cooperation, assistance and support to participate actively in the research, planning and implementation of projects that are relating to each other or to joint responsibilities.
- The local administration (provinces and districts): responsible for implementing of urban development strategy and investment plan.

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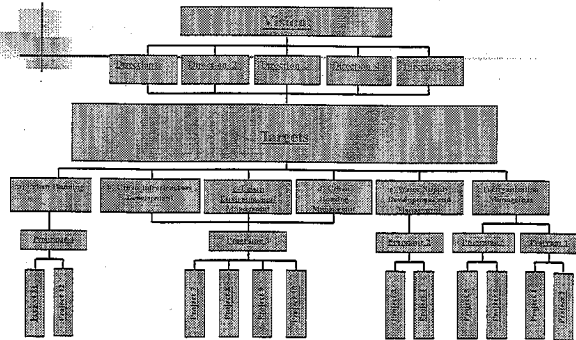
4. Organizations and measures for implementing the strategy (con'd)

4.2 Measures for implementing the strategy

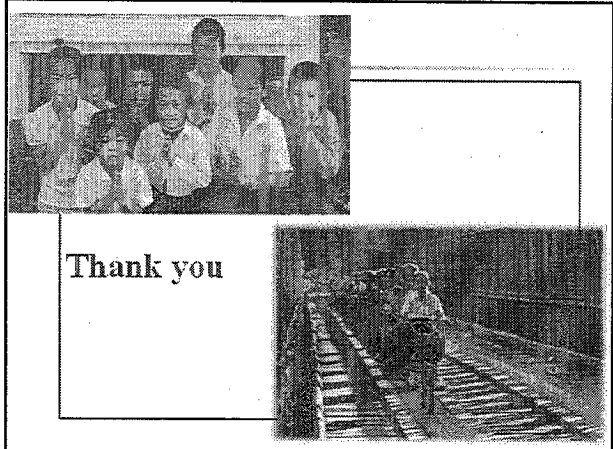
- Funds raising and allocation of capital to priority programs
Funds is challenged to our capacity; therefore, the funds raising for implementing this strategy is a direct duty of each relevant sector to pay great attention to translate this strategy into the detailed action plans.
- Participatory promotion of each economic sector and people
Seek for and mobilize all economic sectors, cooperative and individual to participate in the development of public works and transport sector.
- Management and Implementation of Programs
Increase the macro-management works by providing laws, regulations and technical standards to be management instrument. Improving of coordination mechanism between the central and local organizations, public servants at all levels of the public works and transport sector.

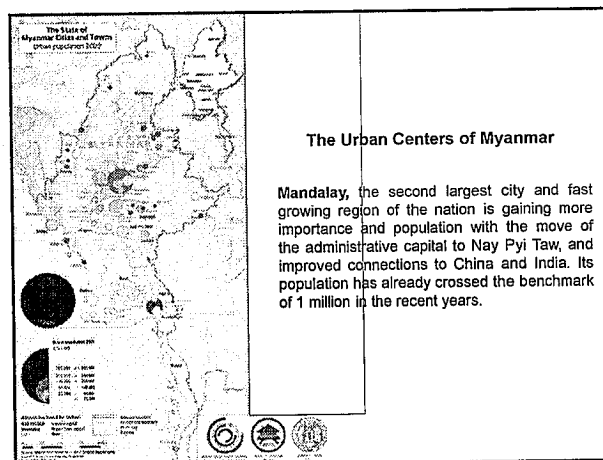
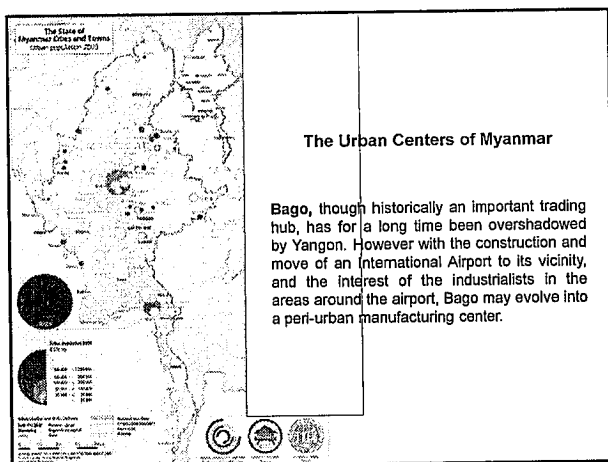
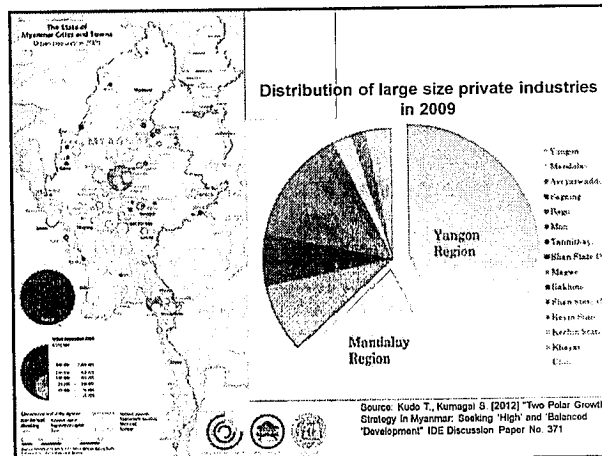
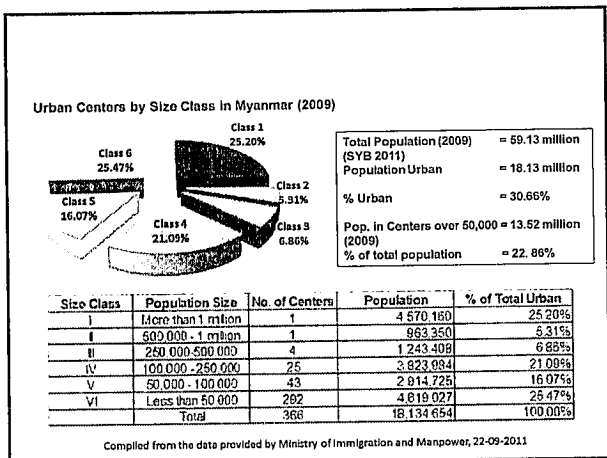
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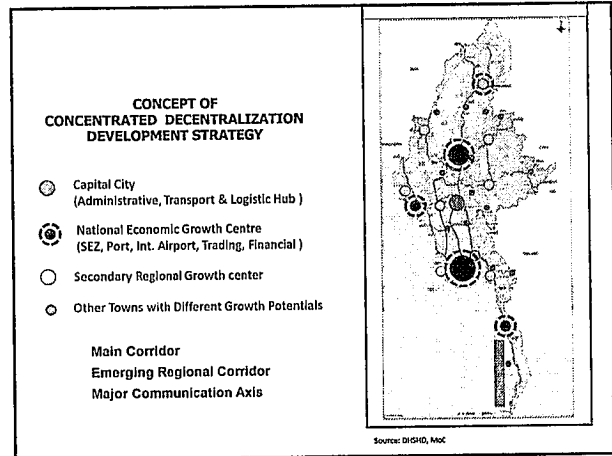
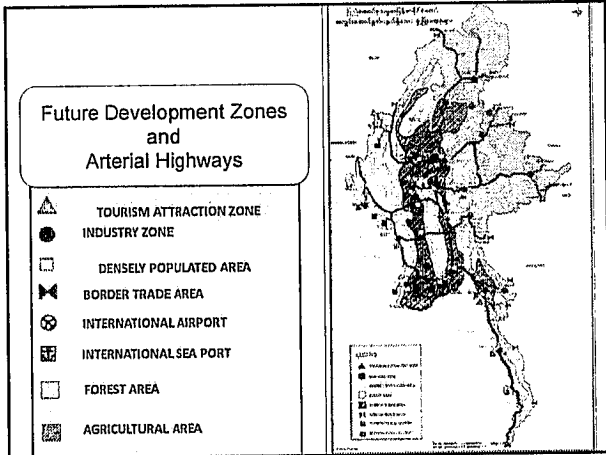
Urban Development Strategy to 2030



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Thank You!

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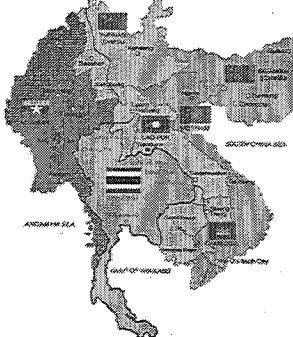
Thailand Perspectives on Urban Systems and Development Strategies

**SECOND MEETING
GMS URBAN DEVELOPMENT TASK FORCE
14 November 2013
Kunming, PRC**



Thailand Perspectives on Urban Systems and Development Strategies

Country Profile



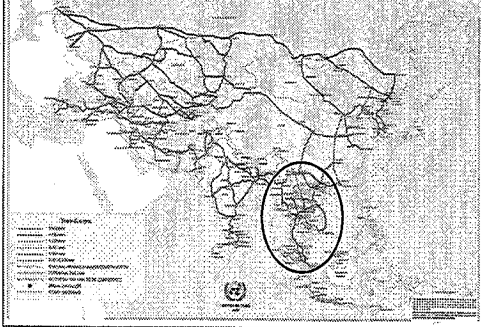
Land Area:	511,973 km ²
Population:	64 million
Density:	125 person/km ²
Capital City:	Bangkok

US\$ 205.96 (US\$ Billions)

Connectivity Integration Competitiveness Sustainable ²

Thailand Perspectives on Urban Systems and Development Strategies

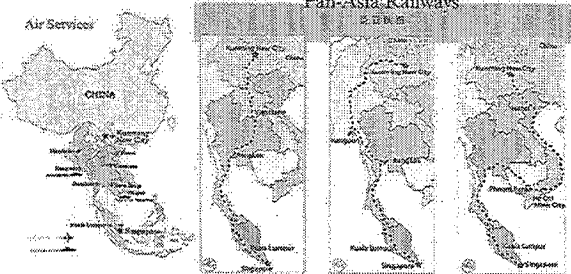
Concentration of Transportation Network - Trans-Asian Railway Network



Connectivity Integration Competitiveness Sustainable ³

Thailand Perspectives on Urban Systems and Development Strategies

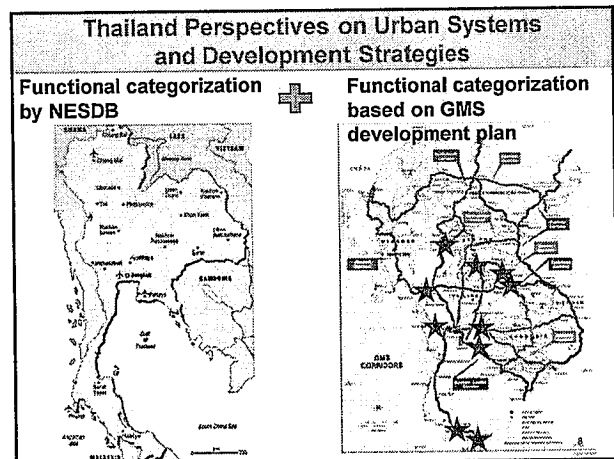
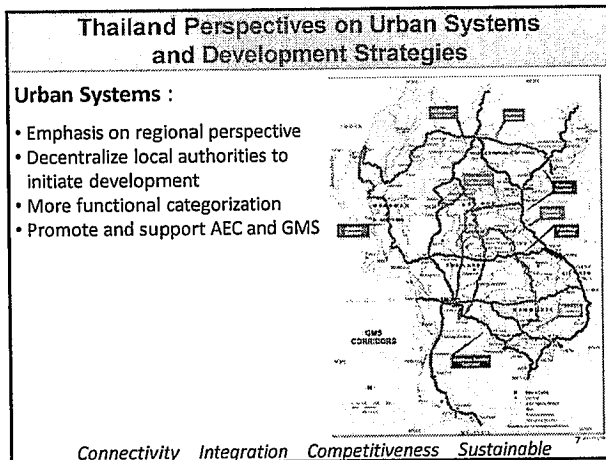
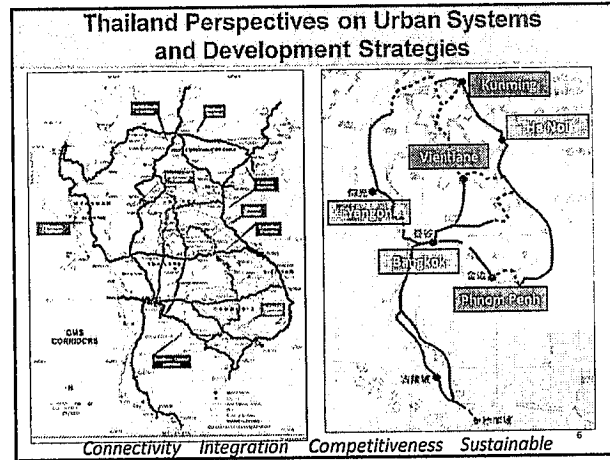
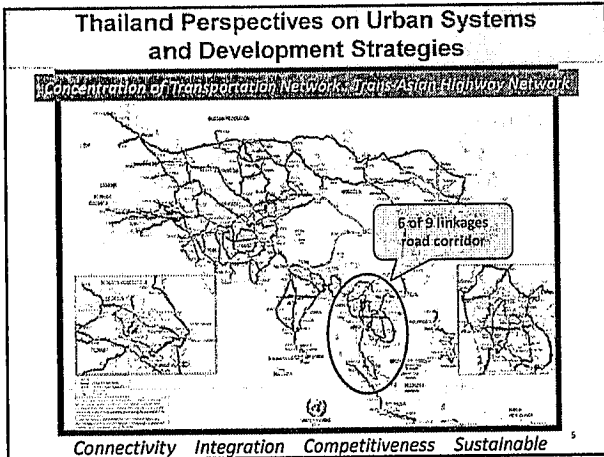
Pan-Asia Railways



Air Services

Pan-Asia Railways

Connectivity Integration Competitiveness Sustainable ⁴



Thailand Perspectives on Urban Systems and Development Strategies

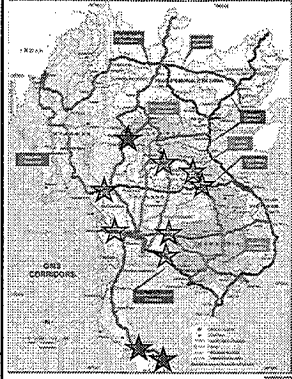
Registered Population (as of 2012)

City	Population	Whole Province Population
Mae Sai, Chiang Rai	48,823	
Chiang Saen, Chiang Rai	45,190	1,263,447
Chiang Khong, Chiang Rai	36,916	
Sa Dao, Songkhla	20,515	1,378,355
Su Ngai Ko Lok, Narathiwat	41,118	985,309
Mae Sot, Tak	70,272	531,018
Nong Khai	71,689	511,231
Nakhon Phanom	115,606	757,783
Mukdahan	76,004	344,000
Kanchanaburi	91,130	835,308
Aranyaprathet, Sa Kaew	69,018	550,536
Trat	71,817	224,957

Connectivity Integration Competitiveness Sustainable

Thailand Perspectives on Urban Systems and Development Strategies

North-South Corridor

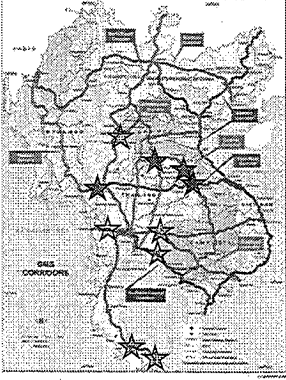


Province	Gross Provincial Product (GPP) (Million of Baht)	Top 3 Sectors
Mae Sai / Chiang Saen / Chiang Khong, Chiang Rai	72,628	1) Agriculture, hunting and forestry 2) Wholesale and retail trade 3) Education
Songkhla	234,799	1) Manufacturing 2) Agriculture, hunting and forestry 3) Wholesale and retail trade
Narathiwat	62,250	1) Agriculture, hunting and forestry 2) Wholesale and retail trade 3) Education

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Data as of 2012

Thailand Perspectives on Urban Systems and Development Strategies

East-West and Central Corridor

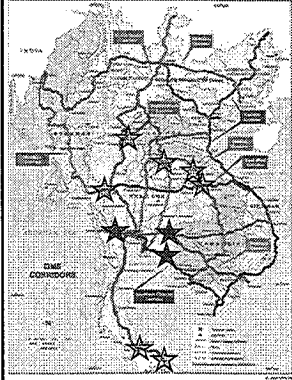


Province	Gross Provincial Product (GPP) (Million of Baht)	Top 3 Sectors
Mae Sot, Tak	94,550	1) Agriculture, hunting and forestry 2) Manufacturing 3) Wholesale and retail trade
Nong Khai	36,437	1) Agriculture, hunting and forestry 2) Education 3) Manufacturing
Nakhon Phanom	29,611	1) Agriculture, hunting and forestry 2) Education 3) Wholesale and retail trade
Mukdahan	18,732	1) Agriculture, hunting and forestry 2) Manufacturing 3) Education

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Data as of 2012

Thailand Perspectives on Urban Systems and Development Strategies

Southern and Southern Coastal Corridor



Province	Gross Provincial Product (GPP) (Million of Baht)	Top 3 Sectors
Kanchanaburi	76,269	1) Agriculture, hunting and forestry 2) Manufacturing 3) Wholesale and retail trade
Sa Kaew	29,089	1) Agriculture, hunting and forestry 2) Manufacturing 3) Wholesale and retail trade
Trat	39,102	1) Agriculture, hunting and forestry 2) Fishing 3) Wholesale and retail trade

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Data as of 2012

Thailand Perspectives on Urban Systems and Development Strategies

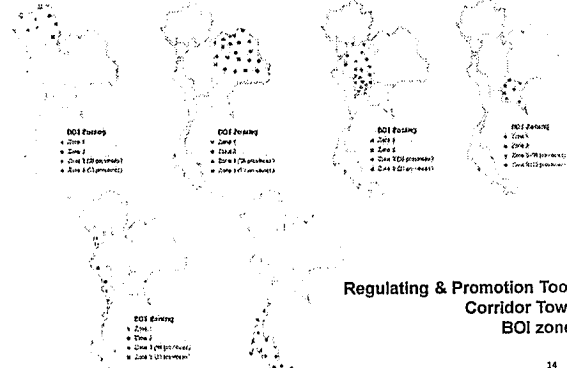
Development Strategies :

- Transportation Infrastructure Improvement
 - Dual-Track Rail
 - High Speed Train
- Regulating & Promotion Tools
 - Special Economic Zones
 - Investment Promotion



Connectivity Integration Competitiveness Sustainable

Thailand Perspectives on Urban Systems and Development Strategies



**Regulating & Promotion Tools
Corridor Towns
BOI zones**

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Thailand Perspectives on Urban Systems and Development Strategies

Regulating & Promotion Tools : Neighboring Zone

- 12 Special Economic Zones (in 10 provinces)
- One Stop Service
- Incentives from BOI
- Incentives from Customs House
 - Tariffs / Non-tariffs Barriers
 - Convenience of Customs Procedures
- Incentives from Ministry of Commerce

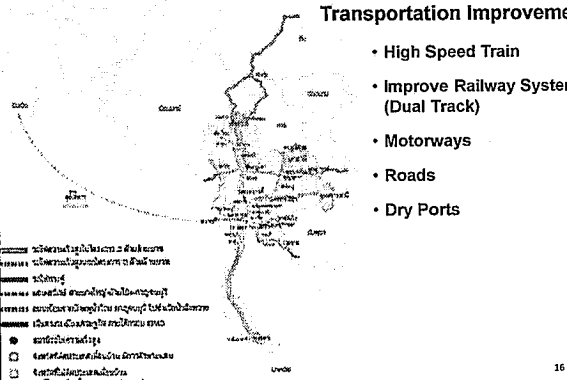


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Thailand Perspectives on Urban Systems and Development Strategies

Transportation Improvement

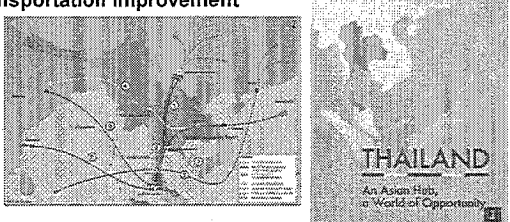

- High Speed Train
- Improve Railway System (Dual Track)
- Motorways
- Roads
- Dry Ports



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Thailand Perspectives on Urban Systems and Development Strategies

Transportation Improvement

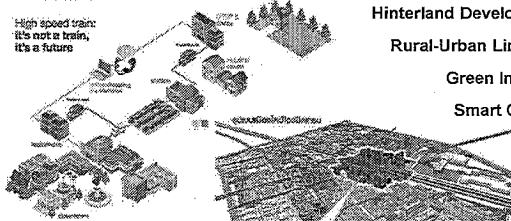
Connectivity Integration Competitiveness Sustainable 27

Thailand Perspectives on Urban Systems and Development Strategies

Environmental Infrastructure Improvement

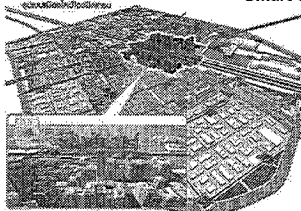
Thailand Moving forward
connectivity = opportunity

High speed train: it's not a train, it's a future



Hinterland Development
Rural-Urban Linkages
Green Industry
Smart Growth

Resilient City : Structural and Non-structural Measures
Mitigation of Climate Change impacts



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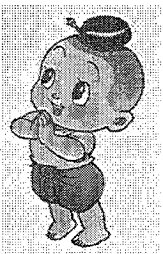
Thailand Perspectives on Urban Systems and Development Strategies

Strategic measures
to strengthen regional cooperation and functional integration among GMS corridor towns


- Sister Cities
 - More cooperation / interaction among town planners and policy planners
 - Working group
 - International seminar
 - Integration in policy and strategies for sister cities development >> distinct role of each city but mutually support

Connectivity Integration Competitiveness Sustainable 19

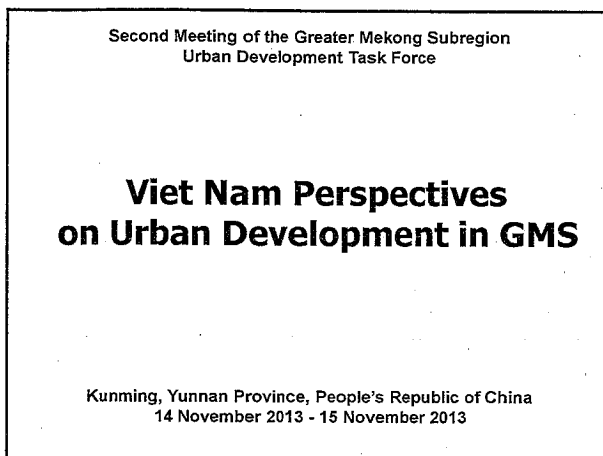
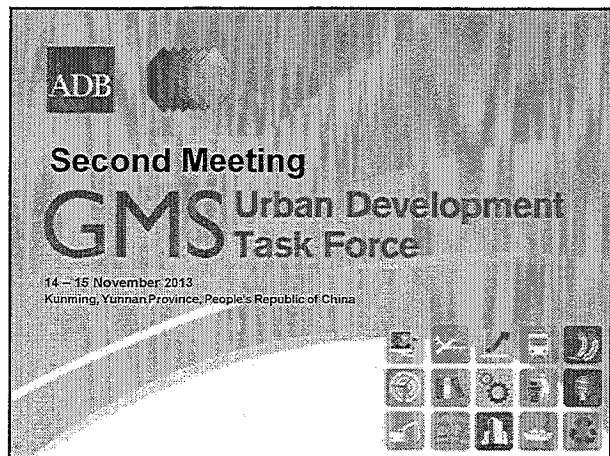
THANK YOU FOR YOUR ATTENTION
SAWASDEE



Mrs. Sansanee Srisukri
Senior Expert in City Planning
Department of Public Works and Town & Country Planning
Ministry of Interior, Thailand



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TOPICS

1. Introduction VN urban system and urban development strategy in the context of Urban Development in the GMS
2. Country perspectives on:
 - Existing urban development GMS
 - GMS plans and strategies
 - GMS Regional Investment Framework for urban development sector

1. Introduction

Socio-Economic situation in Vietnam

GDP: 6.3% (2011)

- Total population: 85.8 million (2009), 88 million (2012)
- Urbanization rate is about 33% (lowest urban growth rates in the GMS); 45% (2020)
- GDP in 2012: 5,03%
- Income per capital in 2012: USD 1,540
- National economic policy focuses on manufacturing industry, services, agriculture, tourism and retail sales

Exiting Urban Systems in Vietnam

Total of provinces: 63 provinces
6 urbanization areas
Total of urban areas: 767 cities (Nov.2013)

Class	Administrative category	pop. size (10,000 per)	Cities/towns (in whole country)		Cities/towns (not included Mekong river region)	
			2013	2025	2013	2025
I	Central Govern	> 500	42	42	42	42
II	Provincial Govern	> 250	23	23	23	23
III		> 100	123	112	97	111
IV		> 50	21	21	18	24
V	Local Govern	> 0.4	625	626	58	66

> 1,000,000 2 biggest cities 4 biggest cities
 500,000-1,000,000 4 big cities 3 big cities
 250,000-500,000 7 middle cities 13 middle cities
 100,000-250,000 24 towns 15 towns
 50,000-100,000 44 small town 94 small towns
 4,000-50,000 689 township 626 township

Vietnam Urban development strategy to 2025 vision 2050

Three periods: 3 economy regions, 6 Urbanization regions, Urban

Strategy

- Metropolitan regions, Economical Region
- Great cities, big cities (city of national or regional center)
- Key urban development exits on the North-South and West-East
- Viet-Trung, Viet-Lao, Vietnam-Cambodia corridor
- Invest in Infrastructure to improve quality of urban central areas;

Urban population growth:

- By 2015: about 35 million people, ratio of urbanization 38%
- By 2025: about 52 million people, ratio of urbanization 50%

Urban areas:

- By 2015: over 870 cities & towns.
- By 2025: nearly 1000 cities & towns.

Vietnam Urban development strategy

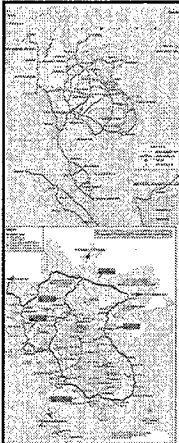
Key regions and large cities are concerned in the Vietnam Urban development strategy

05 Cities at national level: Hanoi and Ho Chi Minh City, Hai Phong, Da Nang, and Hue;
 12 Cities of regional level: Ha Long, Vietnam Tri, Thai Nguyen, Hoa Binh, Nam Dinh, Vinh, Nha Trang, Quy Nhon, Buon Ma Thuot, Bien Hoa, Vung Tau and Can Tho;
 Hanoi Capital city and Ho Chi Minh City regions are the largest metropolitan regions
 Three key main developmental poles located on Hanoi Capital city and Ho Chi Minh City regions and central economical regions. Hanoi, Ho Chi Minh and Da nang cities are core cities of the regions
 Development secondary developmental poles in the region level, including Northwest (Dien Bien),
 Western region of Ngha An (Can Cuong Thai Hoa)
 North central region (Vinh city)
 Southern Central region (Qui Nhon) and Van Phong - Khanh Hoa, Central Highlands (Buon Ma Thuot)
 Mekong Delta (Can Tho) and Phu Quoc - Kien Giang
 key economical cities at national, International: Mong Cai (Quang Ninh), Huu Nghi, Dong Giang (Lang Son), Lao Cai (Lao Cai), A Pa Chai (Lai Chau), Cau Treo (Ha Tinh), Lao Bao (Quang Tri), Bo Y (Tum), Moc Bai (Tay Ninh), Xa Xia (Kien Giang) ...
 North Central and South Central focus to coastal cities, ports, coastal economic corridor, island strengthening of international economic integration on a large scale
 Midland and mountainous Northern Highlands development and harmonious balance between the sub-region, extended stored in economic development, tourism, services
 Red River delta and the Mekong delta focus urban technical infrastructure development, adaptation to climate change and sea level rise

Vietnam Urban development strategy

Two economic growth poles

- Hanoi and Ho Chi Minh City manifest different economic growth trajectories
- Ho Chi Minh City has played a critical role in Vietnam's economic development:
 - host nearly half (45%) of overall manufacturing production
 - generates 20% of the country's GDP
- Heavy and fast growing manufacturing activity is more intense in the Hanoi and the Red River Delta Region
- The two regions are limiting competitive advantage:
 - high costs of logistics and transport,
 - rapid population growth,
 - growth outward, rather than upward leading to a dispersion of jobs and sprawl,
 - expansive use of the motorcycle.
- Virtually no mass transit options currently exist in both Hanoi and HCMC, despite densities high enough to support it.

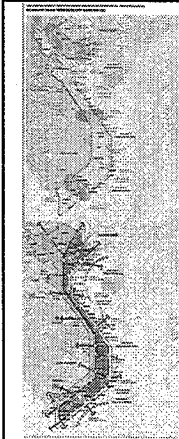


Country perspectives
General observations about the national urban systems and development strategies as presented in the Urban Development in the GMS

- Low urbanisation rate in the GMS
- Limited number of urban centers of 250,000 to one million
- Urban systems of the 06 countries are significant different: distribution of the cities, urbanisation patterns, quality of life, diversity in level and growth rate of urbanisation
- Except Cambodia and Lao, the 04 countries follow the pattern of polar development (HCMC, Yangon, BKK, Yunnan & Kunming):
 - > create challenges for effectively promoting economic development in other areas
 - > require the transformation of predominantly rural agricultural areas to urban use
 - > need to make significant investments in infrastructure to improve the accessibility of suburban areas and to provide urban services
- Cities in the corridors function based on their competitive and/or comparative advantages
- Expansion of study by adding the Northern Corridor to cover a part of southern China via Nanning and Dongxing.

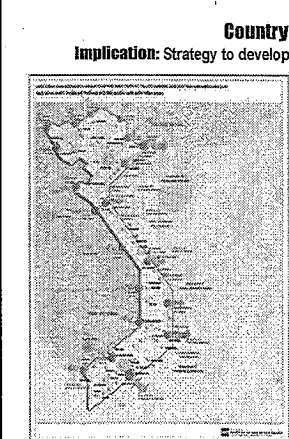
Support Urban Development

- Facilitating development of a second tier of GMS cities with populations of 250,000 to one million
- Facilitating development of cities with development potential based on competitive and/or comparative advantage
- Urban function: tourism/ amenity development, manufacturing



Country perspectives
Implications: Formation and development of strategic cities within key economic regions

1. Focuses on 3 strategic locations:
 - > Key Economic Zone in the North, as the gateway to the sea connecting from Kunming - Hanoi - Hai Phong corridor and the mainland of West - South China. Among that the most important is Hanoi city and the urban coastal economic centers such as Hai Phong, Mong Cai,
 - > Key Economic Zone in the South, particularly is strategic corridor from Thailand-Cambodia-Dong Nai-Binh Duong to Ba Ria-Vung Tau, where Ho Chi Minh City is the key point.
 - > Key Economic Zone in the Central with coastal urban system and Van Phong economic zone.
2. Formulation of cities that can participate in the global market: Hanoi and HCMC
3. Urban Development strategies for islands: Bach Long Vi, Me Ly Son, Cham islands (Quang Nam), Co, Phu Quy islands (Binh Thuan), Phu Quoc (Kien Giang), Tho Chu, Con Dao, Trung Sa, Hoang Sa



Country perspectives
Implication: Strategy to develop international connection urban centers

Coastal Cities: Hai Phong, Hue, Da Nang, Nha Trang, Quy Nhon, Vung Tau

Frontier Cities:

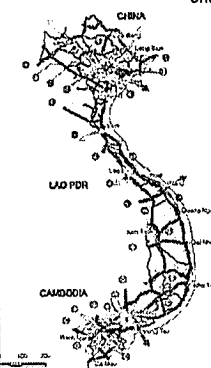
- > Northern-China: Dong Dang-Lang Son, Lao Cai, Mong Cai, Xin Man
- > Western-Lao: Cau Treo-Ha Tinh, Hong Linh; Lao Bao
- > Western-Cambodia: Samat-Moc Bai-Tay Ninh, along Asian Highway, Hoa Lu-Binh Phuoc, Sa Sia-Ha Tien, Bo Y-Kon Tum

International Heritage Cities:

- > Hue, Hoi An, My Son, Phong Nha -Ke Bang, Ha Noi, Hoa Lu -Ninh Binh

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020



Network of around 5,500km of expressways:

- (i) Link political, economic, and cultural centers of the country and the regions with each other;
- (ii) Strengthen traffic between focal economic zones;
- (iii) Connect to main border gates to boost international trade, tourism, etc.; and
- (iv) Link with other transportation modes via railway, airway, river ports, seaports, and road gates.

Two parallel north-south expressways (HCMC road in the west and NH1 in the east)

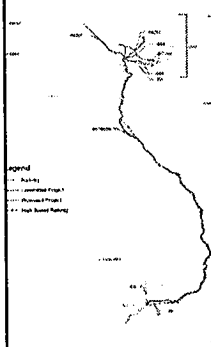
Radial line network

- 6 - radial line network in the north (one is coastal)
- 4 - line network in the central region,
- 6-line network in the south.

Secondary road network: the focus on the budgeting of more funds for road upgrade or development.

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020

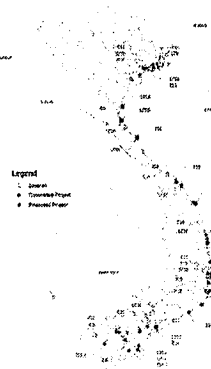


Railway:

- Promote high-speed service along the north-south line;
- Operational speeds of 80 km/h and 120 km/h or higher for freight and passengers
- Completion of the north-south backbone by 2020 (with 1,435mm gauge).
- Building an express railway between Hanoi and Vinh, and between HCMC and Nha Trang by 2015
- Exploit suburban passenger train service, where needed;
- Replan freight stations and consider exploiting container transportation;
- Develop tourism-related services.
- Coordination with regional transportation, especially those linking with China
- Coordinating with the Singapore – Kunming Railway Link (SKRL) which aims to connect the GMS countries by rail.
- Coordination with regional railway plans to ensure the smooth transition at the border points
- adoption of a dual gauge system
- provision of efficient transfer points

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020



Ports and Shipping

- Development of Competitive Gateway Ports in the North and South: 98% of the nationwide container volume is handled
- At Cai Mep-Thi Vai Port: deep-sea container terminals with 18 berths are either planned or under construction, 5.4–8 million teu will be developed
- At Hai Phong Port in the north: the development of a deep-sea port has been decided through a Prime Minister's decision.
- At Van Phong Port in the southern central region, an international transshipment port is being planned to accommodate large container vessels
- Development/Strengthening of Key Regional Ports to Support Regional Development
- Promotion of Competitive Environment for Port Service Provision.
- Strengthening of Multimodal Interface and Logistics Function
- Strengthening of Coastal Shipping

Country perspectives

Implication: Transport infrastructure development and logistic services orientation in Vietnam till 2020

Air Transportation

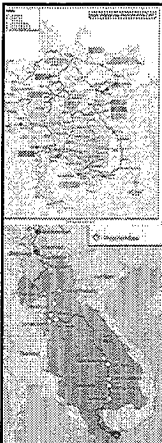
- Develop airport facilities to meet air traffic demand.
- Provision of Competitive Environment
- Promotion among Low-cost Carriers (LCCs):

LCCs in the Asia and Pacific region already operate in Vietnam: AirAsia, Viva Macau, Jetstar Asia, Jetstar, Tiger Airways, PB Air, and Silk Air.

AS LCCs tend to avoid congested airports, secondary airports required to be developed in Hanoi and Ho Chi Minh City.

Logistics

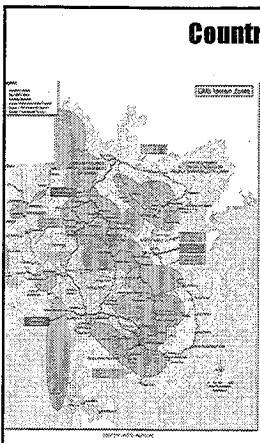
- Upgrading basic services of transportation and warehouse operators
- High-quality facilities and equipment are necessary
- IT support is a critical issue in order to provide logistics service



Country perspectives

Have urbanization trends been adequately described and assessed for your country? Please provide additional information that needs to be taken into account in the assessment of the urbanization trends.

- Some data out are of date.
- Urbanisation in Q3 patterns: increase in birth rate, migration and physical size.
- The employment structure, urban density, the expansion of city boundaries and the conversion of rural agricultural land to urban use should be observed in the case of Vietnam
- What are the factors identifying the importance of the urban centers which could impact their development.
- Most of urban centers in Eastern Corridor are coastal cities, Impact of climate change and rising sea level on the development of cities in Eastern Corridor should be considered.
- Housing and resettlement for households residing in flooding and risk areas along Mekong river should be observed.



Country perspectives

Does the presentation of the national urban system of your country adequately describe the economic role and importance of the urban centers covered?

- More attention on the strength of coastal line in Viet Nam in term of tourism. In the map of tourism area, there is a lack of potential cities along coastal line such as Nha Trang, Quy Nho, Da Nang...
- Viet Nam coastal economic strategy considers coastal tourism as one of the national strength. The role of tourism for the economy brought by potential cities should be analysed. Identifying strength of each city for tourism economy is enable to promote the connectivity and integration of the Eastern Corridor. (every Viet Nam coastal city are located in the Eastern Corridor)
- Mekong Delta Region in Viet Nam is one of economic areas supported and prioritised by the Government. There are many potential opportunities for development with 159 municipalities take out of 1/5 total municipalities of the country; 700km of coastline and one key border crossing. By those, the Proposed GMS Urban Investment Priorities should consider this area in the first phase of development.

Country perspectives

Key development strategies should be adopted to trigger the development of the corridor towns.

- Investing in logistics infrastructure will be critical to developing and sustaining the competitiveness of the country's strongest economic regions.
- Increasing accessibility in key urban service sectors in secondary cities: water supply, wastewater, sanitation, electricity, focus on improved financial sustainability of these services as well as the quality, efficiency and reliability of key services
- Improve quality of transport and logistics system in order to meet the more complex business requirements associated with the movement of higher value-added commodities
- Facilitating maritime transport: fleet development, investment in upgrading and rehabilitation of key ports in the region, market expansion, supporting service
- Air transport: policy to mobilize fund for infrastructure and aircraft development, low-cost airline.
- Road transport: focus on inter-regional passenger transport routes that link tourism centers and regional markets.
- Inland waterway transport: focus on tourist transport along Mekong river
- Railway transport: Upgrading network, increase train speed, new routes should be considered for trans-Asian railway.
- Coordination between highway, railway and ports

Country perspectives

What strategic measures can be implemented to strengthen regional cooperation and functional integration among GMS corridor towns?

- Categorize cities in terms of roles for supporting each others.
- Open free dialogues between cities for sharing experiences and lesson learned for development and management.
- Technical co-operation, training and advisory strategies
- Institutional co-ordination
- Information dissemination

St	City	Urban population	Urban population	Urban population	Urban population
1	Hanoi	2,150,000	2,150,000	2,150,000	2,150,000
2	HCMC	7,200,000	7,200,000	7,200,000	7,200,000
3	Da Nang	1,000,000	1,000,000	1,000,000	1,000,000
4	Ho Chi Minh	7,200,000	7,200,000	7,200,000	7,200,000
5	Hue	600,000	600,000	600,000	600,000
6	Quy Nhon	400,000	400,000	400,000	400,000
7	Thanh Hoa	500,000	500,000	500,000	500,000
8	Vinh	400,000	400,000	400,000	400,000
9	Can Tho	1,000,000	1,000,000	1,000,000	1,000,000
10	Phnom Penh	1,500,000	1,500,000	1,500,000	1,500,000
11	Yangon	2,500,000	2,500,000	2,500,000	2,500,000
12	Manila	1,500,000	1,500,000	1,500,000	1,500,000
13	Colombo	1,000,000	1,000,000	1,000,000	1,000,000
14	Delhi	10,000,000	10,000,000	10,000,000	10,000,000
15	London	8,000,000	8,000,000	8,000,000	8,000,000
16	Paris	2,000,000	2,000,000	2,000,000	2,000,000
17	New York	18,000,000	18,000,000	18,000,000	18,000,000
18	Tokyo	35,000,000	35,000,000	35,000,000	35,000,000
19	Beijing	20,000,000	20,000,000	20,000,000	20,000,000
20	Mumbai	15,000,000	15,000,000	15,000,000	15,000,000
21	Los Angeles	12,000,000	12,000,000	12,000,000	12,000,000
22	Sydney	4,000,000	4,000,000	4,000,000	4,000,000
23	Auckland	1,500,000	1,500,000	1,500,000	1,500,000
24	Wellington	1,000,000	1,000,000	1,000,000	1,000,000
25	Christchurch	700,000	700,000	700,000	700,000
26	Dunedin	400,000	400,000	400,000	400,000
27	Hamilton	1,500,000	1,500,000	1,500,000	1,500,000
28	Canberra	400,000	400,000	400,000	400,000
29	Perth	1,500,000	1,500,000	1,500,000	1,500,000
30	Brisbane	2,500,000	2,500,000	2,500,000	2,500,000
31	Melbourne	4,000,000	4,000,000	4,000,000	4,000,000
32	Adelaide	1,000,000	1,000,000	1,000,000	1,000,000
33	Gold Coast	1,500,000	1,500,000	1,500,000	1,500,000
34	Queensland	4,000,000	4,000,000	4,000,000	4,000,000
35	Victoria	4,000,000	4,000,000	4,000,000	4,000,000
36	Western Australia	2,000,000	2,000,000	2,000,000	2,000,000
37	South Australia	1,000,000	1,000,000	1,000,000	1,000,000
38	Tasmania	500,000	500,000	500,000	500,000
39	ACT	400,000	400,000	400,000	400,000
40	NT	200,000	200,000	200,000	200,000
41	Quebec	6,000,000	6,000,000	6,000,000	6,000,000
42	Ontario	13,000,000	13,000,000	13,000,000	13,000,000
43	Alberta	3,000,000	3,000,000	3,000,000	3,000,000
44	Saskatchewan	1,000,000	1,000,000	1,000,000	1,000,000
45	Manitoba	1,000,000	1,000,000	1,000,000	1,000,000
46	Atlantic	3,000,000	3,000,000	3,000,000	3,000,000
47	USA	300,000,000	300,000,000	300,000,000	300,000,000
48	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
49	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
50	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
51	USA	300,000,000	300,000,000	300,000,000	300,000,000
52	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
53	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
54	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
55	USA	300,000,000	300,000,000	300,000,000	300,000,000
56	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
57	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
58	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
59	USA	300,000,000	300,000,000	300,000,000	300,000,000
60	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
61	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
62	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
63	USA	300,000,000	300,000,000	300,000,000	300,000,000
64	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
65	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
66	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
67	USA	300,000,000	300,000,000	300,000,000	300,000,000
68	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
69	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
70	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
71	USA	300,000,000	300,000,000	300,000,000	300,000,000
72	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
73	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
74	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
75	USA	300,000,000	300,000,000	300,000,000	300,000,000
76	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
77	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
78	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
79	USA	300,000,000	300,000,000	300,000,000	300,000,000
80	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
81	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
82	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
83	USA	300,000,000	300,000,000	300,000,000	300,000,000
84	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
85	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
86	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
87	USA	300,000,000	300,000,000	300,000,000	300,000,000
88	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
89	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
90	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
91	USA	300,000,000	300,000,000	300,000,000	300,000,000
92	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
93	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
94	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
95	USA	300,000,000	300,000,000	300,000,000	300,000,000
96	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
97	India	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
98	Brazil	190,000,000	190,000,000	190,000,000	190,000,000
99	USA	300,000,000	300,000,000	300,000,000	300,000,000
100	China	1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000

Comment for GMS summary report

- About Database use on GMS report should be update or define
- In term of Urban population living in urban slums in Vietnam (41,3%)
- (page viii) Check data: 73 cities and/or urban districts with population >50,000
- (page ix) HCM city had a population double that of Hanoi.
- (page x) review the contents of paragraph 7, support the proposed Urban > 250,000 people, by the number of cities with > 250,000 -1000,000 very small, only about 10 cities, many key city in central coast did not reach the target population
- (page xii) review Tourism strategy, there are not only for Central VietNam, but also Northern and high land region of VietNam

THANK YOU FOR YOUR LISTENING!

For more information:

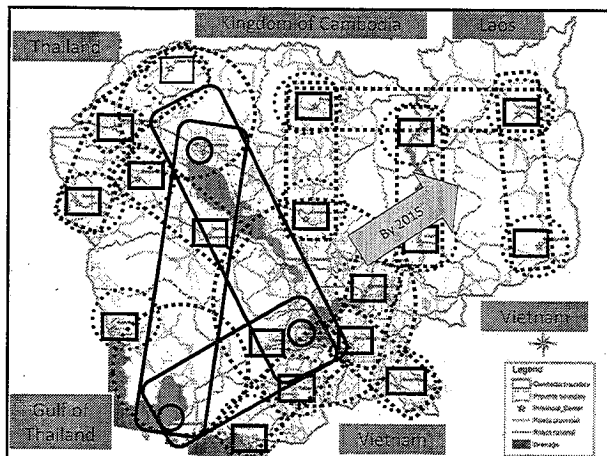
Ms. Luong Thi Hong Hanh
 Department for Infrastructure and Urban Development
 Ministry of Planning and Investment
 E-mail: luonghanh@mmpi.gov.vn

Ms. Tran Thi Len Anh
 Urban Development Agency
 Ministry of Construction
 E-mail: lananh703@yahoo.com

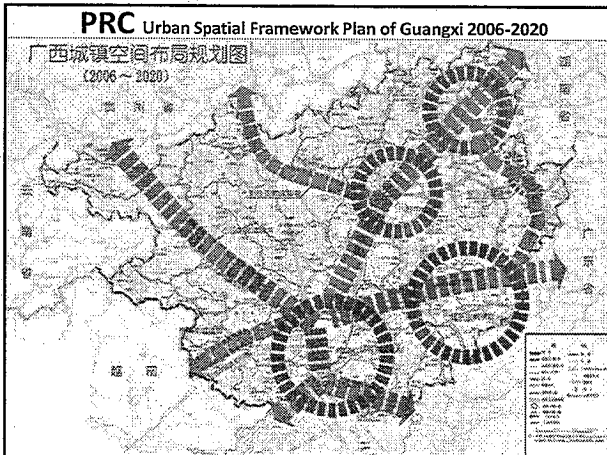
Mr. Le Trung Hieu
 Foreign Economic Relations Department
 Ministry of Planning and Investment
 E-mail: leu@mpvi.gov.vn

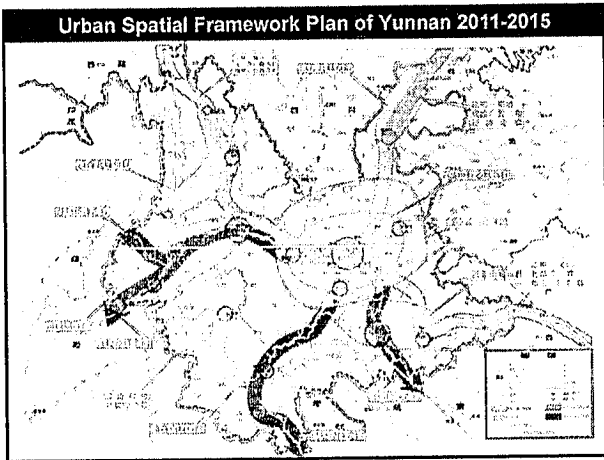
Second Meeting
GMS Urban Development Task Force
 11, 11 November 2013
 Hanoi & www.gms.gov.vn

Synthesis of Country Presentations
 Sessions 1-2
 Observations by ADB



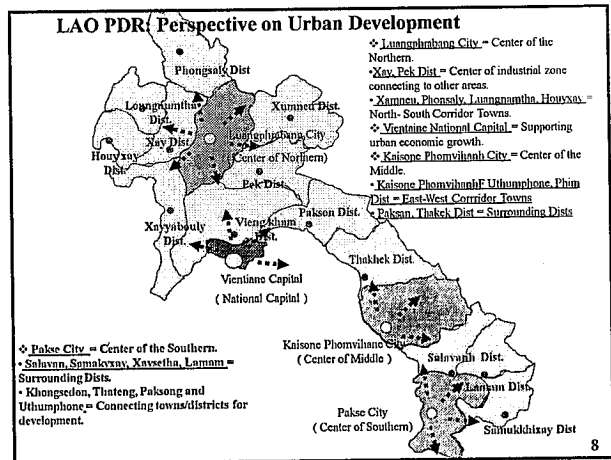
- Cambodia: observations**
- Spatial development concept existing
 - National coordination mechanism existing
 - Hierarchy of planning instruments existing
 - Rectangular development strategy available
 - Phnom Penh, Sihanoukville, Siem Reap critical for growth
 - SEC coastal corridor does not seem that important
 - SEC northern leg (Siem Reap; Kratie, VIE) not yet shown
 - NSEC corridor + development around Tonle Sap: ADB projects seem well positioned





- ### PRC: Observations
- Yunnan and Guangxi urban strategy existing
 - PRC agreeing with the notion about importance of economic corridors --- Economic corridor important measure to overcome difficult geography and national boundaries, and promote regional integration in GMS
 - China's urbanization strategy: city groups/clusters as the main pattern in urban spatial layout
 - To develop 3 world-class metropolitan areas in Beijing-Tianjin-Hebei Province, the Yangtze River Delta, and the Pearl River Delta.
 - To develop 10 more regional city groups including the two in GMS area--one at Belbu Gulf (Gulf of Tonkin), the other in central Yunnan, as specified by the national 12th five-year plan
 - PRC urbanization different from patterns in other GMS countries in that it has established older urban centers
 - ADB projects in Yunnan and Guangxi aligned with major transport routes, but no GMS Urban development project yet.
 - Investment should not be focused on small towns which are inefficient.
 - Development of border economic development belt
 - Private sector role to become more dominant, based on market mechanisms

- ### PRC policies: observations
- forming regional city constellations or city economic circles in a larger scale through the construction of priority economic corridors, for example, the Hanoi-Nanning-Kunming economic circle
 - Promote inter-city connectivity between big city and surrounding small and medium-sized cities/towns
 - More investment on industrial parks with comparative and competitive advantages (Infrastructure and TVET)
 - Integrate GMS plans with member countries' plans
 - CBTAs and enhanced increased cooperation on regional industrial chains
 - Sister City partnerships



Proposed Urban Development Plan 2011-2030 for GMS Corridor

GMS Corridor	Province	District/Town	Road No.	Remark
North-South	Luangnamtha	Xiengproukha Dist. Nambou Dist.	R.3	GMS 1 (ADB)
	Boken	Houayay Dist.		
Northeastern	Xayabury	Kienthao Dist. Xayabury Dist.	R.4	
	Luangprabang	Xiengsoen		
	Xiengkhuang	Pek Dist.	R.7	
Central	Houaphan	Xam Neua Dist. Viengxay Dist.	R.6	
	Luangprabang	Luangprabang	R.13	
	Vientiane Capital	4 Districts		
	Boikhamxay	Paksan Dist.		
Khammouane	Tiaket Dist.			
East-West	Champasak	Pakse Dist.		
	Savannakhet	Kasone Phomvihan Dist. Oulumphone Dist. Phu Dist.	R.9	GMS 1 (ADB)

9

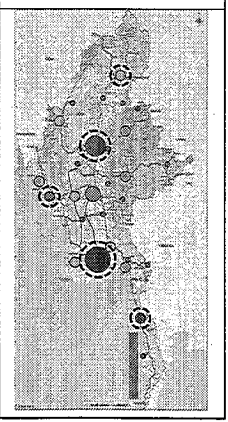
Lao PDR: observation

- Urban master plans existing for 13 towns
- Vision statement states *linkage to the Greater Mekong Subregion*.
- Urban development strategy for 2030. Developmental targets for major cities' defined – Green Cities
- List of provincial towns of GMS program lists 12 provincial towns. 8 not yet covered by ADB support. Possible to prioritize?

MYANMAR CONCEPT OF CONCENTRATED DECENTRALIZATION DEVELOPMENT STRATEGY

- Capital City (Administrative, Transport & Logistic Hub)
- National Economic Growth Centre (SEZ, Port, Int. Airport, Trading, Financial)
- Secondary Regional Growth center
- Other Towns with Different Growth Potentials

Main Corridor
 Emerging Regional Corridor
 Major Communication Axis

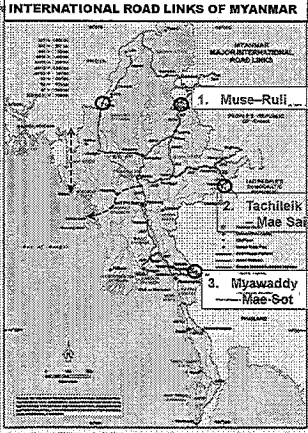


Source: DCHD, MoC

INTERNATIONAL ROAD LINKS OF MYANMAR

Important GMS Border Crossings in Myanmar

1. Muse – Ruit
Trade, Tourism
2. Tachileik – Mae Sai
Tourism
3. Myawaddy – Mae Sot
Trade (Possibility of Tourism)

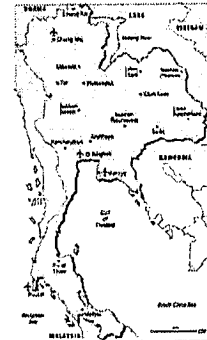


Myanmar: observations

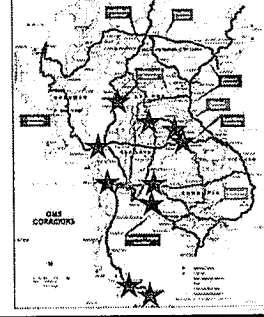
- Asian Highway, ASEAN HIGHWAY, India gateway + GMS corridors
- Primacy of Yangon-Bago, Mandalay
- Dawei - Thailand
- Lashio – Yunnan
- To be defined: Kyaukpyo port – HSR to Yunnan
- To be defined: Potential of various border towns
- To be defined: Mawlaminye: role not clear, position on EWEC?
- Potentials for Dry Ports
- “Myanmar wants to complement, not to compete”.

Thailand Perspectives on Urban Systems and Development Strategies

Functional categorization by NESDB



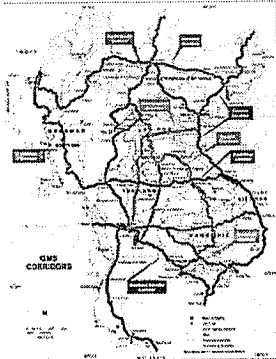
Functional categorization based on GMS development plan



Thailand Perspectives on Urban Systems and Development Strategies

Development Strategies :

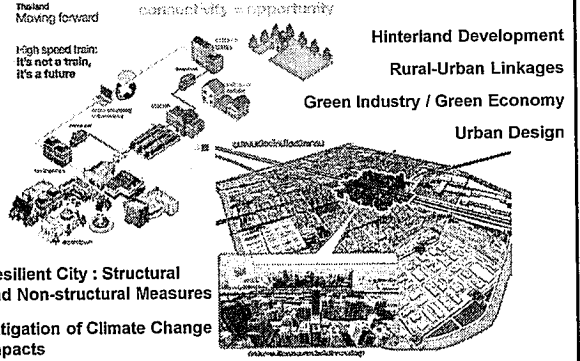
- Corridor towns will be developed by infrastructure especially railway system (High Speed Train and Dual Track)
- Border towns (12 Special Economic Zones) with policy / incentives / investment promotion (by NESDB, BOI, Dept. of Foreign Trade, Customs House, DPT etc.)



Connectivity Integration Competitiveness Sustainable

Thailand Perspectives on Urban Systems and Development Strategies

Environmental infrastructure



Thailand: observations


- Effective overlay of various regional plans: Trans-Asian Railway, and Highway concepts + GMS corridors.
- Transport as Urban driver: Corridor towns will be accelerated by infrastructure, especially railway system.
- Border towns + dry ports.
- Green city / green industries. Still a new initiative
- Sister Cities initiative of MOI: More cooperation / interaction among town planners and policy planners. cities support each other.
- Climate Change adaptation needed !!

- Investment by NEDA in neighboring countries. Focus on infrastructure and connectivity. Close to borders and beyond

Vietnam Urban development strategy to 2025 vision 2050


Three periods

3 economy regions




2015

6 Urbanization regions



2025

Urban



2050

Strategy

- > Metropolitan regions, Economical Region
- > Great cities, big cities (city of national or regional center)
- > Key urban development exits on the North-South and West-East
- > Viet-Trung, Viet-Lao, Vietnam-Cambodia corridor
- > Invest in infrastructure to improve quality of urban central areas;

Urban population growth:

- > By 2015: about 35 million people, ratio of urbanization 38%
- > By 2025: about 52 million people, ratio of urbanization 50%

Urban areas:

- > By 2015: over 870 cities & towns.
- > By 2025: nearly 1000 cities & towns.

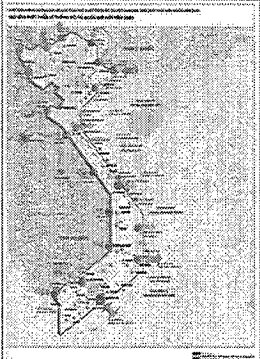
Investing in bigger cities or mid-sized towns

- Limited number of urban centres of 250,000 to one million

- > Promote effectively economic development in backward areas areas
- > require the transformation of predominantly rural agricultural areas to urban use

Country perspectives

Implication: Strategy to develop international connection urban centers



Coastal Cities: Hai Phong, Hue, Da Nang, Nha Trang, Quy Nhon, Vung Tau

Frontier Cities:

- > Northern-China: Dong Dang-Lang Son, Lao Cai, Mong Cai, Xin Man
- > Western-Lao: Cau Treo-Ha Tinh, Hong Linh; Lao Bao
- > Western-Cambodia: Samat-Moc Bai-Tay Ninh, along Asian Highway, Hoa Lu-Binh Phuoc, Sa Sia-Ha Tien, Bo Y-Kon Tum

International Heritage Cities:

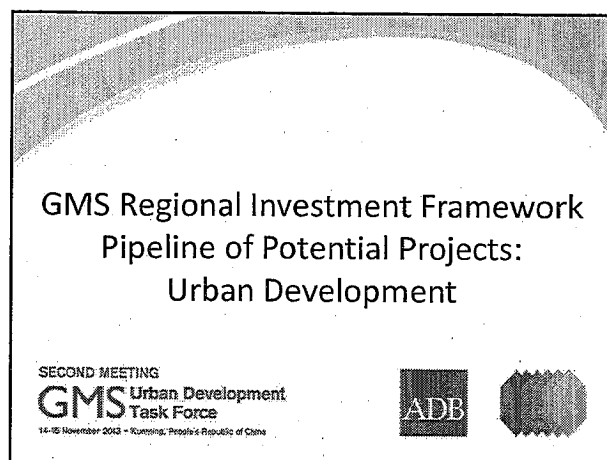
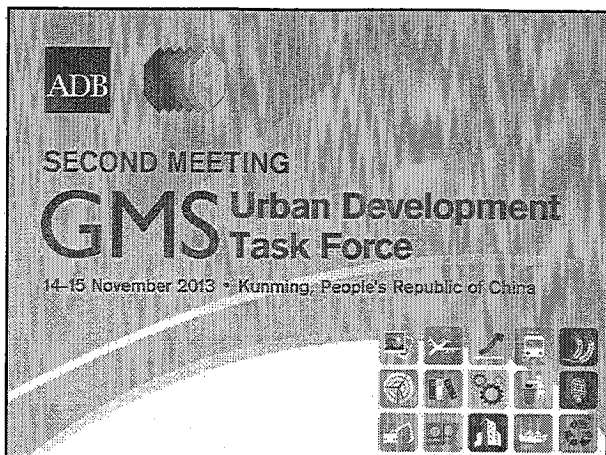
- > Hue, Hoi An, My Son, Phong Nha -Ke Bang, Ha Noi, Hoa Lu -Ninh Binh

Viet Nam: Observations

- Increasing accessibility of key urban services in secondary cities: water supply, wastewater, sanitation, electricity, focus on improved financial sustainability of these services as well as the quality, efficiency and reliability of key services
- Improve quality of transport and logistics system in order to meet the more complex business requirements associated with the movement of higher value-added commodities
- Various transport systems to be modernized: maritime transport: air transport; road transport with focus on inter-regional passenger transport routes that link tourism centers and regional markets.
- Inland waterway transport: focus on tourist transport along Mekong river
- Railway transport: trans-Asian railway.

Cross-cutting themes

- Transport-urban nexus very strong. Urban development follows transport.
- Economic corridors – “economic region” /City Cluster Region
- Rural-urban linkages: inclusive development.
- Growth and competitiveness orientation: competition or complementarity? Free play of market forces ...
- Green Cities concept, low-carbon town; green growth (transportation, energy, industries)
- Climate change adaptation needed. Risk management.
- The big void seems to be private sector contributions to urban development.
- Sister City partnerships.
- Border Towns + Cross-border Export Processing Zone.
- Dry Ports. Diversity of urban infrastructure needs



Principles and Components

Strategic principles: competitive, green and inclusive cities

- Modern environmental services (water, waste water, solid waste management) = **positive health impacts for all; environmental infrastructure supports green development**
- Improved climate resilience (flood control measures) = **reduced losses from climate change impacts**
- Economic infrastructure (markets; logistics; EPZs) = **enhanced productivity, increased attractiveness for investors and residents; support to green economy**

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 - Kunming, People's Republic of China

Principles and Components

Urban project components:

- **"Hardware"** (environmental infrastructure; economic infrastructure)
- plus **"software"** (strategic planning; capacity building), geographically targeted
- Effective role and responsibility of local authorities: **Support to decentralization**

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 - Kunming, People's Republic of China

Macro-Summary of Urban Development Pipeline

- Total of **8 projects** estimated to cost about **\$546.5 million**
 - 3 investment projects (\$538 million)
 - 5 technical assistance projects (\$8.5 million)
- Period covered is 2013-2025

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China

Pipeline of Potential Projects: Urban Development

PROJECT (Participating Countries)	TIMELINE	EST. AMOUNT (in million USD)
Investment Projects		
Corridor Towns Development II (CAM, LAO, VIE)	2015-2022	Total : 250-300 54.0 (CAM) 49.0 (LAO) 105.0 (VIE)
Corridor Towns Development Project III (MYA)	2016-2022	Total: 80
Corridor Towns Development Project IV (CAM, LAO, VIE)	2018-2025	Total: 250-300

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GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China

Pipeline of Potential Projects: Urban Development

PROJECT (Participating Countries)	TIMELINE	EST. AMOUNT (in million USD)
TA Projects		
PPTA: Corridor Towns Development II (CAM, LAO, VIE)	2013	Total: 2.0 1.5 (TASF) 0.5 (PACC Fund for Poverty Reduction)
PPTA: Corridor Towns Development III (MYA)	2014-2016	1.5
RCDTA: Strengthening Urban Planning in GMS Corridor Town Development Project (CAM, LAO, MYA, VIE)	2014-2017	2.0
PPTA: Corridor Towns Development IV (CAM, LAO, VIE)	2016-2018	2.0

SECOND MEETING
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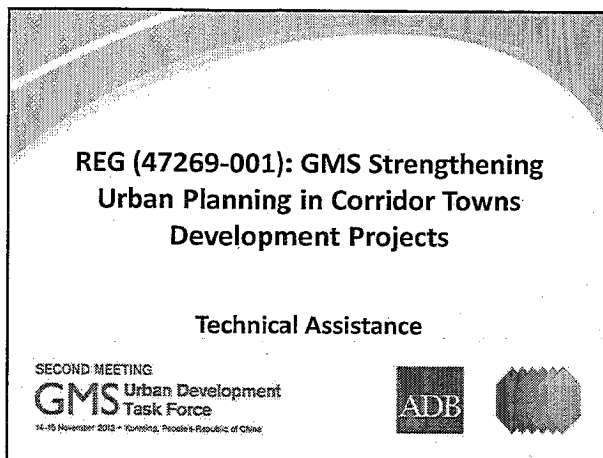
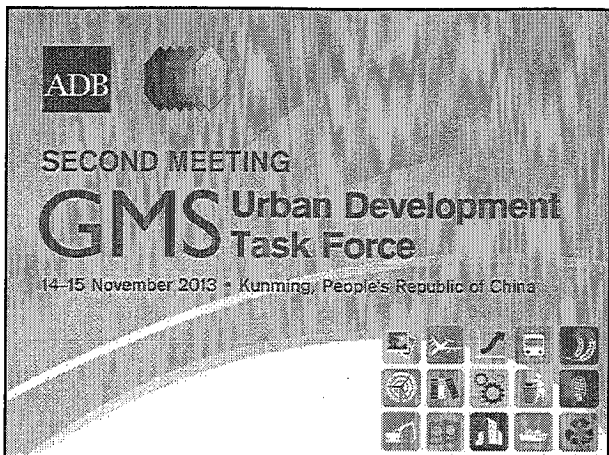
Next Steps and Required Action

- For confirmation of the GMS Urban Task Force
- The finalized RIF pipelines, including this Urban Development pipeline will be presented for endorsement by the 19th MC on 11 December.

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China

Thank you!

SECOND MEETING
GMS Urban Development
Task Force
14-15 November 2013 - Addis Ababa, Federal Democratic Republic of Ethiopia



Rationale

- Batch I countries request: need for assistance beyond the physical implementation of the loan-funded subprojects.
- Assistance is required in reviewing and updating of urban plans (to make these more strategic, relevant), and to better align the private sector with their urban agenda.

SECOND MEETING
GMS Urban Development Task Force
14-15 November 2013 • Kunming, People's Republic of China

Scope of Technical Assistance

- Response through urban planning support and capacity development for dealing with private sector involvement in urban infrastructure.
- This TA will support towns in Cambodia, Lao PDR, and Viet Nam, covering towns of Batches I and II.

SECOND MEETING
GMS Urban Development Task Force
14-15 November 2013 • Kunming, People's Republic of China

Objectives of the TA

- To support GMS countries in preparing strategic urban development plans to maximize their current and future potentials
- To create opportunities for a broad stakeholder-based planning process, and strengthen capacity for regional cooperation
- To strengthen regional cooperation through more sustainable and inclusive development of economic hubs and towns along the economic corridors.
- To strengthen the orientation towards green economy and green cities development, and climate change adaptation, and the regional dialogue on urban development strategies through the GMS urban development task force

SECOND MEETING
GMS Urban Development
 Task Force
 14-15 November 2013 • Kunming, People's Republic of China

Expected Impact

- Urban planning will incorporate strategic investment planning and urban stakeholder dialogue on a regular basis supporting local governments and the private sector to make investment decisions on an informed basis.

SECOND MEETING
GMS Urban Development
 Task Force
 14-15 November 2013 • Kunming, People's Republic of China

Anticipated Outcome

- Participating towns will have achieved consensus about their strategic plans including regular stakeholder dialogues with the private sector, ODA partners, and civil society.
- Corridor towns see an increase in development efforts and boost economic potentials and activities which will enhance regional cooperation and integration.

SECOND MEETING
GMS Urban Development
 Task Force
 14-15 November 2013 • Kunming, People's Republic of China

TA Outputs

- Strategic urban development plans and investment programs prepared and consulted
- Guidance and awareness on the different forms and requirements of private sector participation provided, and
- Assistance to GMS Urban Development Task Force provided.
- Strategic Local Economic Development Plans prepared during TA 7644-REG for preparing the (first) GMS Corridor Towns Development Projects

SECOND MEETING
GMS Urban Development
 Task Force
 14-15 November 2013 • Kunming, People's Republic of China

TA Components and Key Activities

- **Urban planning laboratories**
 - convert existing urban plans and investment programs into strategic plans
- **Promoting private sector participation**
 - guidance and awareness building on the different forms and requirements of private sector participation
- **GMS Urban Development Task Force**
 - preparation and implementation of events of the GMS Urban Development Task Force

SECOND MEETING
GMS Urban Development Task Force
14-15 November 2013 - Hanoi, People's Republic of Viet Nam



Implementation Arrangements

TA will be implemented by ADB's Urban Development and Water Division, Southeast Asia Department


Executing agencies:

- Cambodia: Ministry of Public Works and Transport;
- Lao PDR: Ministry of Public Works and Transport; and
- Viet Nam: Provincial People's Committees of the participating provinces (Quang Tri province and Tay Ninh province) or other provinces under the second GMS corridor towns development project.

SECOND MEETING
GMS Urban Development Task Force
14-15 November 2013 - Hanoi, People's Republic of Viet Nam



SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China



CROSS-BORDER ECONOMIC ZONES DEVELOPMENT

Proposed
 Project Preparatory Technical Assistance (PPTA)

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China






Export Processing Zones (EPZs) in GMS countries

CAMBODIA

- The Council for the Development of Cambodia (CDC) has approved 21 special economic zones (SEZs) across the country, with total investment capital in excess of \$1 billion.
- Seven of these have occupants – Sihanoukville SEZ, Phnom Penh SEZ, Manhattan SEZ, Tai Seng Bavet SEZ, Poipet SEZ, Goldfame Pak Shun SEZ, and Koh Kong SEZ. Meanwhile, Sihanoukville Port SEZ is under construction, others are at various stages of development, and some remain undeveloped.

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China






Export Processing Zones (EPZs) in GMS countries

PEOPLE'S REPUBLIC OF CHINA (PRC)

- As part of its economic reforms and policy of opening to the world, between 1980 and 1984 China established special economic zones (SEZs) in Shantou, Shenzhen, and Zhuhai in Guangdong Province and Xiamen in Fujian Province and designated the entire island province of Hainan a special economic zone.
- In 1984 China opened 14 other coastal cities to overseas investment (listed north to south): Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai.

SECOND MEETING
GMS Urban Development Task Force
 14-15 November 2013 • Kunming, People's Republic of China

Export Processing Zones (EPZs) in GMS countries

PEOPLE'S REPUBLIC OF CHINA (PRC)

- Since 1985 the central government expanded the coastal areas by establishing the following open economic zones (listed north to south): Liaodong Peninsula, Hebei Province (which surrounds Beijing and Tianjin), Shandong Peninsula, Yangtze River Delta, Xiamen-Zhangzhou-Quanzhou Triangle in southern Fujian Province, Pearl River Delta, and Guangxi. In 1990 the Chinese government decided to open the Pudong New Zone in Shanghai to overseas investment, as well as more cities in the Yang Zi River Valley.
- Since 1992 the State Council has opened a number of border cities and all the capital cities of inland provinces and autonomous regions.

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EPZ on the PRC-VIE border

Pingxiang-Dong Dang Cross-Border Economic Zone

- Location: Pingxiang, Guangxi and Dong Dang, Lang Son
- Description: A flagship initiative under the GMS North-South Economic Corridor (NSEC) scheme and the GMS Action Plan; a showcase border-crossing economic zone under the China-ASEAN Free Trade Area; located at border crossings with a total area of 17km², at 8.5 km². It is proposed that Phase II and III Infrastructure Construction of Pingxiang Integrated Free Trade Zone (Chinese side of the CBEZ) be implemented in the period 2013-2020.
- Cost estimates: \$ 322.0 m (150.0 - ADB loan+ 80.0 - Government Funds+ 92 - Private Equity Investment)
- Status: Feasibility Studies for both PRC and VIE sides completed, requires ADB follow TA estimated at USD 5.8 million (3.6 - Joint F/S + 2.2 - research on administration and policy mechanism).
- Remarks: UNDP grant of 600,000 for related research, personnel training and planning efforts; ADB RETA7356 was for the completed feasibility studies; Source: PRC PPT during ECF-5 on 7 Aug 2013 in Bangkok, Thailand

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Cross-Border Economic Zones (CBEZs)

Hekou- Lao Cai Cross-Border Economic Zone

Location: Dongxing

- To be built as an experimental zone to deepen PRC-Viet Nam cooperation
- A priority project of the Dongxing National Experimental Zone of Development and Opening-Up
- An important economic zone situated in a node city of the GMS economic corridor that will contribute to the transformation of a transportation corridor into economic growth corridor.
- Cost estimate: \$ 968 m

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EPZs on the PRC- LAO PDR or PRC - MYA BORDERS

Longbang-Baise -Tra Linh

Mohan (PRC) - Boten (Lao PDR)

Ruili (PRC)- Muse (Myanmar)

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


Export Processing Zones (EPZs) in GMS countries

Myanmar

- Special economic zones, which offer tax exemptions (5 years for production, 8 years for high-tech, 2 years for agriculture, livestock breeding and forestry, and 1 year for banking) are undergoing preliminary construction in Sittwe Township and Kyaukpadaung Township in Rakhine State.
- Six free trade zones will be Thilawa Port in Yangon, Mawlamvine in Mon State, Myawaddy and Hpa-an in Kayah State, Kyaukpadaung in Rakhine State and Pyin Oo Lwin in Mandalay Region.
- The Myanmar Port Authority has been involved in facilitating contracts to develop Myanmar's Special Economic Zones, including a USD \$8.6 billion deal to develop a deep sea port at Dawei called the Dawei Port Project, by Italian-Thai Development.

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



Export Processing Zones (EPZs) in GMS countries

THAILAND

- **Border Economic Zones:** Chaing Rai, Tak and Songkhla Provinces. New SEZs are expected to be in Mae Sot in Tak; Mae Sai, Chiang Saen and Chiang Khong in Chiang Rai; Ban Phu Nam Ron in Kancharaburi; Koh Samui; Suvarnabhumi airport; and the provinces of Sa Kaeo, Trat, Sa Kaeo, Trat, Songkhla, Narathiwat, Nakhon Phanom, Nong Khai and Mukdahan.
- Each SEZ would facilitate activity along at least one of three economic corridors – the East-West Corridor linking Vietnam, Laos, Thailand and Myanmar; the North-South Corridor linking northern Thailand and southern China; and the Southwest Corridor linking Cambodia, Thailand and Dawei, Myanmar.

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
Export Processing Zones (EPZs) in GMS countries

Viet Nam

26 Border-Gate Economic Zones

- 11 border with PRC (DongDang, Chi Ma, Lao Ci, Mong, Cai, North Phong Sinh, Hoanh Mo-Dong Van, Thanh Thuy, Ma Lu Thang, Ta Lung, Tra Linh, Soc Giang)
- 7 border with Lao PDR (Cau Treo, Cha Lo, Nam Giang, Bo Y, Lao Bao, A Dot, Na Meo)
- 8 Border with Cambodia (Road 19, Bonue, Moc Bai, Xa Mat, Dong Thap, An Giang, Ha Tien, Long An)

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Export Processing Zones in the GMS

- **VIET NAM**
 26 Border-Gate Economic Zones:

 11 border with PRC (DongDang, Chi Ma, Lao Ci, Mong, Cai, North Phong Sinh, Hoanh Mo-Dong Van, Thanh Thuy, Ma Lu Thang, Ta Lung, Tra Linh, Soc Giang)
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Objective of the PPTA

- To develop feasibility study for Cross-Border Export Processing Zones (CBEPZs) which will qualify for Foreign Direct Investment (FDI), and are bankable (ADB and others)

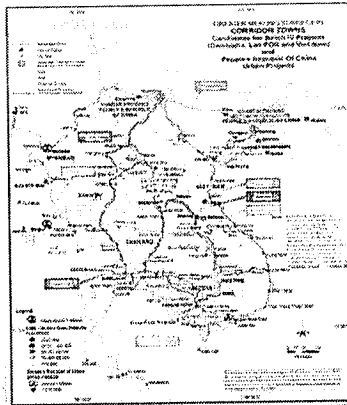
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Discussion of EPZs:

- Criteria for success, Location, profile, Cross-Border Trade Agreement (CBTA)
- Rational for establishment of EPZs:
 - Labor costs in participating countries
 - World Trade Organization (WTO) quota
 - Access to different sources of raw materials, energy, labor

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Candidate Cross-Border Export Processing Zones (CBEPZs) for PPTA



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Geographic Coverage of PPTA - TBD

- PRC-VIE border: 3 locations
- THA-LAO border: 2 locations
- CAM-VIE border: 1 location
- CAM-THA border 1 location
- MYA-THA border 1 location
- Total: 8 locations

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QUESTIONS FOR DISCUSSION

- Objective of this PPTA: only feasibility study?
- What about investments? (ADB and others)
- Should RIF include public sector investment pipeline?

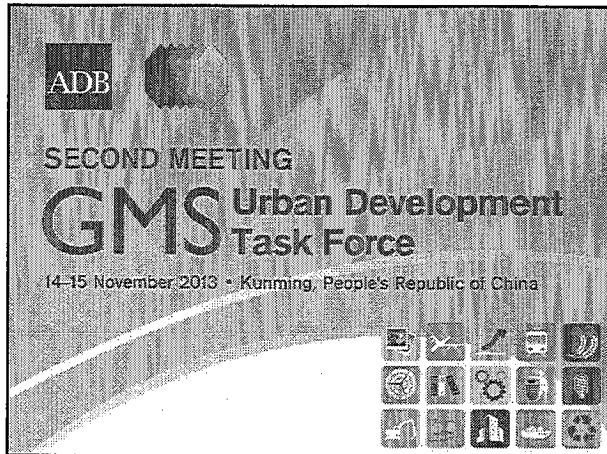
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PPTA Cost

Feasibility Study - \$1.5 million (TBD)

Source – TBD

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Agenda of the Urban Development Task Force for 2014

Medium-term Agenda	General Agenda
2013: Urban Systems Assessment	1. Review of Implementation Experiences
2014: GMS Urban Strategies – Green Growth Orientation	2. Assistance and support to the preparation of the GMS Minister's Conferences
2015: Private Sector and GMS Urban Development	3. Preparations for the Economic Corridor Forum (ECF)
2016: Cross-Border Economic Zones	4. GMS Urban Development Website
2017: Lessons from Implementation of CTDP Batch 1	5. Knowledge Sharing

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