

**Tenth Meeting of the GMS Subregional Transport Forum
back-to-back with
Final Meeting on the GMS Transport Sector Strategy Study**

**Vientiane, Lao People's Democratic Republic
21-23 March 2006**

SUMMARY OF PROCEEDINGS

Introduction

1. The Tenth Meeting of the Subregional Transport Forum (STF-10) was held in Vientiane, Lao PDR on 22-23 March 2006. The Meeting was jointly organized by the Ministry of Communications Transport Post and Construction (MCTPC) of the Government of Lao PDR and the Asian Development Bank (ADB). Immediately before STF-10, a meeting to review and finalize the revised draft report of the GMS Transport Sector Strategy Study (TSSS) was held on 21 March 2006.

2. The objectives of STF-10 were: (i) to adopt and endorse the strategy and recommended set of investment and technical assistance projects contained in the TSSS final report, as reviewed and finalized by the meeting on the TSSS held on the first day; (ii) to review progress of priority subregional initiatives/projects in the transport sector; (iii) to initiate the translation of the strategy and recommended interventions in the TSSS into a workable and monitorable plan of action for the STF; and (iv) to discuss other transport-related activities and developments in the GMS Economic Cooperation Program. The Meeting Agenda is attached as **Appendix 1**.

3. The Meeting participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), Lao People's Democratic Republic (Lao PDR), the Union of Myanmar, Kingdom of Thailand, and the Socialist Republic of Viet Nam, and ADB. Representatives from AusAID, Japan International Cooperation Agency (JICA), Japan Bank for International Cooperation (JBIC), Mekong River Commission (MRC), the Swedish Embassy in Lao PDR, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the World Bank, and the United States Trade and Development Agency (USTDA)/ TERA International Group attended the Meeting as observers. The list of participants and observers is attached as **Appendix 2**.

4. The Meeting was chaired by Mr. Math Sounmala, Director General of the Planning and Cooperation Department, Ministry of Communications Transport Post and Construction (MCTPC) and co-chaired by Mr. Peter Broch, Transport/Project Economist, Infrastructure Division, Mekong Department (MKID), ADB.

Final Meeting on the TSSS (21 March 2006)

I. Opening Session

5. Mr. Math Sounmala, Chair, opened the Workshop and welcomed the participants. He informed the Meeting that transport sector development is high in the Lao PDR Government's priorities, receiving about 52% of the National Investment Budget for fiscal year 2005-2006. He noted that based on lessons learned, landlocked countries have equal or more advantages than

“sea-locked” countries because they have their neighbors just next door to cooperate with. Lao PDR, for instance, is surrounded by potential markets, and these it could tap if the transport and communication infrastructure and software are in place. The Transport Sector Strategy Study (TSSS), which was reviewed and commented on by the GMS countries at the workshop held in Ho Chi Minh City in December last year and which will be further reviewed in this meeting, when finally adopted, will provide the blueprint for GMS transport cooperation from 2006-2015 and even beyond. The STF meeting is also important in that it will consider and come to agreement on key transport-related issues.

6. Mr. Peter Broch informed the Meeting that Mr. John Cooney, Director, Infrastructure Division, Mekong Department of ADB, who was supposed to co-chair the Meeting, had been called away for very urgent consultations in ADB Headquarters in Manila and has asked him to convey his apologies to the participants. Mr. Broch, who took over as Co-Chair, thanked the Government of Lao PDR for hosting the meeting. He summarized the Meeting’s basic objectives as follows: (i) to review the final version of the TSSS draft report, ensuring that the comments made in the December HCMC workshop were addressed; (ii) to discuss any outstanding issues that the countries may still raise regarding the report; and (iii) to come to agreement on the new strategy and the proposed interventions as contained in the report, including the additional comments and changes arising from the meeting. The strategy and the interventions will then be formally adopted and endorsed by STF-10 for endorsement at the Senior Official’s Meeting in Manila on 20 April 2006 and final endorsement by the High Level Transport Meeting to be held back-to-back with the Joint Committee Meeting on 14 June 2006 in Beijing, PRC.

II. Discussion of the Revised Draft Report

7. The Strategy and Overarching Goals. Mr. Vaughan Corbett of PADECO Co. Ltd, consultants for the TSSS, presented the salient points of the revised draft final report, focusing on the key elements of the proposed strategy, the major investment and technical assistance projects proposed, and the remaining issues and next steps. (A copy of the presentation is attached as **Appendix 3.**) The basic theme of the TSSS, which was set in the GMS Leaders’ Second Summit, is “Towards seamless transport services on a fully connected and integrated GMS network.” Given this theme, the overarching goals for the GMS transport sector are:

- (i) Exploit synergies in the GMS transport system – which requires a subregional network thinking, a GMS-wide consciousness, in undertaking transport projects and initiatives;
- (ii) Move towards an open market for transport services – which takes an approach similar to the European Union open borders policy and promotes the development of a single market for transport operators, thus encouraging competition and efficiency;
- (iii) Facilitate economic efficiency to reduce transport costs – which implies optimizing networks and their usage, and maintaining them properly;
- (iv) Complete the GMS network and improve links with South Asia – which would require completing the corridors, developing the secondary networks and facilitating the northwestern links; and
- (v) Encourage multi-modalism – which means promoting competition between modes on routes and cooperation between modes for movement, and eliminating constraints (e.g., on inter-modal transport).

8. He also presented important factors to consider in developing a GMS railway and airports strategy. Given that the GMS countries’ railway systems have serious limitations, that they have their own domestic priorities, and that there is strong competition from other modes (e.g., expressways) it is unlikely that the building or improvement of costly cross-border rail links would be a high priority in the near future. [In this light, for instance, the Singapore-Kunming

Railway Link (SKRL) presents important and difficult strategic considerations. However, there is merit in maintaining the SKRL concept, given its consistency with the GMS network, but decisions will have to be decided at the political level.] To guide action in the railway sector in the medium-to-long term, an intensive study is required to come up with a comprehensive, detailed and sector-specific strategy. With regard to air transport, the proposed approach is to deepen cooperation, optimize air transport infrastructure GMS-wide, and to form an airports committee to provide a forum for addressing the complex issues and for eventually formulating a GMS-wide airports strategy.

9. Mr. Chhin Kong Hean, Cambodia, commented that the issues of private sector participation and of environmental aspects of transport development have not been mentioned under any of the five overarching goals presented. In reply, the consultants stated that private sector participation was included under the second and third overarching objectives. It was also noted that environmental aspects would be carefully addressed in detailed project preparation work.

10. Mr. Lattanamany Khounnyvong, Lao PDR, commented that with regard to developing "seamless" transport services, we cannot depend just on public agencies but must depend largely on private transport operators and therefore we will have to strengthen the latter with training and financial support. Mr. Corbett agreed with the observation and noted that there is also a need to address the uneven levels of development of the transport services industry among the GMS countries. It was pointed out that there are certain TAPs in the TSSS for addressing these issues, including TAP 23 (Training on Logistics) and TAP 26 (Training in Road [Passenger and Freight] Transport Operations).

11. Mr. Lattanamany also called for the provision of facilities to complement the development of road infrastructure. These would include rest areas, levies for trucks, and the like. Mr. Corbett suggested that this issue may be taken up with development partners in the process of preparing road projects. Mr. Di Bona noted that the issue involves rules on public-private partnerships and property development rights, which often vary from country to country. It was indicated that there are TAPs that address the issue of facilities to complement road infrastructure, e.g., TAP 12 (Support for Harmonization of GMS Road Signs and Signals), TAP 3 (Processing and Facility Improvements at Border Crossing Points), TAP 24 (Development of Inland Container Freight Depots). However, for such facilities as rest areas and terminals, it may be better to address these at the micro level in the course of developing road infrastructure projects, Mr. Broch remarked that the issue of complementary facilities is related to the concept of economic corridors, where the aim is not just to build the transport channel but also to make it a basis for generating economic activity, including trade, industrial, and agricultural development in the area. (Please see related comments in paragraphs 20 and 22 below.)

12. Mr. Li Guanling, PRC, recalled and expressed appreciation for the comment response matrix prepared by the consultants showing how each of the comments given at the Ho Chi Minh City Workshop on the TSSS in December 2005 was addressed.

13. Mr. Vasim Sorya, Cambodia, expressed appreciation for the inclusion in the TSSS of a TAP on training on logistics, but suggested that instead of just conducting training programs, the establishment of institutions to train/educate people on logistics be considered to ensure more sustained benefits in this area.

14. Mr. Sunant Gliengpradit, Thailand, expressed strong support for the fourth overarching goal (Complete the GMS transport network and improve links with South Asia). He stated that in

the past ten years of transport cooperation in the GMS, the focus was on linkages within GMS. It is now time to build stronger links with other regions, particularly South Asia.

15. Investment Projects and Proposed Corridors. Mr. Corbett also presented the proposed investment projects. He mentioned the many international organizations and regional cooperation initiatives that are involved in transport cooperation, but noted that GMS has shown itself to be an effective vehicle for this purpose and could fulfill a leading coordinating role. He then mentioned the list of corridors in the revised TSSS report, consisting of the three existing ones with some redefinition (subdivided into components, e.g., North-South into NSEC Western, Central and Eastern Corridors) as well as new proposed corridors, as follows:

- Northwestern Corridor (NWC): India-Myanmar-Thailand (Bangkok-Mae Sot--Paan-Payagyi-Meiktila-Tamu-Imphal)¹
- Proposed Northern Corridor (NC): Yunnan-Myanmar-India (Kunming-Dali-Ruili-Lashio-Mandalay-Tamu-Imphal)
- North-South via Lao PDR Corridor [NSC(L)] (Kunming-Simao-Mohan-Louang Prabang-Vientiane-Thakhek-Pakse-Veunekham-Stung Treng-Phnom Penh-Sihanoukville)
- Northeastern Corridor (NEC) (Nanning-Lang Son-Hanoi-Moc Hau-Xam Nua-Xieng Khouang-Vientiane-Khon Kaen-Nakhon Ratchasima-Bangkok/Laem Chabang)

He mentioned specific investment projects, focusing on category *** (uncommitted but high priority) projects.

Comments:

16. Mr. Chhin Kong Hean, Cambodia, commented that considering the large and growing tourist traffic in the Siam Reap area, the list of investment projects could include development of a new Siam Reap airport to accommodate larger planes. Also, he stated that there should be provision for the development of more river ports along the Mekong River. Mr. Bruce Winston, PADECO, stated that the Siem Reap airport project can be addressed under TAP 20 on GMS Airports Development, on which basis it could be considered as an investment project toward 2015. Also, he noted that TAP 19B will address, among other things, the provision of necessary river transport infrastructure along the Mekong River in Cambodia.

17. Mr. Li Guangling, PRC, recalled that during the December 2005 workshop in Ho Chi Minh City he suggested that cooperation under the Joint Committee on Coordination of Commercial Navigation (JCCCN) on the Lancang-Mekong River, based on Quadripartite Agreement among PRC, Lao PDR, Myanmar, and Thailand should be included in the "implementation pie" (or "acronym soup"); he noted that this has been mentioned in a footnote on page VIII-1 of the revised draft final report, but requested that it be included in the text instead, in view of the importance of the forum. Further, with regard to the proposed Northeastern Corridor (NEC) linking Nanning with Hanoi (en route to Bangkok and Laem Chabang), since there is already agreement between PRC and Viet Nam, this should be reflected as early as possible in Protocol 1 of the GMS Cross-Border Transport Agreement (CBTA), which has been signed and is awaiting ratification for entering into force. Accordingly, he suggested that the TSSS report should include a paragraph calling for this amendment of Protocol 1. In addition, he proposed that the title of project D21 be revised as follows: Lancang-Mekong Navigation *Channel* Improvement and *Maintenance* Project (changes in italics), to reflect the agreement of the countries concerned on the importance of maintenance, as evidenced by their recent agreement to set up a maintenance fund. He suggested similar changes to two related projects (D19A and D19B). Next, he proposed that the estimated cost for project D21 be revised from US\$10-15 million to US\$30-35 million, based on the latest

¹ Reflecting a revision suggested by Thailand.

estimates, since the project will involve improvement of another four shoals and other substantial works that will require significant financing.

18. Ms. Tao Yehong, PRC General Administration of Civil Aviation, stated that the expected completion date for Kunming Airport is 2010, rather than 2008. Further, she suggested that the text in Chapter III on the PRC's 100 or so air services agreements (ASAs) with other countries be amended to note that these include agreement with the PRC's GMS partner countries. Thirdly, she proposed inclusion of Wenshan Airport, as a "*****" project, as it is already under construction and due for completion in the first half of 2006. Fourthly, she suggested that Manshi Airport and Dali Airport should be included under the "****" category. Lastly, she proposed the addition of three other airport projects: (i) Tenchong (Yunnan) (**), (ii) Red River Yunnan(**), and (iii) Hechi (Guangxi)(**). The Meeting noted that it would be helpful if the PRC could provide more details (e.g., project cost estimates, project scope) regarding these airport projects.

19. A representative from the PRC Ministry of Railways stated that project B6-6 would better refer to Zhanyi-Liupanshui (between Kunming and Guiyang), for which double tracking is likely to be included in the 11th five-year plan, while B6-7, Kunming to Chengdu, includes 150km within Yunnan province, for which equipment modernization may be required, and should be noted as *.

20. Mr. Nguyen Van Thach, Viet Nam, supported the PRC's request to include a statement in the final report regarding the inclusion of the new Nanning-Hanoi corridor in Protocol 1 of the CBTA. He also supported the comment by Lao PDR on the need for facilities to complement road projects. He cited in particular that the border crossing between Lao PDR and Viet Nam at Dansavanh-Lao Bao has been operating since June 2005. However, common control areas have not been established yet. At the border crossing on the Phnom Penh-Ho Chi Minh City route, there are no similar facilities yet. He further requested ADB to consider providing a TA to help implement the CBTA more smoothly, including the setting up of similar border crossing facilities.

21. Mr. Silpachai Jarukasemratana, Thailand, supported PRC's proposal to include the Upper Lancang-Mekong River Commercial Navigation Agreement among the initiatives and cooperation groupings, and also the inclusion of "maintenance" in the title of project D21; he also suggested that ADB consider financial support for the establishment of the maintenance fund. Mr. Sunant Gliengpradit, Thailand, commented that the proposed Northwestern Corridor (NW) be modified as Bangkok-Mae Sot-Paan-Payagyi-Meiktila-Tamu-Imphal as the main route for this corridor and to consider section from Bangkok-Three Pagoda Pass-Thanbyuzayat-Thaton as a Subcorridor. The Thai delegation proposed that railway project B5-4 be changed to Denchai-Chiang Rai (instead of Lopburi) to implement the project for which a feasibility study was completed in 1995 and a detailed design completed in 1998. On the Northeastern side, he suggested a Bua Yai-Mukdahan-Nakhon Phanom link with connection to B2-2 (Thakhek).

22. Mr. Silpachai, Thailand, shared the Thai experience with regard to the provision of facilities apart from the road infrastructure, e.g., bus terminals, rest areas, and stated that the appropriate approach may be through purely private investments and PPPs (Public Private Partnerships).

23. Mr. Lattanamany, Lao PDR, gave further support to the PRC proposal to include maintenance and the establishment of a maintenance fund for navigational channel improvements. Mr. Math, Chair, suggested, in relation with the SKRL routes that are being mentioned as projects, that consideration be given to a spur line connecting Lao PDR to the

railway network of Viet Nam through Thakhek and Vientiane as a long-term investment project in the railway sector. He noted that Viet Nam has agreed to undertake a feasibility study for the project. Mr. Thach, Viet Nam, supported this proposal and noted that it will connect Lao PDR to Vung Ang port in Viet Nam. The consultants referred to Projects B2-1 and B2-2 in this regard. In addition, Mr. Phanh, Lao PDR, recommended that additional road links involving Lao PDR be considered as follows: (i) Vung Ang Deep Sea Port (Viet Nam)-Road 12-Thakhek-Mekong Bridge-Nakhon Phanom, (ii) Houay Kon (Thailand), Muang Ngeun (Lao PDR), Hongsa-Mekong Bridge-Luang Prabang, and (iii) Pak Thapan-Saravan-Route 15-Lao PDR connect to Highway 49 in Viet Nam.

24. Mr. Thach, Viet Nam, further noted that projects A6.8(a) Thanh Hoa- Lao PDR border and A1-6(b) (Na Meo-Do Len) overlap since the latter is part of the former.

25. U Khin Maung, Myanmar, referred to a new Northern East-West Corridor linking Yangon-Meiktila-Haiphong that was proposed by Viet Nam in ACMECS. He further noted there may already be too many subcorridors. He also mentioned some bilateral projects between Myanmar and India and Myanmar and Bangladesh, pertaining to river-road connections from the seaport at Sittwe to northeastern landlocked states of India (servicing cargo from India). There are also plans to upgrade Sittwe seaport in the project. The Yangon-Haiphong route will serve as a land bridge between BIMSTEC and GMS countries. He stated that Bangladesh-Myanmar links have not yet been started. He further posed the question of what the difference is, if any, between "primary routes" and "corridors". He also pointed out that on Figure 8-1 (map showing Category **** road projects), the Meiktila-Taunggyi-Loilem section should be shown, especially since the Lao PDR-Myanmar Friendship Bridge will be part of that proposed northern East-West Corridor. U Myint Maw, Myanmar, suggested railway transport charges should be mentioned in Myanmar kyats as initially provided from Myanmar instead of US dollars mentioned in TSSS report. He also suggested that the reference to Bagan Airport in D-8 and D-23(a) be changed to Nyaung Oo, which is the name of the airport near the City of Bagan.

26. Mr. Sunant, Thailand, noted that some projects are included in one initiative, e.g., ACMECS, but not in another, e.g., GMS; according to him, this causes confusion. Since the GMS TSSS will be the blueprint for the next 10 years, he suggested that all projects that are in other initiatives, however they are called, should also be included in the GMS initiative, in the interest of harmonizing these initiatives with the GMS Program. However, Mr. Broch stated in this regard that this raises the question of what constitutes a GMS project. He further stated that the GMS framework encompasses many related activities of cooperation.

27. The Meeting agreed that in order for the Meeting to be able to move on to the remaining items in the agenda, the consultants will prepare for the foregoing comments on the proposed investment projects and corridors a detailed matrix, similar to the one that had been prepared for the comments and inputs at the December 2005 Ho Chi Minh City workshop, showing the action(s) taken regarding each comment. The Meeting also agreed that ADB should consider financially supporting the establishment of the maintenance fund for the navigational channel of the Mekong River.

28. Technical Assistance Projects (TAPs). Mr. Bruce Winston, PADECO, presented the various proposed TAPs, which have been grouped according to five classifications, i.e., CBTA-related, infrastructure-related, transport logistics-related, training, and cross-cutting/other. He noted that the list has undergone revision and refinement based on comments made at the Ho Chi Minh City workshop.

Comments:

29. Mr. Lattanamany, Lao PDR, suggested consideration of the application of information and communications technology (ICT) to transport operations, as this is an important trend currently. Mr. Corbett stated that a logical starting point is the use of ICT at the border crossing points; Mr. Broch noted that it may also cover such applications as cargo tracking. Mr. Di Bona noted that the matter of ICT applications to transport may require components that are part TAP and part investment project. It was clarified that the proposal pertains to a broader concern, which is to be able to take advantage of ICT technology to improve the efficiency of transport operations. It was noted that this proposal could be referenced in certain TAPs, e.g., Development of Inland Container Depots, Processing and Facility Improvements at Border Crossing Points. It was also noted that such ICT improvements would generally require private sector initiative.

30. Mr. Silpachai, Thailand, commented that TAP 23, Training in Logistics, should be given higher priority than **; Mr. Winston responded that the intention was to pace the projects and avoid doing too much too soon, but noted that the TAP could be re-prioritized if there is strong interest. Mr. Silpachai also suggested that TAP 24, Development of Inland Container Freight Depots, should not just focus on identifying locations but also include the acquisition of related facilities and equipment. Mr. Winston replied that the scope of the TAP will be expanded accordingly.

31. PRC suggested that the priority classification of TAP 39, Phased Implementation of Open Skies, be upgraded from the ** priority included in the revised draft final report. Mr. Li also requested clarification as to whether TAP 5 relates only to Lower Mekong navigation. He also suggested that footnote 1 on page III-12 of the report on issues on the Upper Lancang-Mekong Commercial Navigation Agreement be deleted, since the mechanism has worked quite well. Mr. Winston replied that TAP 5 covers only the Lower Mekong. Although he noted that it may be useful to keep the analysis contained in footnote 1, he agreed to delete it.

32. Mr. Math raised the issue of overloading and its impact on transit countries. He noted that if weighing stations are placed at border crossings, there would be bottlenecks; on the other hand, if overloaded trucks are not detected, they would seriously damage the roads. He asked if there are ways of overcoming this problem and if a TA might be needed. Mr. Broch agreed that this is a serious problem, but one that would require long-term harmonization and enforcement of standards across countries. Mr. Lattanamany stated his view that a TA may be necessary to study such aspects of the problem, examining the real capacity of roads taking into account the frequency of overloaded vehicle traffic. Mr. Silpachai noted that apart from setting and standardizing rules, there is also a need to educate transport operators. Mr. Broch noted that if a TA is resorted to, it would be important to specify what the TA will study, e.g., the reasonable axle load that can be agreed upon, and if there should be differences in allowable loads domestically and cross-border; the issue of appropriate "transit payments" to transit countries to cover their cost in maintaining the roads; etc. He noted that some proposed TAPs, such as TAP 9 on Specification of Transit Charges, could be used to address some of the issues; the scope of this TAP could also be further expanded to address other related issues.

33. Mr. Thach, Viet Nam, proposed the inclusion of a project for the upgrading of Vung Ang port in Viet Nam; the upgraded port will benefit not only Viet Nam but also Lao PDR, which would then have a more accessible seaport. Lao PDR supported the proposal and mentioned that the plan should include a container yard for the port. It was agreed that Viet Nam would submit a written proposal on the project. Viet Nam also suggested that as agreed in Ho Chi Minh City project A6-9, Dau Giay-Lien Khuong Expressway, should be ranked as ***.

34. Mr. Sunant, Thailand, noted that several new corridors have been proposed but the important question is how to transform these corridors into full-fledged economic corridors. Mr. Broch remarked that ADB has so far done only one investment study for a corridor (on the East-West Economic Corridor in 2002) and is about to do a second one (on the North-South Economic Corridor); once the findings of these two studies are both in, we may have a more substantial basis for specifying approaches to achieving this objective. He noted the TAs that ADB has undertaken in this regard are advisory TAs and not project preparation TAs, and therefore do not say anything about how the identified projects would be implemented. Mr. Vasim Sorya, Cambodia, noted that each corridor should have some potential for generating economic activity. Mr. Sunant further commented that the end product of transport and other infrastructure development is to generate economic activity. Mr. Broch requested the consultants' report call for formulation of a TA to help transform transport corridors into economic corridors.

III. Discussion of Future Development, Management and Use of the GMS Transport Model

35. Mr. Richard Di Bona, Transport Modeler, PADECO Co. Ltd, first recapped the nature and purpose of the GMS Transport Model (GTM) introduced in the TSSS (Model "Version 1"), which represents a first attempt to to construct a multimodal passenger and freight surface transport model. In the TSSS, it was used to gauge demand for proposed transport infrastructure projects and assist in evaluating their systemwide impacts, in terms of time savings and cost savings. The model in its present version is still quite coarse, partly because of data limitations, but it showed what could be achieved. Based on the comments made at the December 2005 workshop on the TSSS and on other expressions of interest, he stated that the GTM could be enhanced (Version 2) to enable the performance of certain functions. He also outlined the possible objectives for such an enhanced version: (i) coordination in infrastructure and policy planning, (ii) improvements in forecasts of project benefits and impacts, (iii) project outturn performance monitoring, to further improve the planning and evaluation process, (iv) better coordination between transport planning and economic and social appraisal, (v) technology transfer and capacity development in the above, and (vi) optimization of expenditure in the transport sector. He also presented the possible managerial, institutional, and resource requirements to support the enhanced version, as well as the level of "buy in" or ownership that will be required from the countries. He then presented a proposed implementation plan for Version 2. To further improve the capabilities of the GTM (e.g., possible linkage with GIS), development of a Version 3 may be considered. (A copy of the presentation is attached as **Appendix 4.**)

Comments:

36. Mr. Broch said that the initial investment in setting up a transport model for the GMS has been done, but this model has to be maintained for it to be truly useful. The issue is how to shoulder the cost of maintaining the model. He posed the question of whether the countries see sufficient benefits to justify the effort and expense of maintaining the model.

37. Mr. Silpachai, Thailand, raised the question, for example, of whether the model can determine the impact of rising fuel prices, since it has been observed that this distorts transport patterns. He also noted that the Thai government has a national transport model, but every time they need it they have to seek assistance from outside experts. Mr. Broch remarked that having a running national model gives the advantage of already having the data. He also stated, with

regard to the first question, that a transport model could measure the impact of such factors as rising fuel costs.

38. Mr. Lattanamany, Lao PDR, observed that a transport model usually determines the impact of transport and infrastructure development in terms of savings in time and costs, but said he has not yet seen a model that can assess impact on socioeconomic development. Mr. Math shared Lao PDR's experience with regard to comprehensive transport studies modeling, e.g., the National Transport Study done in the late 1980s, which did not result in any practical benefits. He therefore suggested that some countries may not be ready for transport models, and instead would find it more useful to exchange experiences and lessons with other countries to guide it in its transport-related decisions.

39. Other Comments: Cambodia – we can assign staff but the issue is how to attain sustainability; Viet Nam – it would be a useful tool, but the issue is how to maintain it; Thailand – if we continue with the model, it would be preferable if the projection period be shortened from 2006-2015 to 2006-2012; and Mr. Di Bona – the model is data dependent, so he would propose routine annual data collection.

40. Mr. Broch said that he finds the phased approach proposed by the consultants appealing, i.e., to start small and gradually expand capabilities as demand for the model's outputs increases. But he noted that there is a minimum investment involved, in terms of effort, cost, the staff to be assigned to collect data and undertake maintenance work, etc. In this regard, he requested the consultants to give indications of the minimum magnitude of effort and cost that would be required (e.g., data collection, actual administration, possible need for co-financing) to help the countries to decide on where they would want to go with the model.

V. Recapitulation of the Key Outcomes of the Meeting

41. Mr. Broch, Co-Chair, summed what he considers the key outcomes of the first-day meeting as follows:

- there was general agreement on the strategy proposed by the TSSS revised draft final report, with no significant disagreement on the basic principles; comments on specific projects and activities can be addressed;
- the participants expressed their concurrence with the strong emphasis on software aspects in the strategy; there is wide realization that although infrastructure investments are important, it is equally important to put in place the software – the agreements, policies, and institutions to maximize benefits from the infrastructure;
- certain specific issues were raised that have an important bearing on the development and smooth operations of the subregional transport network; this includes overloading, which is a difficult and serious issue – but now there is a clear realization among the countries that this must be addressed;
- there was recognition of the need for the provision of important facilities and services, apart from the road infrastructure itself;
- emphasis was given on the need to transform the transport corridors into economic corridors; moreover, the benefits of efficient transport must be spread widely, for instance, to reach the rural areas;
- there was recognition of the importance of linking the GMS to South Asia and to strengthen linkages with other regional cooperation initiatives, e.g., BIMSTEC, ASEAN;
- emphasis was also given on active private sector involvement in transport sector development, particularly in view of the substantial resource requirements in this area; the region is the most economically dynamic one globally, and lack of funding should not be

allowed to constrain its continued dynamism and strong efforts must be made to mobilize the needed resources.

42. Mr. Math, Chair, in his closing remarks, stated that the Meeting reached basic agreement on the proposed strategy, with some additional though relatively minor proposed revisions, which will be addressed by the consultants. The TSSS final report has therefore been approved by the Meeting and will be adopted at the STF in its meeting the following day. He stressed, however, that even as the TSSS is nearing completion, there is hard work ahead for us and we should prepare and commit to it. On behalf of the GMS countries, he thanked ADB and the consultants for a job well done.

Tenth Meeting of the Subregional Transport Forum (22-23 March 2006)

I. Opening Session

43. Mr. Math Sounmala, Chair, delivered the opening and welcome remarks on behalf of H.E. Sommad Pholsena, Vice Minister, Ministry of Communication, Transport, Post and Construction, Lao PDR, who has been unable to attend because of pressing commitments as he is attending the special session of the Lao People's Revolutionary Party Congress. Mr. Math said that H.E. Mr. Sommad asked him to extend a warm welcome to the country delegates and other participants of the Meeting. He said that Lao PDR recognizes the importance of transport and communication links in socio-economic development and poverty reduction, as they provide access to public services, promote trade, investment and tourism. The Lao Government therefore puts top priority on transport and communication in its public investment program. Lao PDR earlier on realized that its lack of access to the sea posed an important constraint to its competitiveness and growth. Through taking part in economic cooperation initiatives, particularly the GMS Program, it realized that its being in the heart of the subregion also offers advantages. By linking with its neighbors, for instance, through the Northern, the North-South, and the East-West Corridors, the country's access to seaports in other GMS countries is enhanced. This policy of cooperation and connectivity creates a mutually beneficial situation for Lao PDR and its neighbors the region as it contributes to strengthening transport and communications sector cooperation and promoting international trade and tourism. Noting that the main purpose of the meetings is to discuss, adopt and endorse the Transport Sector Strategy Study (TSSS), he expressed the Lao Government's pledge to continue to actively support and participate in the activities and programs under the TSSS. He thanked ADB, particularly its Mekong Department, for its continuing support for GMS transport cooperation.

44. Mr. James Nugent, Country Director, ADB Resident Mission in Lao PDR, in his opening remarks, emphasized that transport sector cooperation plays a key role in enhancing connectivity and economic exchange between countries in the GMS. Improved efficiency resulting from the easier flow of goods and people across borders in turn promotes the competitiveness of the GMS countries. Lao PDR, which is at the geographical center of the GMS, benefits substantially from its active participation in subregional transport cooperation. Two of the three GMS economic corridors, the East West Economic Corridor (EWEC) and the North South Economic Corridor (NSEC), include Lao PDR. The various transport and other investments being undertaken in Lao PDR in relation with the development of these corridors, as well as the operation of the GMS Cross Border Transport Agreement (CBTA) are transforming Lao PDR from a landlocked to a "land-linked" country. A key challenge, however, is to ensure that countries enjoys a proportionate share of benefits from the development of GMS transport linkages and facilitation software, and not simply serve as transit countries. It is

also important to ensure that the possible negative social and environmental externalities arising from increased cross-border mobility of goods and people, such as the spread of communicable diseases, trafficking, and pollution, are mitigated and controlled. However, the nature of cooperation in the GMS serves to ensure that these concerns are properly addressed. Transport cooperation is therefore closely related with other cooperative efforts among the countries in the GMS. Viewed from this broad perspective, the work of the STF is very important. Likewise, ADB's work in Lao PDR and in the GMS will continue to be committed to effective cooperation in the subregion.

45. Mr. Peter Broch, ADB, Co-Chair, thanked the Government of Lao PDR for hosting the Meeting. He said that this meeting of the STF is rather special in that it will adopt the updated strategy for GMS transport sector development and set new directions for the work that the Forum will undertake in the next several years. The TSSS is now not just a study report and a set of recommendations, but rather a blueprint for the sector, which has been agreed upon by the stakeholders. The STF's task is to now turn this strategy into a results-focused and monitorable plan of action. He noted that the STF's terms of reference is basically to provide an effective vehicle for technical coordination of project planning at the subregional transport network level and for addressing software or cross-border regulatory and policy issues. Although each transport project, even a subregional project, will have to be implemented at the national level and coordination on the detailed planning and implementation aspects will have to be done between the particular agencies of the concerned countries, the Forum still serves the important purpose of ensuring that all subregional transport projects and initiatives all point to and contribute toward the attainment of the broad goals for the GMS transport sector, which as set by the GMS leaders in their last Summit, is the development of "a well-built, seamless, multi-modal infrastructure [which] is essential to the facilitation of trade, movement of people and the provision of basic services throughout the whole region." Moreover, work in the transport sector is closely linked with the initiatives in the other sectors of cooperation in the GMS. The Forum serves as the "big picture" and consistency checking mechanism for transport-related undertakings in the GMS. STF-10 may be considered as the starting point for the substantial work and follow-through actions that will ensure the successful implementation of the new transport strategy.

II. Country Presentations

46. The GMS delegations presented their respective country reports, which provided updates in the transport sector, covering priority transport projects, programs, and policies, and including the relationship of the new transport sector strategy with their respective national transport plans. Presentations were made by the following participants: (i) Vasim Sorya, Director of Planning Department, Ministry of Public Works and Transport, Cambodia; (ii) Mr. Li Guanling, Deputy Director General, Department of International Cooperation, Ministry of Communications, PRC; (iii) Mr. Lattanamany Khounnyvong, Director General, Department of Transport, Ministry of Communications, Transport, Post, and Construction, Lao PDR; (iv) U Khin Maung, Superintending Engineer (Road), Public Works, Ministry of Construction, Myanmar; (v) Mr. Silpachai Jarukasemratana, Inspector General, Ministry of Transport, and Mr. Sunant Gliengpradit, Director of Planning Unit, Planning Bureau, Department of Highways, Thailand; and (vi) Mr. Nguyen Van Thach, Deputy Director, International Cooperation Department, Ministry of Transport, Viet Nam. Copies of their presentations have been distributed at the Meeting and are available from the Secretariat upon request.

47. In their reports, the countries presented the progress being made on the projects in the existing GMS transport corridors (i.e., the East West, the North-South, and the Southern Economic Corridors), developments in other transport modes (inland waterways, seaports,

railway, and air transport). They also reported on the status of the implementation of the GMS Cross Border Transport Agreement (CBTA) in their respective jurisdictions.

48. In the country reports, among the important points noted regarding the status/achievements/issues on certain transport-related initiatives are as follows:

- The need to give greater attention to inland waterways transport improvement/development along the Mekong River. The Navigation Channel Improvement Project on the Upper Mekong River jointly undertaken by PRC, Lao PDR, Myanmar and Thailand had successful results, with the navigability of the regulated portions of the River greatly improved. Yunnan Province, PRC is now prepared for implementing the navigation channel improvement project on the section from China-Myanmar Marker 243 to Jinghong and the project is expected for completion in 2006. ADB and the GMS countries need to accelerate cooperation in inland waterways transport. Thailand also reported progress in this regard, for instance, citing the trial transport of LPG and PP along the Mekong to commence in May-December 2006. Moreover, the countries are setting up a maintenance fund for navigation channel improvements, for which they are requesting support from development partners.
- The critical importance of implementing and completing the Lao-Thai bridge at Chiang Khong-Houeyxai, given that Kunming-Bangkok Road is nearing completion and the bridge is needed to realize the full gains from the road. The bridge site has been identified and agreed upon. The two remaining issues are technical standards and financing. Further, there are implementation issues to consider, e.g., such as the packaging of the project for purposes of bidding out to contractors. These issues should be addressed by the individual countries before a possible fourth coordination meeting in meeting in June.
- The various plans of the countries to upgrade airport facilities, e.g., Cambodia – the construction of new passenger terminal at Siem Reap Airport and the plan for the improvement of Kang Keng (Sihanoukville) Airport through possible BOT schemes; PRC – construction of a new Kunming International Airport to the west of Kunming City; the plan to construct 3 more airports in Yunnan Province, ; the plan to expand Nanning and Guilin airports, build anew airport in Hechi; completion of Tanyang airport in 2006; Lao-PDR – the upgrading of Wattay International Airport; the improvement of Savannakhet Airport for joint Thai-Lao use, a feasibility study on which is now being conducted by JICA with the results expected to be available by the end of March or early April; the planned upgrading of Luang Prabang airport; myanmar – the ongoing upgrading of Yangon Airport; Thailand – the construction of the Suvarnabhumi Airport, the new Bangkok International Airport, which is expected to be opened by mid-2006; Viet Nam – the construction of the international passenger terminal at Tan Son Nhat Airport (HCMC) and the upgrading of Da Nang International Airport and Phu Bai Airport.
- The developments regarding the Initial Implementation of the GMS Cross Border Transport Agreement (CBTA): the successful conclusion of the negotiations of the Stage 3 annexes (3) and protocol (1) and their expected signing between the countries concerned at the 2nd Joint Committee Meeting on 14 June 2006 in Beijing, PRC. IICBTA at the Lao Bao-Dansavanh border crossing point (BCP) between Lao PR and Viet Nam has been proceeding well since its commencement on 30 June 2005; the second step CBTA implementation will be started on 30 June 2006. The MOU on the IICBTA at the Bavet-Moc Bai BCP was signed on 6 March 2006; first step implementation will be started in 3rd quarter of 2006. The border crossing points in Mukdaharn-Savanakhet (Thailand-Lao PDR border) and Aranyaprathet-Poipet (Thailand-Cambodia border) have also started the implementation of CBTA at early stage.

- The good progress being made on the Da Nang-Mawlamyine Road (EWEC), Kunming-Bangkok Road (NSEC West under the TSSS) as well as in certain sections of the Nanning-Hanoi road link (Northeastern Corridor in the TSSS).
- The progress on the FS on the Thailand – Myanmar rail link of the SKRL currently being undertaken by the Korea International Cooperation Agency (KOICA). The Interim Report will be submitted to Thailand in April 2006.
- The increased and willingness of countries to provide financial assistance to neighboring countries to facilitate the implementation of subregional transport links.
- The initiatives being undertaken to develop and improve the logistics system, such as the invitation by the Ministry of Transport of Thailand to international firms to offer partnership for the development of Thai transport logistics and integrated transport system as well as mass transit system.
- The efforts of the countries to transform transport corridors into economic corridors, such as through the establishment of border special economic zones/industrial estates, contract farming and other economic activities.

49. The countries also noted the importance of the TSSS in their respective national transport plans.

III. Adoption and Endorsement by the STF of the Final Report of the Transport Sector Strategy Study

50. Mr. Math, Chair, recalled that in the first day meeting, the countries came to the conclusion that the TSSS final report was well prepared and has laid out a sound strategy, including sensible projects and proposed new corridors. He noted that the comments made at the Ho Chi Minh City workshop in December 2005 were addressed well, as shown by the matrix of comments and responses that the consultants prepared. Additional comments were made in yesterday's meeting and the consultants are working on these and he is confident that they will be able to address them. He therefore proposed that the STF-10 Meeting approve and adopt the TSSS report. He informed that the TSSS report will also be noted by the GMS Senior Officials Meeting to be held in Manila in April 2006, and then finally endorsed by the High Level Transport Meeting to be held back-to-back with the Joint Committee Meeting on 14 June 2006 in Beijing.

51. The individual country delegations, after noting that the comments made during the meeting yesterday will be addressed by the consultants and reflected in the finalized report, supported the approval and adoption of the final report of the GMS Transport Strategy Study by the STF.

IV. STF Plan of Action/ Work Program

52. Mr. Broch, Co-Chair, said that after the completion of the TSSS, the next step is to translate it into a monitorable plan of action (POA) for the STF. There are two levels to the exercise: (i) the national or country level, which will reflect the TSSS's impact on national plans and programs and vice versa, and (ii) the subregional level, which reflects the TSSS's specific focus on the development of an efficient subregional transport network. With regard to the latter, the logical venue for the preparation of a POA and the monitoring of progress on subregional

projects is the STF. The STF, however is basically a coordinating body. Its TOR, as set by the First Transport Sector Strategy Study and approved by the GMS countries in the Fourth GMS Ministerial Meeting in 1995, is to serve as a vehicle for:

- (i) technical coordination of project planning at the subregional network level,
- (ii) addressing software or cross-border regulatory and policy issues,
- (iii) promoting the financing of subregional projects,
- (iv) facilitating training and human resource development initiatives in the sector, and
- (v) disseminating and exchanging information on transport-related matters.

The STF will therefore focus on oversight, coordination, and facilitation functions, ensuring that all individual/component actions will lead to the broad goals set in the TSSS.

53. Mr. Broch then presented a proposed POA for the STF. (A copy of his presentation is attached as **Appendix 5**.) The basic approach used in preparing the draft POA was to match the fundamental goals in the TSSS (e.g., facilitate efficiency, exploit synergies, complete the GMS transport network) with more specific objectives and proposed priority interventions (both investment and technical assistance projects) in the TSSS final report. Moreover, the time frame for the interventions have been included based on the expected/targeted preparation/implementation periods set in the TSSS, but this has been done still on a very aggregative basis. Mr. Broch said that the POA being presented is a first effort and that this may be further refined to reflect the priorities and concerns of the GMS countries. He stressed, however, that working out a structured monitoring and updating mechanism is necessary if the TSSS is to be effective in providing relevant guidance for GMS activities in the transport sector in the face of a very dynamic regional and global environment.

54. Mr. Li asked clarification on the meaning of "Terms of Reference" of STF, since the STF has already existed for ten years. To his understanding, the terms of reference is only related to the Plan of Action. He also suggested that the interventions under "C. Airports, Inland waterway, and Port Projects" be split into three to reflect the individual transport modes. The countries agreed to the suggestion. Mr. Math noted that the STF's functions, as set in its first meeting in Yangon in the mid-1990s, is to facilitate, coordinate, and monitor activities in the GMS transport sector; these are basic tools by which it can do its job.

V. Statements from Observers

55. Mr. Peter Kelly, Infrastructure Adviser, AusAID, informed the meeting that AusAID's past support for transport infrastructure hardware within the subregion was generally limited to a number of discrete projects, most notably construction of two key bridges across the Mekong, one at the Lao Thailand border and another in Vietnam, as well as support to a bridging program in Cambodia in the early 90's. More recently, however, AusAID's focus has shifted to supporting the enabling environment necessary to foster increased investment in infrastructure, which may be described as support for the software side of infrastructure. An example is its financial support for operations of the East Asia Pacific Infrastructure Regulatory Forum (EAPIRF), which comprises over 120 regulators from some 20 regional countries, including most GMS members, and provides a venue for exchange of infrastructure regulatory experience and for training and development of regulatory skills. In line with the Australian Government's intention to significantly increase its aid program over coming years, AusAID is formulating a White Paper which, when endorsed by Government, will redefine the shape and direction of Australia's aid program. He said that his participation in the Forum's meeting has provided the opportunity for AusAID to identify potential opportunities for further support and engagement with GMS countries. He also noted with appreciation the significant emphasis being given by delegations to practical issues and constraints such as the need to address effective enforcement of axle load regulation as a regional policy alignment issue. An effective response

to the critical problem of overloaded trucks damaging road pavements and increasing maintenance costs will require a multi sector response within each country, involving collaboration of customs, police and the judiciary as well as the transport agencies of each government. Similarly, transport sector construction and maintenance projects provide opportunity for wider engagement of community and other stakeholders on critical social issues, including importantly HIV/AIDs response, and other transboundary issues such as animal disease. This requires the inclusion of non-transport agencies in project planning and implementation. Such multi-sector aspects raise the importance of ensuring that investment and technical assistance projects proposed by the GMS Transport Sector Strategy take into account the interests and needs of all stakeholders and not just of transport sector players. That is to say AusAID would encourage that an integrated whole of government approach be pursued to optimise project effectiveness. Although such an integrated approach might sometimes conflict with tight project timeframes, but the long term benefits can easily outweigh the costs in this regard

56. Ms. Katharine Maneethapodi, Project Officer, Japan Bank for International Cooperation (JBIC), stated that JBIC recognizes the importance of developing a subregional transport network that will link countries as well as rural and urban areas. In this regard, JBIC intends to continue supporting road infrastructure development as well as institutional improvements toward enhancing trade and investment and reducing poverty in the subregion. She said that JBIC's contributions to road development in developing countries include construction of about 2,500 kilometers of new roads and the repair/improvement of 76,000 existing roads. In the GMS, JBIC has focused its assistance on the EWEC. It provided financing assistance for the construction of the Second Mekong International Bridge between Lao PDR and Thailand. It also assisted in undertaking an HIV/AIDS awareness program targeted the workers and the local communities. It is also providing assistance to the Sihanoukville port expansion project in Cambodia. JBIC's assistance program follows the policy, "infrastructure development for sustainable growth." In terms of future directions for JBIC assistance, she said that it will continue to support high-need social and economic infrastructure development , including transport, energy, information and communication. It will also utilize advanced Japanese technology, e.g., ICT, in appropriate projects to enhance their efficiency and administration. Further, it will provide assistance in policy and institutional improvements toward similar objectives. Lastly, JBIC will provide assistance to infrastructure development across national and regional boundaries.

57. Ms. Tomoko Onuki, Project Formulation Advisor, Japan International Cooperation Agency (JICA), Regional Support Office for Asia, informed the Meeting that JICA has offices in all the GMS countries, in addition to the regional office in Bangkok. JICA is helping the GMS countries through assistance in infrastructure development, training, technical assistance and preparation of feasibility studies. She said that JICA will continue to work with ADB and with other development partners.

58. Mr. James P. Rizer, Vice President, TERA International Group, Inc., Beijing Office, said that his company has a contract with the US Trade and Development Agency (USTDA) to provide technical assistance to APEC countries, including GMS countries, among others in support of ADB activities on transport security, which is the safe and secure transport of goods and people. Today, this has many aspects, e.g., container security issues, HIV/AIDS control and prevention, Avian Flu, human trafficking, and so on. He informed that currently they are conducting discussions with PRC and Viet Nam regarding a project on the possible development of a transport security system for the Kunming-Haiphong corridor, covering road, rail and ocean shipping, which could serve as a model for other countries in the region. This goes beyond simple aspects like fencing container depots, to technologies for tracking

cargoes/containers and addressing other concerns of shippers, manufacturers, and buyers. In other words, integrating IT for transport security and logistics systems. He said that such a project will help GMS countries in addressing their need for transport security and increasing transport efficiency.

59. Mr. Baher El-Hifnawi, senior Transport Economist, transport Sector Unit, East Asia and Pacific Region, World Bank (WB), remarked that he was impressed with the breadth and progress of activities in the GMS, as supported by the ADB. He posed certain questions and shared his thoughts regarding the future role of the GMS STF. It was evident from the discussions in the meeting that there is now a shift in focus towards the softer issues, regulations, and institutions. He noted that since the GMS countries are at different levels of development, GMS Transport Forum meeting would provide a platform for sharing experiences and learning from one another. He mentioned an issue earlier raised regarding the inclusion of projects that are also under other cooperation initiatives. He suggested that all projects that fit into the GMS framework should be included even if they are also part of other initiatives. With regard to transport corridors and economic corridors, he said he appreciated the identification in the TSSS of new corridors creating links to South Asia and noted that are located in areas of dynamic economic activity, thus helping ensure that the subregion benefits from interaction with these areas. He indicated that developing the transport corridors into economic corridors is best limited to an enabling and facilitating role. He also appreciated the substantial work done on the development of a transport model, saying that this is an important tool for planning. He noted that the World Bank has also developed similar models for Viet Nam and these are proving to be very useful. He said that acceptance of the model by member countries would increase once the link between its results and the selection of projects is more clearly shown. For the model to work, the commitment of all the GMS countries for its maintenance and development would be needed. With regard to the issue of overloading, he said that the World Bank is also having difficulty in finding a solution to this problem. He agreed that there is a need for harmonization of policies across countries regarding this issue. He further offered, as food for thought the possibility of approaching it through raising construction standards, accepting that overloading will take place and that enforcement of rules against it will be difficult. He also raised the important issue of the need for a risk management framework for PPPs in transport infrastructure. A PPP transaction creates a corresponding contingent liability on the part of the government; it is important to determine how such a liability will be managed and to involve the Finance Ministry in such transactions entered into by, for instance, the Transport Ministry. With regard to the WB's work in the GMS, he noted that this complements that of ADB, which has served as lead development partner in the subregion in the last two decades. The WB's focus is at the country level in both physical investments and institutional/regulatory assistance. He also stressed the importance of coordinating efforts in carrying out TAs among the different stakeholders, noting as an example that logistics system development falls both within the scope of transport and trade facilitation. He also expressed the POA preparation exercise that the STF has been initiating to determine the next steps to support subregional transport development. He indicated the willingness of the World Bank to support certain initiatives proposed in the TSSS and looks forward to the detailed Plan of Action.

60. Mr. Pasina Pongpitaksoyon, Senior Vice President, Neighboring Countries Economic Development Cooperation Agency (NEDA) of Thailand, informed the meeting of the activities of NEDA. He mentioned that his agency used to be attached to Ministry of Finance, but was upgraded to an independent organization just last year. Its responsibility is to provide financial assistance and TA to neighboring countries, for instance, in the form of grant, soft loans, e.g., concessional rate of 1.5% per annum, 30 years period and grace period of 10 years. Currently, NEDA has committed to 6 projects in Lao PDR, one railway project, 2 airport improvement projects, and 3 road projects; 2 road projects in Cambodia. Also, it providing a 100% grant for

the road improvement project from Mae Sot-Foot of Dawna Range (18 kms.). Also, NEDA is looking forward to providing financial assistance for other economic development projects in the region, particularly for TSSS projects.

VI. Summing Up of Key Results of the First Day of STF-10

61. Mr. Broch, Co-Chair, summed up as follows:

- The 6 country presentations showed considerable progress in GMS transport projects as well as an increasing focus on software initiatives.
- The TSSS has made the first step in developing a GMS Transport Model (GTM) as a planning and programming tool. The need for it now may not be compelling but it will become so in the future. However, the model needs to be managed and maintained to be useful, and this will need the commitment of the GMS countries.
- There is a proposal for a structured framework for monitoring of the progress of initiatives and projects under the TSSS; the timeframe for the TSSS is the next 10-15 years, but changes are taking place rapidly. There is therefore a need for a dynamic approach to implementing the TSSS, and this will require continuous monitoring and updating for continued relevance.

62. Given the foregoing he proposed, and it was agreed, that the participants would review and give their views and suggestions the next day on the following:

- The issue of commitment to the further development and maintenance of the GMS Transport Model, and
- The structured monitoring tool/POA for the STF that was presented.

STF-10 Second Day (23 March 2006)

VII. Key Transport-Related Initiatives in the GMS

63. Mr. Broch, ADB, gave a presentation an overview of achievements so far in the GMS and what we want to achieve in the future. He stated that the TSSS emphasizes: (i) Meeting rapidly increasing transport demand; (ii) Increasing the efficiency and quality of transport; (iii) logistics services and facilities; and (iv) infrastructure management. The TSSS covers all modes and recommends: rapid development of subregional multi modal transport; harmonization of procedures and regulations to enable efficient subregional multimodal transports. Further, the corridor concept is being retained, inclusion of 4 new corridors of which 2 connect to South Asia and 2 interconnect the GSM, and a western extension of the Southern Corridor.

64. Mr. Broch stated that the TSSS proposes an Action Plan that includes 39 TAs focused on: implementation of the CBTA; improved management of infrastructure; encouraging private sector financing of infrastructure; improve transport logistics; training; development and jump-start new services and facilities such as short sea shipping. The Action Plan also proposes 28 investment projects covering road, railway, ports and airports projects. It further recommends: monitoring and regular update of the GMS investment program in response to future changes in transport demand and the continued development and updating of the GMS Transport Model to facilitate the monitoring of traffic developments and identification and rapid appraisal of new investment projects. Moving forward, there are several transport projects being considered in the current GMS pipeline (2006-09): 2 railway projects , 5 expressway projects in Vietnam, 3 other road projects in PRC, Laos and Vietnam (southern coast) respectively, and an airport upgrading project.

65. Mr. Broch also gave a brief status report on the CBTA, the main transport facilitation software in the GMS, as follows: 16 of the 20 annexes and protocols have already been signed. The remaining 3 annexes and 1 protocol will be signed on 14 June 2006, during the Second Joint Committee Meeting to be held in Beijing, PRC. Implementation of the CBTA at the 15 border crossing points currently covered has been scheduled in three phases. Seven border crossing points are included in the first phase of implementation. Implementation at the Dansavanh-Lao Bao border commenced on the 30 June 2005. Implementation at the 6 other border crossings included in the first phase is expected to commence by the end of 2006.

66. Further, Mr. Broch mentioned other related initiatives in the GMS transport sector, as follows: (i) Upper Mekong Navigation Agreement has enabled commercial navigation between PRC, Laos, Myanmar and Thailand; (ii) additional initiatives for navigational improvements in the Upper Mekong have been proposed; (iii) MRC's Navigation Programme aims at enhancing and integrating navigation between Cambodia and Vietnam on the Lower Mekong River, the Bassac River and the Tonle Sap. With regard to air transport, the GMS countries are broadly supporting the ASEAN Open Skies Policy Initiative. On railways, there is broad support for the ASEAN Singapore-Kunming Railway Link initiative; ADB and other development partners support rehabilitation of the railway in Cambodia and upgrade of the railway line from Hanoi to Lao Cai. PRC is also upgrading or planning the upgrade of the line from Hekou to Kunming. Cambodia and Vietnam have talks on the proposed new Phnom Penh to Ho Chi Minh City Line. On tourism, there are efforts to establish a common GMS visa as envisaged in the Kunming GMS Leaders' Summit in 2005.

Comments:

67. Mr. Lattanamany, Lao PDR, reiterated his previous comments, as follows: (i) re facilities to complement the road infrastructure, he suggested that in the titles/description of infrastructure projects, a phrase "with facilities" or "including related facilities" be added just to make it clear to developers what is intended; (ii) with regard to inclusion of certain key projects in the final report of the TSSS, he again mentioned Vung Ang port; (iii) the inclusion of the application of ICT. Mr. Broch said that the first point is well taken, but for practical reasons it would be better to keep the simple "investment project" terminology; moreover, not all cases would require such a qualification. Further, this issue would be better addressed in the formulation and design of projects. With regard to the second point, he said that the consultants would reflect such additions in the finalized report. With regard to the ICT issue, this will also be addressed in the finalized report.

68. Mr. Sunant, Thailand, suggested that in the TSSS final report, the list of road and other transport projects and corridors should be accompanied by a map so that it would be easy to identify them and see where they are located. The suggestion was well taken. Relatedly, Mr. Sunant pointed out that there is a segment in the Northern East West Corridor proposed by Myanmar (from Loilem-Meiktila) that is missing in the map presented. In reply, Mr. Broch said that the consultants have already been asked to address this.

69. Mr. Sorya, Cambodia, raised four points, as follow: (i) on investment project A3.4-2 (Route 13S-NR7 cross border section), proposed to change and include the construction of cross-border facilities; (ii) proposed that a study on a new airport for Cambodia be included in the TSSS; (iii) suggested that ADB consider providing assistance to the construction of ring roads to decongest traffic in Phnom Penh and in Siem Reap; and (iv) to also include cross border facilities in project A3.2-3 (NR33: KampongTrach-Lork). With regard to the first point, Mr. Broch confirmed that the financing of the cross border facilities is covered. With regard to the second point, he noted that this would be covered by the TAP on airports development. With

regard to the third point, he said that it may be difficult to consider ring roads as GMS subregional projects; rather, they would fall under national projects. In any case, ADB would further consider the proposal. With regard to the last point, this would also be addressed.

70. With regard to the suggestion to include TAs in the TSSS to address the need to transform the transport economic corridors through the conduct of the related investment studies, Mr. Broch recalled that the consultants were already requested the previous day to include the same in the report.

71. With regard to comments on the structured mechanism for the monitoring of TSSS implementation (i.e., the POA presented the previous day) it was agreed that ADB will circulate an updated version to the countries and the latter will send in their comments (by e mail, fax, or some other means) to ADB.

VIII. ADB's Program for the GMS Transport Sector

72. Mr. Broch, Co-Chair, presented an overview of ADB's key activities and assistance program for the GMS transport sector. The investment project pipeline includes 2 railway projects (rehabilitation and restructuring of the railway in Cambodia and capacity upgrade of the Hanoi-Lao Cai Railway Line); 5 expressway projects in Vietnam aimed at private sector involvement in construction, operation and maintenance; 3 other road projects in PRC, Laos and Vietnam (southern coastal), respectively; and upgrade of the airport in Luang Prabang. He clarified that this pipeline pertains only to subregional projects, and does not include national projects. The projects mentioned are consistent with the TSSS. Further, outside co-financing will have to be generated to complete financing of the projects.

IX. Other Matters

73. Consistent with the tradition of rotating the venue of the STF among the GMS members according to the alphabetical order of country names, it was suggested and agreed upon that Myanmar would host the Eleventh Meeting of the STF.

XI. Acknowledgements

1. The Meeting adopted the Summary of Proceedings of the Meeting on 3 June 2005. The Meeting, however, agreed that any further comments on, and/or revisions to, the Summary may be forwarded to ADB (pbroch@adb.org and rcastelo@adb.org) on or before 30 March 2006.

2. The GMS countries and the ADB expressed their sincere thanks and appreciation to the Government of Lao PDR, in particular, to the Ministry of Communication, Transport, Post and Construction for the warm hospitality and excellent arrangements provided to the Tenth Meeting of the Subregional Transport Forum.

**Tenth Meeting of the GMS Subregional Transport Forum
back-to-back with
Final Meeting on the GMS Transport Sector Strategy Study**

**Lao People's Democratic Republic
21-23 March 2006**

AGENDA AND PROGRAM

First Day: 21 March 2006

Final Meeting on the Draft Transport Sector Strategy Study Report

0800-0830	Registration
0830-0900	Opening Session Welcome Remarks <i>Chair, Head of Delegation, Lao PDR</i> Opening Remarks <i>Co-Chair, Director, Infrastructure Division, Mekong Department, ADB</i>
0900-0930	Coffee/tea Break
0930-1200	Session I: Discussion of the Revised Draft Report Part 1 [This will cover the strategy and general results portions of the report, and the proposed investment and TA projects.] <i>Presenter/Lead Discussant:</i> <i>Mr. Bruce Winston Director, PADECO Co. Ltd. and Mr. Vaughan Corbett Team Leader and Senior Project Associate PADECO Co. Ltd.</i> <i>[The general format of the session is as follows: Presentations will be given on the key sections of the report; after each of the presentations, time will be provided for a question and answer exchange between the participants and the presenter/consultants' panel facilitated by the co-chairs.]</i>
1200-1330	Lunch

- 1330-1430 **Session I: Discussion of the Revised Draft Report**
Part 2 [Discussion of outstanding issues and next steps]
- Presentor/Lead Discussant:*
- Mr. Bruce Winston*
Director, PADECO Co. Ltd.
and
Mr. Vaughan Corbett
Team Leader and Senior Project Associate PADECO Co. Ltd
- [Same format.]*
- 1430-1530 **Session II: Open Discussion**
[On any remaining issues.]
- Facilitator: Chair/CO-Chair*
- 1530-1600 Coffee/tea Break
- 1600-1700 **Session III: Discussion of Future Development, Management**
and Use of the GMS Transport Model
[The further steps needed in the development and optimal use of
the model, including the responsibilities and arrangements for its
development and management.]
- Lead Discussant:*
- Mr. Vaughan Corbett*
Team Leader and Senior Project Associate
and
Mr. Richard Di Bona
Transport Modeler, PADECO Co. Ltd.
- 1700-1720 **Session IV: Recapitulation of the Key Agreements Reached**
and the Proposals of the Report
by Chair and Co-Chair
- 1720-1730 **Closing Session**
- Closing Remarks
Chair and Co-Chair
- 1900 **Dinner Hosted by ADB**

Second Day: 22 March 2006
Tenth Meeting of the GMS Subregional Transport Forum

0800-0830

Registration

0830-0945

Opening Session

Welcome Remarks

By H.E. Sommad Pholsena

Vice Minister, Ministry of Communication, Transport, Post and Construction, Lao PDR

Opening Remarks

By Mr. James Nugent

Country Director, ADB Resident Mission, Lao PDR

Opening Remarks

- *Mr. Math Sounmala, Director General of Planning and Cooperation Department, Ministry of Communication Transport Post and Construction, Lao PDR*
Chair

- *Mr. John R. Cooney, Director, Infrastructure Division, Mekong Department, ADB*
Co-Chair

Group Photo Session

0945-1000

Coffee/tea Break

1000-1200

Session I: Country Presentations

[Updates on developments in the transport sectors of GMS countries, focusing on programs and projects that have subregional dimensions and on the links between the countries' national transport programs and the GMS Transport Strategy; 20 minutes for each country.]

Presentors: Country Delegations

1200-1300

Lunch

1300-1315

Session II: Adoption and Endorsement by the STF of the Final Report of the Transport Sector Strategy Study (TSSS)

[The Chair/Co-Chair will recapitulate the key features and proposals of the TSSS Report, as agreed upon in the first day meeting, and move for its adoption and endorsement by the STF.]

Chair and Co-Chair

1315-1500 **Session III: Work Program/Plan of Action of the STF**
[The Meeting will consider a proposed work program/POA for STF based on the results of the TSSS, which will provide a structured framework for monitoring of the progress of initiatives and projects under the TSSS.]

Presenter/ Lead Discussant:

Mr. Peter Broch
Transport Economist, Infrastructure Division, Mekong Department, ADB

1500-1530 Coffee/tea break

1530-1700 **Session IV: Statements from Observers**
By representatives from bilateral and multilateral agencies

1700-1730 **Closing Session for First Day of STF-10 (Summing-up of key agreements)**
Chair and Co-Chair

1900 **Dinner Hosted by Lao PDR**

Third Day: 23 March 2006
Continuation of STF-10

0900-1000 **Session V: Status and Prospects of Key Transport-Related Initiatives in the GMS**
[This will provide the participants the big picture with regard to efforts to achieve greater connectivity, competitiveness, and sense of community in the GMS and the links between the transport sector strategy and the other GMS initiatives]

Presenter/ Lead Discussant:

Mr. Peter Broch
Transport Economist, Infrastructure Division, Mekong Department, ADB

1000-1030 **Session VI: ADB's Program for the GMS Transport Sector**
[This session will focus on ADB's program for the GMS transport sector and the pipeline of Bank-assisted transport projects for the

medium term.]

Presentor/ Lead Discussant:

(Co-Chair)

Mr. John Cooney

Director, Infrastructure Division, Mekong Department, ADB

1030-1045

Coffee/tea break

1045-1115

Other Matters (including date and venue of STF-11)

1115-1145

Consideration of the Draft Summary of Proceedings of STF-10

1145-1200

Closing Session

GREATER MEKONG SUBREGION ECONOMIC COOPERATION
10th Meeting of the Subregional Transport Forum and
Final Meeting on the GMS Transport Sector Strategy Study
21-23 March 2006
Vientiane, Lao PDR

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Long List of Projects

150+ projects

Listed under:

- Corridors/subcorridors
- 5 railway routes
- Tourism-related projects
- “Extra” projects

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List of Corridors

- 1 East-West Economic Corridor (EWEC): Mawlaymine-Da Nang (R2)
- 2 North-South Economic Corridor (NSEC)
 - 2.1 NSEC Western Corridor: Kunming-Bangkok via Lao/Myanmar (R3A/R3B)
 - 2.2 NSEC Central Corridor: Kunming-Hanoi-Haiphong (R5)
 - 2.3 NSEC Eastern Corridor: Kunming-Nanning-Hanoi

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List of Corridors (continued)

- 3 Southern Economic Corridor (SEC)
- 3.1 SEC Central Subcorridor: Bangkok-Phnom Penh-Ho Chi Minh-Vung Tau (R1)
- 3.2 SEC Southern Coastal Subcorridor: Bangkok-Trat-Koh Kong-Kampot-Ha Tien-Ca Mau-Nam Can (R10)
- 3.3 SEC Northern Subcorridor: Bangkok-Siem Reap-Stung Treng-Rattanakiri-O Yadov-Play Ku-Quy Nhon
- 3.4 SEC-NSEC Inter-Corridor Link: Dong Kralor-Stung Treng-Kratie-Phnom Penh-Sihanoukville (R6)
- 3.5 SEC Western Subcorridor: Dawei-Kanchanaburi-Bangkok Extension

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List of Corridors (continued)

- 4 Northwestern Corridor (NWC): India-Myanmar-Thailand: Bangkok-Kanchanaburi-Three Pagodas Pass-Thanbyuzayat-Payagyi-Meiktila-Tamu-Imphal
- 5 Proposed Northern Corridor (NC): Yunnan-Myanmar-India: Kunming-Dali-Ruili-Lashio-Mandalay-Tamu-Imphal
- 6 North-South via Lao PDR Corridor: Kunming-Simao-Mohan-Louang Prabang-Vientiane-Thakhek-Pakse-Veunekham-Stung Treng-Phnom Penh-Sihanoukville
- 7 Northeastern Corridor: Nanning-Lang Son-Hanoi-Moc Hau-Xam Nua-Xieng Khouang-Vientiane-Khon Kaen-Nakhon Ratchasima-Bangkok/Laem Chabang

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List of Corridors (continued)

Rail

- 1 SKRL Route 1: Eastern Route via Viet Nam/Cambodia/Thailand
- 2 SKRL Route 3A: East-Central Route via Viet Nam/Lao PDR/Thailand
- 3 SKRL Route 3B: Central Route via Lao PDR (Vientiane)/Thailand
- 4 SKRL Route 2A: Western Route via Myanmar/Thailand
- 5 Non-SKRL Route: Central Route via Lao PDR/Thailand (Chiang Rai)

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***** Project Categories**

- | | |
|----|--|
| II | Immediate Implementation - no further study |
| RS | Top-priority project in other Ranking Studies |
| FS | Currently under Feasibility Study, results in 2006 |
| NC | New Corridor strategic project, implementation timing policy dependent |
| CP | Capacity-enhancement Project, implementation timing demand dependent |

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Category II * Investment Projects**

A2.1-3 Houei Sai-Chiang Khong Third International Mekong Bridge

A3.4-2 Route 13S - NR7 cross-border section

B1-11 Sisophon-Poipet/Aranyaprathet reinstatement

A3.2-3 NR33: Kampong Trach-Lork Viet Nam border missing 17km section

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Category RS * Investment Projects**

A3.6-1 Route 14A: junction Route 16 - Cambodian border 170km paving/reconstruction. Section B.

A3.6-3 Route 16A: junction Route 16 - junction Route 11 paving/reconstruction

A4-4 Mawlamyine-Mudon-Thanyuzayat upgrading

A6-3 Route 4: (Lao PDR/Thailand Bridge at Nam Heuang) Ban Nakha-Ken Thao-Paklay-Sayaboury-Xieng Ngern

A6-4 Transport corridors in Lao PDR northern region

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Category FS * Investment Projects**

- A2.2-2** Hanoi-Lao Cai expressway
- B1-10** Phnom Penh-Badeng-Sisophon/Phnom Penh-Sihanoukville rehabilitation
- C1-1** Improvement of Savannakhet Airport for joint Thai/Lao PDR use
- C1-3** Da Nang port upgrading, phase 2
- C3.2-1** Channel, navigation and port improvements on Mekong and for access to port at Siem Reap; development of intermodal terminal at Khone Falls

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Category NC * Investment Projects**

- A2.3-1** Baise-Longlin expressway
- A2.3-2** Baise-Debao-Longbang Viet Nam border expressway
- A3.3-2** NR66: Siem Reap-Preah Vihear-Stung Treng
- A4-3** Thaton-Payagyi-Bagan-Kalay-Tamu/Moreh (India)
- A6-6** Thakhek-Nakhon Phanom Bridge
- D19** Xieng Kok-Kyaing Lap Mekong Friendship Bridge
- C3.2-3** Construction of floating port on Hamluong river

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Category CP * Investment Projects**

- A2.3-5** Chongzuo-Longzhou, upgrading to Class II
- A3.1-4** Bien Hoa-Vung Tau expressway
- A6-10** Dali-Lijiang upgrading
- A6-11** Kunming-Wuding upgrading
- C2.1-3** New Kunming International Airport project
- C3.2-4** Laem Chabang Phase 2, construction of C and D container terminals
- D14** Guilin International Airport improvement
- D21** Lancang-Mekong navigation improvement project

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Action Plan for Investment Projects

- See Table ES-5/11-1
- Focus on *** projects
- Shows project implementation cost, location, possible development partners, initiating responsibility, and indicative project implementation period

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Technical Assistance Projects

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Technical Assistance Projects

CBTA-Related

TAP 1: Implementing the GMS Agreement to Facilitate the Cross-Border Movement of Goods and People, Phase 2

TAP 2: "Fine Tuning" of the GMS Cross-Border Transport Agreement

TAP 3: Processing and Facility Improvements at Border Crossing Points

TAP 4: Updating or Improving Existing Bilateral Railway Agreements and/or Amending the GMS Cross-Border Transport Agreement (CBTA) To Cover Cross-Border Railway Transport

ADB TA 6195-REG: GMS Transport Sector Strategy Study**Technical Assistance Projects**
(continued)

TAP 5: Project to Establish a Legal Framework for Cross-Border Navigation on the Mekong River [“Navigation Without Frontiers”, a motto adopted by the Mekong River Commission]

TAP 6: Establishment of Issuing and Guaranteeing Organizations under the GMS Cross-Border Transport Agreement

TAP 7: Inclusion of a Substantive Health and Sanitary/Phytosanitary (SPS) Regime in the Cross-Border Transport Agreement

TAP 8: Phased Liberalization of Visa Regimes for Travelers

ADB TA 6195-REG: GMS Transport Sector Strategy Study**Technical Assistance Projects**
(continued)

TAP 9: Specification of Transit Charges To Be Implemented Under Protocol 2 of the Cross-Border Transport Agreement

TAP 10: Establishment of a Third-Party Motor Liability Insurance Regime

TAP 11: Institutional Strengthening of National Transport Facilitation Committees

TAP 12: Support for Harmonization of GMS Road Signs and Signals

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Technical Assistance Projects
(continued)

Infrastructure-Related

TAP 13: Practicalities of Private Sector Participation in Transport Infrastructure

TAP 14: Cooperation between the ADB-ASEAN Regional Road Safety Program and the PRC

TAP 15: HIV/AIDS Component for all Road Transport Projects in the GMS

TAP 16: Road Maintenance Initiatives for Cambodia, Lao PDR, Myanmar, and Viet Nam

TAP 17: Road Maintenance Initiatives for Myanmar

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Technical Assistance Projects
(continued)

TAP 18: Revisiting of the Feasibility Study for the Singapore-Kunming [Nanning] Railway Link (Project)

TAP 19A: Upper (Lancang-)Mekong River Navigation Improvement Project

TAP 19B: Lower Mekong River Navigation Improvement Project

TAP 20: GMS Airports Development Project

TAP 21: Rail Maintenance in Cambodia

TAP 22: GMS Andaman Sea/Indian Ocean Deep Sea Port Study for Myanmar

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Technical Assistance Projects
(continued)

Transport Logistics-Related

TAP 23: Training in Logistics

TAP 24: Development of Inland Container Freight Depots

TAP 25: Cambodia Freight Forwarders (FF) Competitiveness Project

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Technical Assistance Projects
(continued)

Training

TAP 26: Training in Road (Passenger and Freight) Transport Operations (“Knowledge Across Frontiers”)

TAP 27: Upgrading of Inland Water (Passenger and Freight) Transport Industry

TAP 28: Railways Management Improvement Project

TAP 29: Development of Traffic Engineering Capacity in Myanmar

TAP 30: Development of Highway Engineering Capacity in Myanmar

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Technical Assistance Projects
(continued)

Others/Cross-Cutting

TAP 32: Further Development and Enhancement of the GMS Transport Model

TAP 33: Development of Scheduled Cross-Border Bus Routes

TAP 34: Marketing and Container Train Concessions between Laem Chabang Thailand and Thanaleng, Lao PDR

TAP 35: Promotion of Marketing Functions for GMS Ports

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Technical Assistance Projects
(continued)

Others/Cross-Cutting

TAP 36: Promotion of Short Sea Shipping Services

TAP 37: TA on Transport Requirements for the Development of Tourism

TAP 38: Sea Cruise Development in Cooperation with ASEAN

TAP 39: Phased Implementation of Open Skies

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Outstanding Issues and New Steps

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Outstanding Issues and Next Steps

1. Role of the GMS
2. Need to Transform Transport Corridors into Economic Corridors
3. Specification of a GMS Transport Network
4. Financing Issues
5. Role of Myanmar
6. Multimodal Transport
7. Project Pipeline
8. Development of the GMS Transport Model (GTM)
9. Optimization of GMS Transport Investment
10. Training
11. GMS Transport Strategy Results-Based Framework for Monitoring

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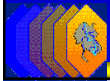
Thank you

GMS Subregional Transport Forum Proposed PLAN OF ACTION

Peter Broch

Transport Economist, Infrastructure Division
Mekong Department, Asian Development Bank

Tenth Meeting of the Subregional Transport Forum
22-23 March 2006, Vientiane, Lao PDR



1

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Rationale / Nature of Proposed POA for the STF

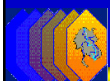
The Strategy set in the TSSS needs to be translated into a Plan of Action

Two Levels:

- National – TSSS impact on national plans
- Subregional – the STF's coordinating role – to ensure convergence of actions toward broad goals in the TSSS

STF's TOR:

- (i) technical coordination of project planning at subregional level,
- (ii) addressing software or cross-border regulatory and policy issues,
- (iii) promoting the financing of subregional projects,
- (iv) facilitating training and human resource development initiatives in the sector, and
- (v) disseminating and exchanging information on transport-related matters.



2

ADB

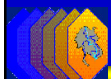
Process in Preparing the POA

The POA has to be aligned with the Broad Goals set in the TSSS:

- Goal 1: Complete the GMS transport network and improve links with other
- Goal 2: Facilitate economic efficiency to reduce transport costs
- Goal 3: Exploit synergies in the GMS transport system
- Goal 4: Move towards an open market for transport services
- Goal 5: Encourage multi-modalism

Basic process:

- Matching the specific objectives and interventions in the TSSS with the main goal that they aim to achieve.
- Setting the time frame within which the interventions/outputs are targeted to be achieved under the TSSS.
- Designing tools that will enable the Forum to monitor progress on each intervention.

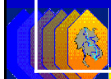


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Subregional Transport Forum PLAN OF ACTION


STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
Goal 1: Complete the GMS transport network and improve links with other subregions		
1. Define and continuously update GMS Transport Network	o Development and management of the GMS Transport Model	2006 onward
	Implementation of supporting intervention: – TAP 32: Continuing Development of the GMS Transport Model	2006-2007
	o Fully define the GMS Primary and Secondary transport networks	2006-2007
	o Production and dissemination of detailed network maps	2006-2007




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STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
2. Facilitate, coordinate, and monitor implementation of all committed priority (****) transport projects to complete the existing economic corridors		
A. Road Projects	Coordinated implementation and up to date status reports on 28 ****-classified road projects	2006-2008
B. Railway Projects	Coordinated implementation and up to date status reports on 11 ****-classified railway projects	2006-2012
C. Airport, Inland Waterway and Port Projects	Coordinated implementation and up to date status reports on 9 ****-category airport, inland waterway and port projects	2006-2012

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STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
3. Facilitate and coordinate approval and resource mobilization for priority transport projects (***) in existing economic corridors		
A. Road Projects	Coordinated approval, financing and implementation and up to date status reports on 18 ***-classified road projects, under categories 1-5	2006-
B. Railway Projects	Coordinated approval, financing and implementation and up to date status reports on 18 ***-classified road projects, under categories 1-5	2006-
C. Airport, Inland Waterway and Port Projects	Coordinated approval, financing and implementation and up to date status reports on 5 ***-category airport, inland waterway and port projects	2006-

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STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
4. Facilitate and coordinate approval, resource mobilization, and/or implementation of transport projects to develop <u>new economic corridors</u>		
<input type="checkbox"/> Northwestern Corridor <i>(India/Bangladesh-Myanmar-Thailand)</i>	<ul style="list-style-type: none"> - Coordinated implementation and up to date status reports on 3 ****-classified road projects - Coordinated approval, financing and implementation and up to date status reports on 3***-classified road projects 	2006-2008
<input type="checkbox"/> Northern Corridor <i>(Yunnan-Myanmar-India)</i>	Coordinated implementation and up to date status reports on 2 ****-classified road projects	2006-2008



STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
Goal 2: Facilitate economic efficiency to reduce transport costs <i>(In conjunction with Goal 3: Exploit synergies in the GMS transport system)</i>		
5. Remove nonphysical barriers to cross-border movements of vehicles, goods and people		
5.1 Facilitate and coordinate implementation of the CBTA	<ul style="list-style-type: none"> o Implementation of CBTA at the first 7 identified border crossings o Implementation of CBTA at the next 8 identified border crossings o Effective and sustainable implementation of CBTA o Extension of CBTA to other transport modes 	2006-2007 2006-2008



STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
5.1 Facilitate and coordinate implementation of the CBTA	Implementation of supporting interventions: <ul style="list-style-type: none"> - TAP 1: Implementing the GMS Agreement to Facilitate the Cross-Border Movement of Goods and People, Phase 2 - TAP 2: "Fine Tuning" of the GMS Cross-Border Transport Agreement - TAP 3: Processing and Facility Improvements at Border Crossing Points - TAP 4: Updating or Improving Existing Bilateral Railway Agreements and/or Amending the GMS Cross-Border Transport Agreement (CBTA) To Cover Cross- 	2006-2008
	<ul style="list-style-type: none"> - Border Railway Transport - TAP 5: Project to Establish a Legal Framework for Cross-Border Navigation on the Mekong River - TAP 6: Establishment of Issuing and Guaranteeing Organizations under the GMS Cross-Border Transport Agreement - TAP 7: Inclusion of a Substantive Health and Sanitary/Phytosanitary (SPS) Regime in the Cross-Border Transport Agreement - TAP 8: Phased Liberalization of Visa Regimes for Travelers 	9

STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
5.2 Harmonize various aspects of cross-border transport policies	Implementation of supporting interventions: <ul style="list-style-type: none"> - TAP 9: Specification of Transit Charges To Be Implemented Under Protocol 2 of the Cross-Border Transport Agreement - TAP 10: Establishment of a Third-Party Motor Liability Insurance Regime - TAP 12: Support for Harmonization of GMS Road Signs and Signals 	2006-2008
6. Facilitate coordination of transport sector activities with trade facilitation, logistics development, and investment promotion activities	-	
6.1 Coordinate with the GMS Trade Facilitation Working Group and the GMS Subregional Investment Working Group on shared concerns	Involvement in the preparation/implementation process for the Strategic Framework for Action on Trade Facilitation and Investment (SFA-TFI)	2006-2007

STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
6.2 Coordinate activities that promote the development of the logistics industry	Implementation of supporting interventions: <ul style="list-style-type: none"> – TAP 23: Training in Logistics – TAP 24: Development of Inland Container Freight Depots – TAP 25: Cambodia Freight Forwarders (FF) Competitiveness Project 	
7. Facilitate coordination with tourism sector activities	– Implementation of: <ul style="list-style-type: none"> – TAP 37:TA on Transport Requirements for the Development of Tourism <p>Coordinate the implementation of 23 tourism-related projects</p>	
8. Facilitate activities to promote road safety	Implementation of: <ul style="list-style-type: none"> – TAP 14: Cooperation between the ADB-ASEAN Regional Road Safety Program and the PRC 	


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STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
Goal 3: Exploit synergies in the GMS transport system		
<i>(In conjunction with Goal 4: Move towards an open market for transport services and Goal 5: Encourage multi-modalism)</i>		
9. Mobilize private sector participation in transport sector activities		
9.1 Identify and address hindrances to private sector participation in transport infrastructure development	Implementation of supporting interventions: <ul style="list-style-type: none"> – TAP 13: Practicalities of Private Sector Participation in Transport Infrastructure – TAP 17: Private Sector Participation in Road Maintenance 	
10. Promote competition between transport modes in given routes/corridors(1)	Implementation of supporting interventions: <ul style="list-style-type: none"> – TAP 18: Revisiting of the Feasibility Study for the Singapore-Kunming [Nanning] Railway Link (Project) – TAP 19: Lancang-Mekong River Improvement Project – TAP 20: GMS Airports Development Project – TAP 21: Rail Maintenance in Cambodia – TAP 27: Upgrading of Inland Water (Passenger and Freight) Transport Industry 	

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STRATEGY/ OBJECTIVES	OUTPUTS/ INTERVENTIONS	TIME FRAME
10. Promote competition between transport modes in given routes/ corridors(2)	<ul style="list-style-type: none"> - TAP 35: Promotion of Marketing Functions for GMS Ports - TAP 36: Promotion of Short Sea Shipping Services - TAP 38: Sea Cruise Development in Cooperation with ASEAN - TAP 39: Phased Implementation of Open Skies - TAP 40: Phased Implementation of Open Skies 	
11. Facilitate development of inter-modal transport links	Implementation of: <ul style="list-style-type: none"> - TAP 37:TA on Transport Requirements for the Development of Tourism Coordinate the implementation of 23 tourism-related projects	
12. Facilitate implementation of transport-related training programs	Implementation of supporting interventions: <ul style="list-style-type: none"> - TAP 26: Training in Road (Passenger and Freight) Transport Operations ("Knowledge Across Frontiers") - TAP 28: Railways Management Improvement Project - TAP 29: Development of Traffic Engineering Capacity in Myanmar - TAP 30:Development of Highway Engineering Capacities in Myanmar - TAP 31: Financial and Economic Assessment Expertise in Myanmar 	13 

Thank You!

For more information:

on the GMS Program - visit
<http://www.adb.org/gms>

on ADB Business Opportunities - visit
<http://www.adb.org/opportunities>

on information about the Mekong countries
visit <http://www.adb.org/Mekong>

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