



THIRD MEETING

GMS Urban Development Working Group

5–6 December 2019 • Siem Reap, Cambodia

GMS Program Developments and Linkages with GMS Urban Development

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GMS Secretariat

Presentation Outline

1. GMS Strategy 2030
2. New approaches in Urban Development
3. GMS Regional Investment Framework- A Medium Term Priority Project Pipeline

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Rationale for GMS-2030

The GMS Program needs to reposition itself to ensure long-term sustainable growth and provide a collaborative effective response to 7 powerful global trends impacting GMS countries:

1. Weaker global growth and threats to free trade
2. Disruptive technological change
3. Evolving demographics
4. Rapid urbanization
5. Environmental and climate-change threats and pollution, including maritime plastics
6. Rising inequality and pockets of poverty
7. Global and regional pandemics threats



Innovative – Cross-Cutting Approaches

GMS 2030 features the following cross-cutting, innovative approaches

- i. An enhanced spatial approach to development:**
 - a. Integrated network of economic corridors
 - b. Border areas
 - c. City clusters
- ii. A deeper dialogue on policies and regulation, underpinned by knowledge-based solutions and capacity-building**
- iii. Embracing private sector solutions**
- iv. Reaping the gains of digitalization**
- v. GMS program as an open platform**
 - a. Internally with local governments, academia, private sector, and civil society
 - b. Externally with other regional entities and development partners
- vi. A results framework**

Connectivity



Transport

- Inter-modal and cross-border transport
- Railways, sea and river ports
- Asset management and road safety

Energy

- Energy supply security
- Cross-border trade
- Clean energy

Competitiveness 1/2

Agriculture

- ❑ Food safety and quality, with strong linkages with regional and global value chains
- ❑ Environment-friendly and climate smart agriculture; resilient production to sustain natural resources
- ❑ Focus on small-scale farmers and small and medium-sized agro-enterprises



Trade and Investment Facilitation

- ❑ Customs modernization, electronic customs transit, facilitation of sanitary and phytosanitary requirements, more private sector facilitation, CBTA 2
- ❑ Development of e-commerce platforms
- ❑ Investment facilitation and easing of constraints to investment flows



Competitiveness 2/2



Tourism

- * Shift to higher value-added tourism, and longer and repeated stays
- * Human resource development
- * Focus on secondary destinations and better connectivity



Urban Development

- * Holistic approach to develop livable cities (green competitive, resilient, and inclusive)
- * Develop of urban clusters across countries
- * Focus on cities nearby rivers and oceans, and border cities

Community

Environmental Sustainability and Climate Change

- Climate change resilience and disaster risk management mainstreamed
- Energy efficiency, renewable energy, climate smart agriculture
- Sustainable waste management leading to healthy ocean and river systems -- tackling plastics pollution

Health

- Focus on communicable diseases and pandemic preparedness
- One-health unified approach to animal and human health
- Health coverage for migrant, mobile, and vulnerable communities, and cross-border cooperation

Other areas of cooperation: GMS 2030 will flexibly work in additional areas and sectors, as required. This will include organizing forums, seminars, and knowledge events in areas such as **education, finance, migration, innovation, information technology, industry and 4th Industrial Revolution, and gender**

Institutional Arrangements

Institutional Enhancements

- Existing institutional mechanisms will remain lean, but will be strengthened
- New sector working groups for critical areas - trade and investment facilitation
- Setting up more sector secretariats (RPCC) and sector ministerial-level meetings
- Establishing GMS Knowledge Centers and Think Tanks (Mekong Institute)
- GMS Program secretariat to deepen its traditional support role
- Strengthen:
 - GMS Local Government Forum
 - GMS Business Council
- Setting up new task forces, forums, networks to respond to new demands



Enhanced Programming and Monitoring systems

- The Regional Investment Framework will be revised to improve quality and usefulness
- A GMS Results Monitoring Framework will monitor the progress of GMS-2030

GMS 2030: Urban Development

URBAN DEVELOPMENT

- Holistic approach
- Develop livable cities (green competitive, resilient, and inclusive)
- Develop of urban clusters across countries (for better trade and connectivity)
- Integrate urban transport
- Urban centers in border areas with linkages to economic corridors
- Holistic approach to the cities and urban areas bordering water bodies to reduce water pollution



GMS Cities Close to Rivers or Coast



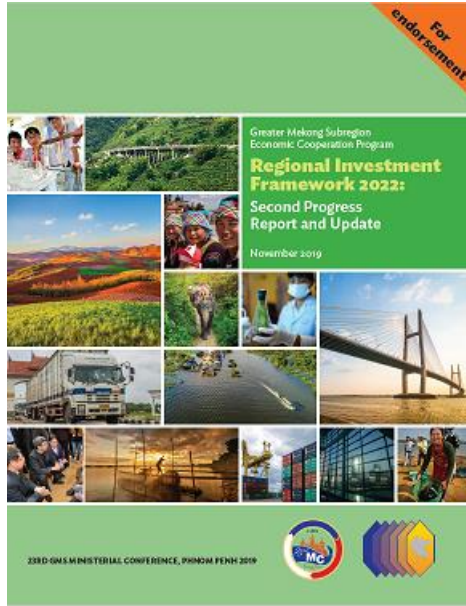
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GMS Regional Investment Framework 2022



- Medium-term pipeline of priority regional projects in the GMS
- Updated annually and endorsed by GMS Ministers

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

Type	No. of projects	Cost Estimate (\$million)
Investment	155	92,331
TAs	100	347
TOTAL	255	92,678

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GMS Regional Investment Framework 2022

Table 1: Summary of Regional Investment Framework 2022 Update 2019, Breakdown by Sector

Sector	Number of Projects			Cost Estimate (\$million)		
	Investment	TA	Total	Investment	TA	Total
Transport	87	16	103	77,713.7	10.3	77,724.0
Energy	14	6	20	6,024.0	10.2	6,034.2
Agriculture	12	12	24	1,980.6	60.0	2,040.6
Environment	5	4	9	640.4	43.3	683.7
Health and Other HRD	5	12	17	815.4	96.0	911.4
→ Urban Development	9	7	16	1,527.7	5.2	1,532.9
→ Other/BEZ	6	9	15	2,064.9	18.0	2,082.9
Tourism	12	18	30	1,435.4	79.6	1,515.0
TTF	3	8	11	106.3	19.7	126.0
ICT	2	8	10	23.0	4.3	27.3
Total	155	100	255	92,331.4	346.6	92,678.0

BEZ = border economic zone, HRD = human resource development, ICT = information and communication technology, RIF 2022 = Regional Investment Framework 2022, TA = technical assistance, TTF = transport and trade facilitation.

Source: GMS Secretariat.

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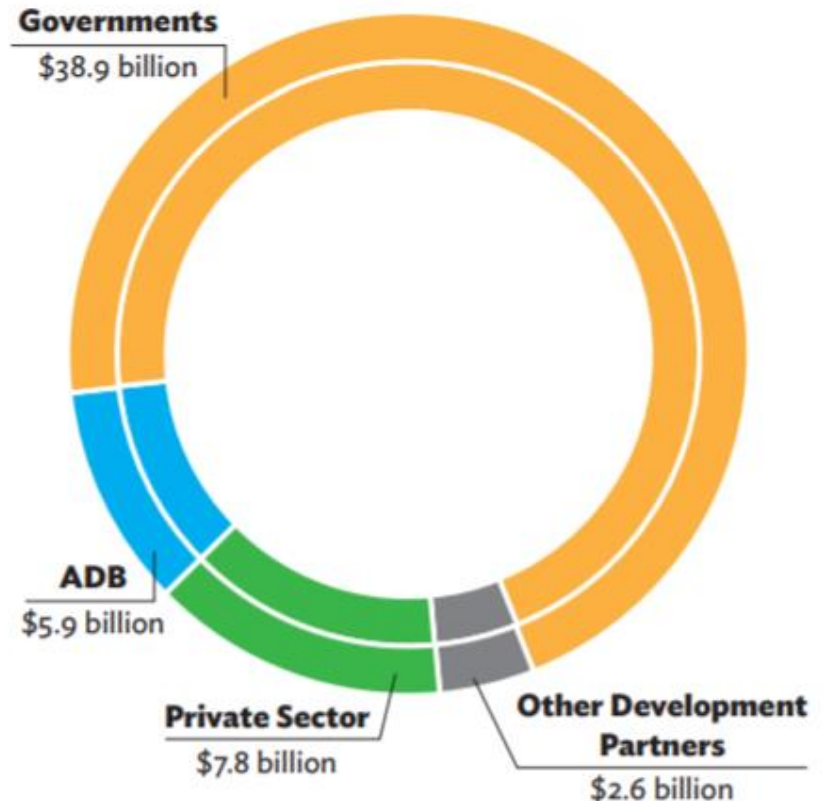
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GMS Regional Investment Framework 2019 update: Funding Sources

GMS RIF 2022 reflects projects funded, and proposed for funding, from ADB, other development partners, the private sector, or government resources/budget

Figure 4: Updated Regional Investment Framework 2022, Breakdown of Funding Sources for Projects with Financing



ADB = Asian Development Bank.
Source: GMS Secretariat.

Regional Investment Framework 2019 Update: Financing Partners

Multilateral	Bilateral	Private Sector
ASEAN Infrastructure Fund	AFD (France)	Giant Group (Malaysia)
Asian Development Bank	Belgium	Lao Telecom
Asian Infrastructure and Investment Bank	DFAT (Australia)	Nam Ngiep 1 Power Company
Global Environment Facility	JBIC	Nam Ngum Power Company
International Finance Corporation	JICA	Song Da Group
International Organization for Migration	KEXIM	Unicom
Nordic Development Fund	KfW	Vietnam National Power Transmission Corporation
OPEC/OFID	KOICA	Viettel
World Bank	Netherlands	
	PRC	
	SIDA (Sweden)	
	Swiss Agency for Development and Cooperation	
	TICA (Thailand)	
	NEDA (Thailand)	

GMS Regional Investment Framework 2022

Q1

The Asian Development Bank (ADB) Greater Mekong Subregion (GMS) secretariat initiates report preparation by advising ADB sector divisions and GMS national coordinators to communicate with country sector agency focal points.

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

- RIF progress report is revised to become the annual report.

- GMS national coordinators play a key role in collaborating with line ministries and in project investment pipelines.

Q2-Q3

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

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

GMS national coordinators collaborate with line ministries for progress and proposed projects.

RIF 2022 report discussions are to better align with GMS working groups and forums.

- Final RIF 2022 reports are to be disseminated as reference for development and budget planning cycles.

Q3

The ADB GMS secretariat

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

**Annual GMS
Ministerial,
Q3 or Q4**

Urban Development

No.	Project Title	Country Coverage	Year of Approval	Cost Estimate (\$ million)	Potential Funding Source and Amount (\$ million)	Status
INVESTMENT PROJECTS						
Projects in RIF 2022						
1	Second Greater Mekong Subregion Corridor Towns Development Project	Cambodia Lao PDR Viet Nam	2015	211.8	Asian Development Bank (ADB)—170.0 Governments of Cambodia, the Lao PDR, and Viet Nam—31.8 Association of Southeast Asian Nations (ASEAN) Infrastructure Fund—10.0	Ongoing
2	Third Greater Mekong Subregion Corridor Towns Development Project	Myanmar	2018	116.9	ADB—80.0 NEDA -24.3 GCF, TICA Grant - 4.9 Government of Myanmar—7.7	Ongoing
3	Fourth Greater Mekong Subregion Corridor Towns Development Project	Cambodia, Lao PDR	2018	142.6	ADB—128.0 Government of Cambodia—8.0 Government of Lao PDR—6.1 Cofinancing—0.5	Ongoing
4	Yangon Urban Services Improvement Project	Myanmar	2020	194.2	ADB—185.0 TBD—9.16	Proposed
5	Second Mandalay Urban Services Improvement Project	Myanmar	2021	165.0	ADB—150.0 Cofinancing—15.0	Proposed

Urban Development

No.	Project Title	Country Coverage	Year of Approval	Cost Estimate (\$ million)	Potential Funding Source and Amount (\$ million)	Status
INVESTMENT PROJECTS						
Projects in RIF 2022						
6	Livable Cities Investment Project (formerly Fifth Greater Mekong Subregion Corridor Towns Development Project)	Cambodia	2021	207.0	ADB—180.0 Government of Cambodia— 27.0	Proposed
7	Hekou Urban Infrastructure and Public Services Improvement Project	PRC	TBD	175.3	ADB Government of the PRC	Proposed
Projects proposed to be added in RIF 2022						
8	Livable Cities Investment Program (MFF) (formerly Fifth Greater Mekong Subregion Corridor Towns Development Project)	Lao PDR	2021	150.0	ADB—105.0 Cofinancing (TBD)—45.0	Proposed
9	Yangon Urban Services Improvement Project—Phase 2	Myanmar	2022	165.0	ADB—150.0 Cofinancing (TBD)—15.0	Proposed
Subtotal (Urban Development Investment Projects)				1,527.7		

Other Multisector/ and Border Economic Zones

No.	Project Title	Country Coverage	Year of Approval	Cost Estimate (\$ million)	Potential Funding Source and Amount (\$ million)	Status
INVESTMENT PROJECTS						
Projects in RIF 2022						
1	Guangxi Regional Cooperation and Integration Promotion Investment Program, MFF tranches 1–3 (formerly Joint PRC–Viet Nam Cross-Border Economic Zones)	PRC	2016	1,180.0	Asian Development Bank (ADB)—450.0 Government of the PRC—730.0	Ongoing
2	Support to Border Areas Development Project	Viet Nam	2016	122.1	ADB—106.5 Government of Viet Nam—15.6	Ongoing
3	Yunnan–Lincang Border Economic Cooperation Zone Development Project	PRC	2018	402.8	ADB—250.0 Government of the PRC—152.8	Ongoing
4	Construction of a Phnom Penh New Port Special Economic Zone	Cambodia	TBD	60.0	To be determined (TBD)	Proposed
5	Border Trade Zone in Muse, Kampitee, Shinshwehaw	Myanmar PRC	TBD	TBD	TBD	Proposed
Projects proposed to be added in RIF 2022						
6	Vientiane Saysettha Development Zone Project—Phase II (Infrastructure and Supporting Construction Project)	Lao PDR	2019	300.0	PRC—300.0	Ongoing
Subtotal (Other Multisector/Border Economic Zones Investment Projects)				2,064.9		

GMS Regional Investment Framework 2022: Proposals for New Projects

TABLE B. PROPOSED NEW PROJECTS FOR INCLUSION IN RIF 2022

I. Investment Projects

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

II. Technical Assistance Projects

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

*NOTE: To strengthen line ministry-GMS ministry- finance ministry coordination on RIF proposed projects, all new proposals must be signed off by all three parties (if single country) and the three parties from both/all countries. Signatures of relevant ministry representatives are requested to be appended either in Column 10 (Project Contact) or separately in proposal documents to be submitted.

Summary

- GMS Strategy 2030 has a renewed focus on a spatial approach to development (economic corridors, city clusters, border areas)
- GMS 2030 will focus on livable cities and development of cities and urban areas that border water bodies (*ocean/coastal as well as lakes/rivers*)
- The GMS RIF 2022 is a tool to prioritize the GMS medium-term project pipeline and mobilize financing,
 - **but** project proposals must be in line with regional and national strategies,
 - **and** project proposals must be coordinated between GMS working groups, line ministries, GMS national coordinators, and Ministries of Finance

Thank you very much

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