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Connecting Nations, Linking People



Greater Mekong Subregion
Economic Cooperation Program



Asian Development Bank

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The Greater Mekong Subregion Program is helping create economic opportunities that will bring peace and prosperity to about 300 million people in the subregion

ADB PRESIDENT'S MESSAGE

Subregional economic cooperation and integration play a vital role in the future of Asia and the Pacific in helping promote peace among nations, increase prosperity, and reduce poverty.

Since 1992, the pioneering initiative known as the Greater Mekong Subregion Economic Cooperation Program, or GMS Program for short, has shown us the benefits that subregional cooperation can bring. The six countries that share the Mekong River—Cambodia, People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam—are together reaping the benefits of increased connectivity, competitiveness, and a greater sense of community that would not have been possible two decades ago.

The GMS Program's success is evident in the progress being made in the 11 flagship programs. These initiatives are helping to knit the subregion together by building vital infrastructure links; developing policies to overcome market constraints and promote trade, tourism, and investment; and creating initiatives to build capacity and institutions

to better manage the changes taking place in the subregion now—and in the future.

Governments in the subregion have worked hard to make the vision of “borders without barriers” a reality through initiatives to streamline procedures such as the Cross-Border Transport Agreement. They are helping mitigate the ill effects of greater openness, for instance, with initiatives to combat the spread of HIV/AIDS and other communicable diseases, as well as human trafficking.

The GMS Program also highlights the importance of the subregion's environment with initiatives such as the Core Environment Program that will help protect critical ecosystems in the GMS.

As the GMS Program continues to gather momentum, the Asian Development Bank remains proudly committed to supporting the Mekong Subregion's long-term development and helping to create the opportunities that will bring prosperity with equity to about 300 million people of the GMS.



Haruhiko Kuroda
President
Asian Development Bank

PEACE, PROSPERITY, AND POVERTY REDUCTION

The Greater Mekong Subregion
is experiencing one of the most
remarkable turnarounds in recent
times, from conflict
to peace and growth

By Judy Bryant*

*Judy Bryant is a consultant with the Department of External Relations.



**A better life awaits
the children of the
Mekong region**

Richie Abrina

The Greater Mekong Subregion Economic Cooperation Program (GMS Program) has been the driving force in bringing together the six countries that share the Mekong River—Cambodia, People’s Republic of China, Lao People’s Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam—to become one of the world’s fastest growing subregions.

The GMS covers 2.6 million square kilometers (km). Its rich human and natural resources make it a new frontier for economic growth. As a “land bridge” between South and East Asia, it is ideally positioned for trade with its neighbors.

But despite its geographic advantage and resources, about 50 million of the subregion’s 300 million people are still living in poverty on less than the equivalent of one dollar a day.

Established in 1992 with the support of the Asian Development Bank (ADB), the GMS Program promotes closer economic ties and cooperation among the six countries. Its vision is to create a more integrated, prosperous, and equitable Mekong subregion, complementing national efforts to promote economic growth and reduce poverty, and augmenting domestic development opportunities to create subregional opportunities. It seeks to encourage trade and investment among GMS countries, ease the cross-border movement of people and goods, and meet common resource and policy needs.

The GMS Program helps improve the quality of life across the subregion by emphasizing the “three Cs”: Connectivity, increased Competitiveness, and a greater sense of Community.

Based on activities rather than formal rules, the GMS Program is guided by a general set of principles and institutional arrangements. It is results-oriented and pragmatic, with the six countries planning and implementing projects for their mutual benefit.

It is also inclusive, involving all parties that wish to contribute. Increasingly, the program is seeing a wider range of players from, among others, non-government organizations, other funding agencies, and the private sector.

The GMS Program promotes subregional cooperation in nine key sectors: transportation, energy, telecommunications, human resource development, tourism, environment, trade, investment, and agriculture.

The program’s activities can be grouped into three main areas: physical infrastructure—transport, power, and telecommunication facilities—to promote overall economic growth and greater trade, investment, and tourism flows; policy and institutional initiatives to maximize the benefits and opportunities from physical infrastructure; and initiatives to address common social development and environmental sustainability concerns.

ADB plays a multifaceted role in the GMS Program—as an “honest broker,” a catalyst for dialogue and cofinancing, provider of advisory and secretariat services, and major financier of projects.



Ruben Marmitta



Richie Abrina

From 1992 to April 2005, ADB approved about \$1.4 billion in loans and mobilized another \$2.2 billion in cofinancing for subregional development projects, including national projects with significant regional benefits. During the same time frame, ADB, together with cofinanciers and GMS governments, provided \$105 million in technical assistance grants for preparing projects and conducting studies to promote effectiveness.

Despite challenges such as the Asian financial crisis, the remarkable progress in the GMS is reflected in an increase in average gross domestic product per capita from about \$630 in 1992 to about \$900 in 2003.

Moreover, the biggest dividends from the GMS initiative are the prevalence of peace, the increased trust and confidence among the countries, a sense of common purpose, and the inroads being made to reduce poverty.

Peace Provides a Window of Opportunity

The possibility of bringing the six GMS countries together became apparent in the early 1990s when, for the first time in decades, peace prevailed between the countries. Through this window of opportunity, the countries began to examine ways of working together for their mutual benefit.

At that time, trade and other economic activities among the GMS countries were limited: opportunities for development were hampered by the subregion's lack of infrastructure, such as roads and telecommunication linkages between countries, and lack of information about neighboring markets.

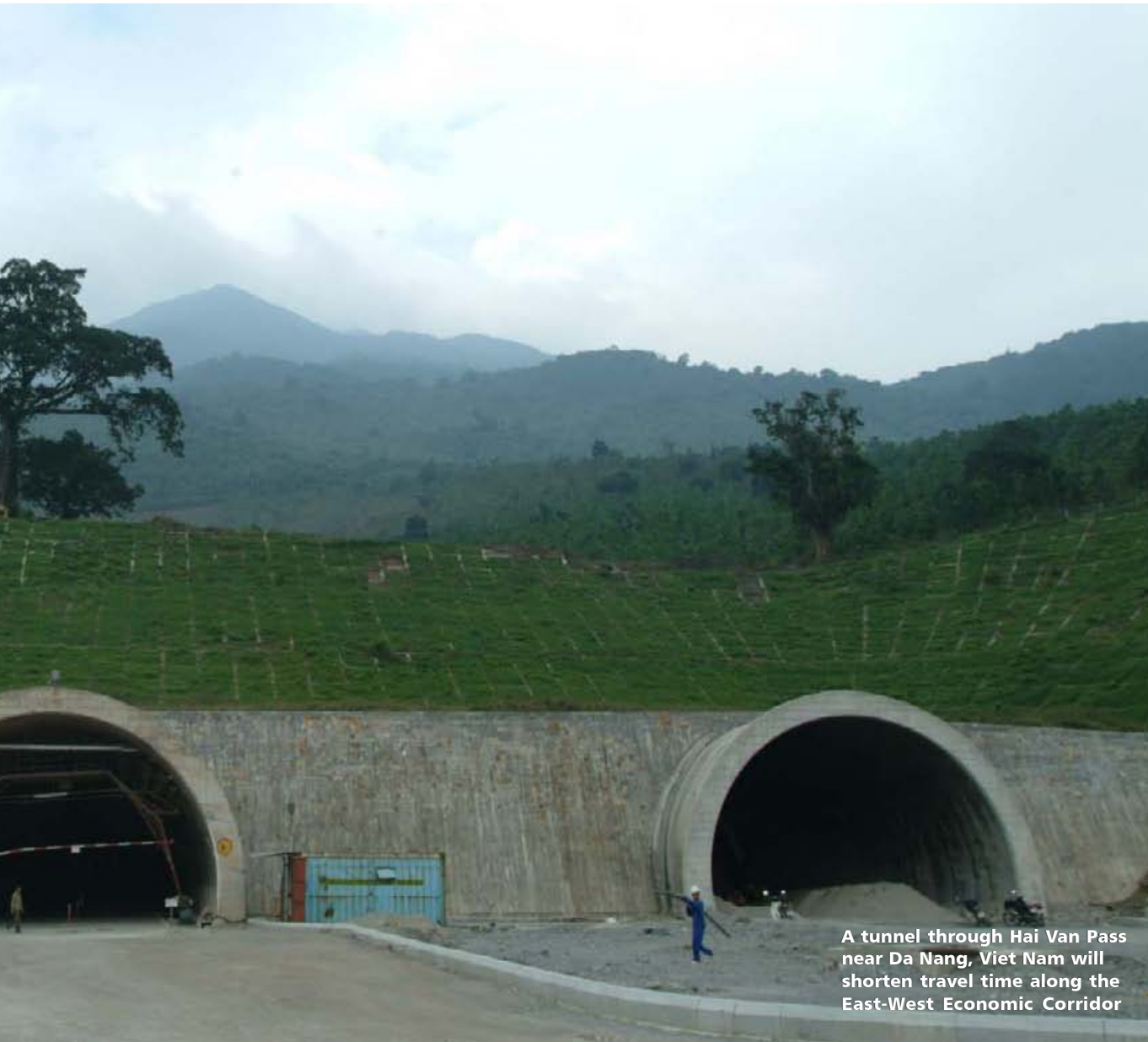
Building trust and confidence was a prerequisite for cooperation. By initiating consultations, ADB took up the challenge of bringing the countries together to discuss shared development constraints and opportunities. This led to the establishment of the GMS Program in 1992.

As trust developed, the six countries began to investigate joint projects that would enhance the subregion's development prospects, with ADB playing the role of catalyst and core supporter of the GMS Program.

These reforms are transforming previously isolated and command-based economies into an integrated and competitive market-based region

—Rajat M. Nag, Director General, ADB Mekong Department and Special Advisor to the President in charge of Regional Economic Cooperation and Integration





A tunnel through Hai Van Pass near Da Nang, Viet Nam will shorten travel time along the East-West Economic Corridor

Richie Abrina

The program's first priority was to lay the foundations for growth in the form of transport and energy infrastructure to create vital links within and between countries, and promote the development of the subregion's resource base.

Vision of Peace, Prosperity, and Poverty Reduction

Among the most important of the program's initiatives are the three economic corridors that link the subregion: the East-West Economic Corridor (EWEC), North-South Economic Corridor, and Southern Economic Corridor.

These corridors are helping "knit" the GMS together and have been planned around major transport infrastructure developments that are expected to generate wide-ranging benefits, such as increased trade, investment, and tourism.

The EWEC is the most advanced of these projects and, when completed, will be a 1,500-km artery from Da Nang Port in Viet Nam to the Andaman Sea in the west. The benefits are already apparent: so far, 60 companies have invested in the special economic zone located on the Lao PDR-Viet Nam border in the EWEC.

Because the GMS Program is a work in progress, regular forums for the six countries and development partners are vital. At the 10th Ministerial Meeting of the GMS Program in 2001, ministers of the six countries endorsed the GMS Strategic Framework to take the program into the next decade. The framework, which articulated a vision of a more integrated, prosperous, and equitable GMS, had five strategic thrusts and 10 flagship programs.



Richie Abrina

The challenge lies in promoting regional cooperation to accelerate economic growth and integration, and narrow the income gap among countries

—Haruhiko Kuroda, President of Asian Development Bank

- The strategic thrusts focus on
- strengthening infrastructure linkages with a multisectoral approach,
 - facilitating cross-border trade and investment,
 - enhancing private sector participation and improving competitiveness,
 - developing human resources and skills competencies, and
 - protecting the environment and promoting the sustainable use of shared natural resources.

The 10 GMS flagship programs are the North-South Economic Corridor Development; East-West Economic Corridor Development; Southern Economic Corridor Development; Telecommunications Backbone Development; Regional Power Interconnection and Trading Arrangements; Facilitating Cross-Border Trade and Investment; Enhancing Private Sector Participation and Competitiveness; Developing Human Resources and Skills Competencies; Strategic Environment Framework; and Flood Control and Water Resource Management.

At the 11th Ministerial Meeting in 2002, ministers added GMS Tourism Development as the 11th flagship program.

At the first GMS Summit in November 2002 in Phnom Penh, the leaders of the six countries endorsed the flagship programs.

Already the increased connectivity created by the GMS Program is providing opportunities. As Rajat M. Nag, Director General of ADB's Mekong Department, recently pointed out, intraregional exports have increased more than tenfold since 1992. Interregional trade is also beginning to grow as the GMS becomes more competitive, and a sense of community is clearly discernible.

"While connectivity is key in bringing the subregion closer together, it was quickly recognized that it must be accompanied by investments in easing processes and building capacities," he told *ADB Review* in December 2004.

In response to this, ADB helped the GMS countries forge a Cross-Border Transport Agreement that is expected to dramatically boost the flow of people, goods, and investments across borders and spur growth.

In the energy field, the six countries have signed an intergovernmental agreement on regional power interconnection and trade, and are now drafting operational guidelines. These will ensure that power will be bought and sold across borders in ways that benefit all.

“These reforms are transforming previously isolated and command-based economies into an integrated and competitive market-based region,” Mr. Nag said.

Capacity building in the region is vital. At the Summit in Phnom Penh, the leaders recognized the need to develop a pool of highly competent and qualified middle- and senior-level planners and managers to steer economic and social development. And so the Phnom Penh Plan for Development Management, supported by ADB and the New Zealand Agency for International Development, was established.

Already around 400 middle- and senior-level officials from the six countries have undergone specialized learning in key development areas. Since 2003, the program has offered 20 learning programs covering governance, leadership, poverty reduction, private sector participation, environmental management, government and civil society participation, regional cooperation, negotiations, strategic management, health care financing, human resource management, and e-governance.

Challenges in the GMS

Despite its progress, many challenges exist in the second decade of the GMS Program. These include seeking sufficient resources to fund the program, harmonizing efforts, mitigating the ill effects of more people and goods crossing borders, and supporting the achievement of the Millennium Development Goals, including substantially reducing poverty in the subregion by 2015.

Seeking the resources to finance the many projects that countries have identified and prioritized—currently estimated to cost at least \$10 billion—is challenging. ADB is working to mobilize public and private partners for this purpose.

The GMS Program recognizes the crucial role of the private sector in providing the required financial, technological, and management resources for growth. To help foster an enabling environment for private sector activity, the GMS Business Forum was established in 2000 with the assistance of the United Nations Economic and Social Commission for Asia and the Pacific and ADB. The goal of the Forum is to strengthen business links among member countries and strengthen strategic partnerships among local business chambers and government authorities.

In 2004, several meetings—the Mekong Development Forum in Paris in June, the Public-Private Partnership Consultation Meeting in Bangkok in September, and the 13th GMS Ministerial Meeting in Vientiane in December—stimulated the involvement of the private sector in the GMS.

Harmonization of development efforts is also essential. For more effective progress, the GMS Program encourages GMS countries to take a regional perspective by harmonizing their national priorities with regional priorities. As Mr. Nag puts it, “to think regionally but invest nationally.”

The most difficult and overriding challenge, however, is to reduce poverty and achieve the Millennium Development Goals by 2015. Spreading the benefits of economic growth to people in the GMS—while mitigating the potential ill effects of development—will require strong collaboration and partnership.

Protecting the environment is therefore another major challenge. For instance, Cambodia’s great lake, the Tonle Sap—a United Nations-designated biosphere reserve—directly supports more than one million people and is the single largest source of protein for Cambodia’s young and growing population. The challenge is to achieve the right balance between development and preservation in these areas.

To address these concerns, the GMS Working Group on Environment was established in 1995 as one of the earliest efforts set up under the GMS Program.

The group’s two most recent meetings laid the groundwork for the Core Environment Program, designed to ensure that environmentally sustainable development takes root in the subregion through strategic environmental assessments, knowledge sharing, and financial mobilization for conservation efforts.

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A key component of the Core Environment Program is the Biodiversity Conservation Corridors Initiative, the goal of which is to protect high-value terrestrial biodiversity and protected areas in economic corridors. The GMS environment ministers oversaw the finalization of a strategic framework and 3-year action plan to protect priority biodiversity conservation and other areas during their meeting held in Shanghai in May 2005.

ADB, in conjunction with the United Nations Environment Programme, has also taken the lead by publishing in April 2004 the *Greater Mekong Subregion Atlas of the Environment*. The atlas provides comprehensive environmental information to improve planning for sustainable development and decision making in the subregion.

For HIV/AIDS, ADB and the Southeast Asian Ministers of Education Organization worked on a GMS information and technology project addressing three major factors contributing to the spread of AIDS in the subregion: high-risk behavior, trafficking in girls and women, and drug abuse among high-land minorities.

ADB is also already addressing other diverse challenges presented by greater connectivity in the GMS. Among these is its assistance to the

GMS countries to develop a regional cooperation framework on controlling transboundary animal diseases.

The road ahead for the GMS Program will see a groundswell of activity as projects come on line. The GMS Program in its second decade is increasingly results oriented, emphasizing the provision of essential infrastructure in the context of social development and environmental sustainability to create economic growth and reduce poverty. It is showing what is possible when countries possess the will and the commitment to move forward together.

As ADB President Haruhiko Kuroda said in February 2005 as he acknowledged the considerable momentum the GMS has gained in recent years: "The challenge lies in promoting regional cooperation to accelerate economic growth and integration, and narrow the income gap among countries."

It is a challenge that ADB and the governments of the six GMS countries are ready to meet as part of moving toward a greater Asian economic community. ■



Richie Abrina



Lao Bao Commercial Area, Viet Nam near the border of the Lao PDR attracts foreign investors

BOOSTING GMS BUSINESS

By Judy Bryant*

The private sector is becoming an increasingly important partner in providing the growing intellectual support and financial resources required to develop the Greater Mekong Subregion (GMS).

Enhancing Private Sector Participation and Competitiveness is one of the 11 GMS flagship programs—and the GMS Economic Cooperation Program (GMS Program) strives to consult and involve the private sector as a standard practice.

The GMS Business Forum (GMS-BF) was established in October 2000 under the framework of the GMS Program, with assistance from the Asian Development Bank (ADB) and the United Nations Economic and Social Commission for Asia and the Pacific, to promote trade and investment within and among the six countries of the GMS.

The Board of Directors of the GMS Business Forum has agreed on the following basic principles of the GMS-BF: (i) foster GMS cooperation; (ii) add value to national chamber of commerce and industry (CCI) programs; (iii) strengthen ties with national CCIs; (iv) address gaps in trade and investment facilitation services; (v) offer services on a cost-recovery basis; (vi) build intra- and interregional partnerships; (vii) achieve GMS development program consensus; (viii) document activities and decision-making.

Based in Vientiane, Lao People's Democratic Republic, the GMS-BF comprises the national chambers of commerce of the six GMS countries. Membership is open to businesses of all kinds; international, national, professional, and sectoral associations; business and employers' federations; and chambers of commerce and industry. The GMS-BF opened a satellite office in Bangkok with another planned in Kunming.

In December 2002, the GMS-BF launched a virtual GMS Business Support Center at www.gmsbizforum.com

to disseminate information on the forum's activities and to support the development of business activities in the GMS.

In 2004, the GMS-BF was further strengthened by establishing a corporate governance framework and formulating a business plan based on the delivery of six value-added, fee-based services.

The 13th GMS Ministerial Meeting in Vientiane in December 2004 produced a GMS Program Plan of Action. This included improving the information architecture for facilitating investment in the GMS by posting a GMS investment template on the GMS-BF website to be available by the end of June 2005. This will provide a cross-reference of all major investment laws and regulations in the GMS.

In disseminating a range of relevant and timely business services to investors about GMS activities, the GMS-BF plays an important role in promoting awareness of trade and investment opportunities in the GMS.

In addition and complementary to the regular activities of the GMS-BF, the GMS Program has organized major events to step up and deepen the dialogue with the private sector. For instance, interaction between GMS governments and the private sector has been intensified through the High-Level Public-Private Sector Consultation Meeting held in Bangkok in September 2004, where the private sector raised key concerns and proposals for further improvements in the business environment.

Knowing the key role of the private sector in the overall success and sustainability of the GMS Program, the countries will continue step-up measures to create a more favorable climate for the private sector, enabling it to take advantage of the opportunities arising from increased connectivity and greater economic integration in the subregion. ■

*Judy Bryant is a consultant with the Department of External Relations

Upgrading the road link between Phnom Penh and Ho Chi Minh City marks a milestone in the GMS initiative to promote economic cooperation in a formerly conflict-torn area

ROAD TO OPPORTUNITY

By Floyd Whaley
EXTERNAL RELATIONS SPECIALIST



Traffic on Phnom Penh-Ho Chi Minh City Highway grew by about 47% between 2000 and 2004 due to the improved road



Floyd Whaley

Chim Somphorse cradles her 10-month-old son, Chea Dy, in the back of a tidy motorcycle shop in southern Cambodia. Nearby, her husband, Chea Noeun, works quietly on a motorcycle engine.

Before the highway between Phnom Penh and Ho Chi Minh City was improved and brought a steady flow of motorcycles and other vehicles to the area, Chim Somphorse worked in a garment factory.

Today, she and her husband run a small motorcycle repair shop that also sells gasoline and helps repair flat tires. She earns about the same amount of money, but her time is spent with her family rather than at the factory.

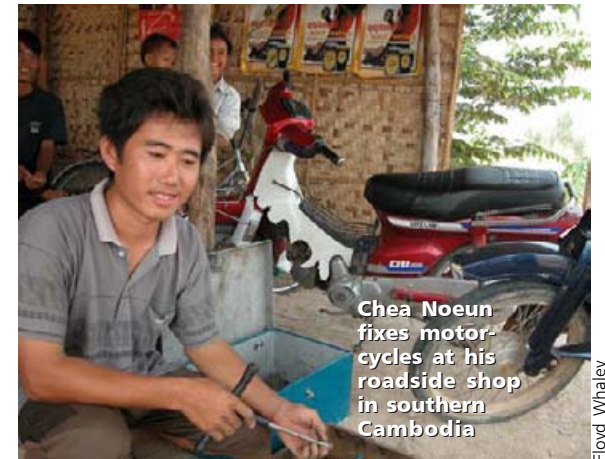
“Life is easier now,” she says. “We own our own business and I can stay with my baby all day.”

The Phnom Penh-Ho Chi Minh City Highway, where the motorcycle shop is located, is the first multicountry Asian Development Bank (ADB) loan project between Cambodia and Viet Nam. It marks a milestone in the Greater Mekong Subregion (GMS) initiative to promote economic cooperation in a formerly conflict-torn area.

The project began in 1998 when ADB approved loans amounting to \$40 million for Cambodia and \$100 million for Viet Nam to upgrade an existing—but rough—road between the two cities.

About 240 kilometers (km) of the road—160 km in Cambodia and 80 km in Viet Nam—were upgraded to increase traffic and trade between Cambodia and Viet Nam. Border facilities were also improved and efforts are under way to cut bureaucratic requirements for border crossings.

“This is one of the first borders in the GMS where we are trying this,” says Nou Vaddhananak,



Chea Noeun fixes motorcycles at his roadside shop in southern Cambodia

Floyd Whaley

Project Manager for the Cambodian component of the highway. “This is a model project.”

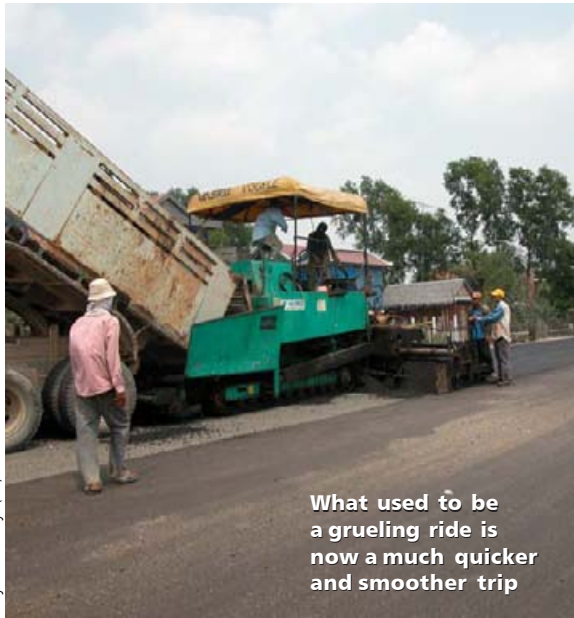
Smooth Road Leads to Business Boom

The road is still rough in some sections near Phnom Penh, and traffic stalls due to a ferry crossing of the Mekong River in Cambodia. Border crossings also do not currently offer the one-stop customs clearance that is envisioned for the future. But the overall improvement of the highway is dramatically evident.

What used to be a long, grueling ride over rough road is now a much quicker trip over mostly smooth, paved surfaces. Tour buses can now be seen zipping between the two cities throughout the day, and restaurants and other businesses line the highway, offering conveniences for travelers.

“Traffic on the road increased immediately after it was improved,” says Javed Sultan, a member of

Floyd Whaley (x3)



What used to be a grueling ride is now a much quicker and smoother trip

the ADB consulting team that supervised the Vietnamese part of the highway. "In fact, the highway has become so popular so quickly that we now have bottlenecks in some areas that we need to work out."

Since the road was upgraded, five new industrial sites are being built near it

—Do Ngoc Dzung, Vice General Director of Viet Nam's Ministry of Transport



Upgrading border facilities and cutting bureaucratic requirements for border crossings are part of the project

According to an ADB study, the road improvement prompted traffic on the highway (excluding motorcycles and other two-wheel vehicles) to grow by about 47% between 2000 and 2004, compared with about 2.5% growth in traffic in the 4 years before that. The growth in traffic generated more than \$450,000 in toll revenue for the Government of Viet Nam in 2004.

"The project continues to produce sizable economic benefits, including higher levels of traffic, improved traffic flow, increased transport of goods, higher toll revenues, and enhanced bus services for passengers using public transport," the study noted.





Vendors along the highway have seen a dramatic rise in business and customers from a variety of countries

Dramatic Rise in Land Prices, Industry

Do Ngoc Dzung, Vice General Director of the Ministry of Transport, who is overseeing the project on the Vietnamese side, said the impact of the road on the area near Ho Chi Minh City has been significant.

“Since the road was upgraded, five new industrial sites are being built near it,” he says. “Trade between the two countries, including fish and sugarcane, is increasing.”

The most visible aspect of the increased use of the road is the tour buses that can be seen throughout the day. The highway improvements have resulted in reduced travel time and ticket prices for passengers, and lower maintenance costs for bus companies and other road users.

“In addition, firms are producing higher quality service with larger, more comfortable and, in some cases, air-conditioned buses,” the report said. “Transport companies are employing more drivers, using more vehicles, moving more passengers, and generally operating more frequent trips between destinations.”

The faster travel time and more comfortable buses have pushed up demand for bus tickets between the two cities. This has triggered fierce competition among bus companies, which have reduced ticket prices from \$20 one way to as low as \$5.

For travelers between Ho Chi Minh City and Phnom Penh, this new fast and affordable land link means an end to long and difficult overland jour-

neys on rough roads—or expensive flights.

For Cheng Sophon, a 32-year-old fruit vendor who works on the Cambodian side of the highway, the growth in traffic flow has resulted in an increase in her income. She uses the extra money to buy books and support her 12-year-old son and 9-year-old daughter.

“My business has doubled since the road was improved,” Ms. Sophon says. “There are customers all day now and they are not only Cambodians, but also Vietnamese and people from other countries. The whole town is busier now.”

Mr. Dzung, with the Viet Nam Ministry of Transport, points out that the greatest economic benefits from the road are still to come as its use increases.

“This road is a major contribution to the economic development of Ho Chi Minh City and an important way for us to work together with our neighbors,” he says. ■

There are customers all day now and they are not only Cambodians, but also Vietnamese and people from other countries. The whole town is busier now

—Cheng Sophon, Cambodian fruit vendor

The countries of the GMS have committed to step up efforts to stem the trafficking of people across borders

JOINT EFFORT TACKLES TRAFFICKING

By Floyd Whaley
EXTERNAL RELATIONS SPECIALIST





Cambodian children are sometimes trafficked into neighboring countries to beg or sell flowers

Ian Gill

From the street, it looks like a simple house beside a trickling stream. But venture closer and one can see dozens of children playing in the yard, balancing on improvised stilts, and tossing a ball. As they play, other children can be heard reciting the Khmer alphabet.

Not long ago, many of these children were surviving on the streets in a neighboring country, begging for money, and being exploited by syndicates. Today they live in Goutte d'eau Poipet, a shelter on the border between Thailand and Cambodia. More than 100 children, aged 5 to 15, who were rescued from criminals who used them for begging, or who were destined for such a life, are being cared for and educated at the shelter.

"We try to find their parents in Cambodia," says Kim Bath Wetch, who helps manage the shelter run by the Goutte d'eau Foundation, a Cambodia-based nongovernment organization with offices in Europe. "Some children know where they are from, some do not. Some have just a bit of information about where they are from—like they only know their parents live near a river."

The foundation staff sometimes spend months tracking down families of Cambodian children who were trafficked to work as beggars. Sometimes the families have moved on and can no longer be found. Sometimes when they are located, the families cannot afford to take their children back.

Widespread Problem Often Misunderstood

"The children at Goutte d'eau Poipet (www.gouttedeau.org) are part of the widespread but often misunderstood problem of human trafficking in the Mekong," says an official who is working

on the issue. And this misunderstanding can hinder law-enforcement efforts.

"The term 'trafficking' itself denotes movement rather than exploitation and is one of the reasons this crime—a crime against a person—continues to be confused with smuggling, a crime against the state," says Phil Robertson, Program Manager of the United Nations Inter-Agency Project (UNIAP) on Human Trafficking in the Greater Mekong Subregion (GMS). "The key problem with human trafficking is exploitation."

In the GMS, trafficking occurs amid a high volume of cross-border migration. Cambodian children are trafficked to Thailand to beg or sell flowers, Vietnamese children are trafficked to Cambodia for the sex trade, adults are trafficked from Myanmar, Lao People's Democratic Republic (Lao PDR), and Cambodia to labor in debt bondage, and young women are often trafficked as brides.

Estimates on the extent of migration and trafficking vary widely, but international agencies working on the issue agree that a growing number

The term "trafficking" itself denotes movement rather than exploitation and is one of the reasons this crime—a crime against a person—continues to be confused with smuggling, a crime against the state

—Phil Robertson, Program Manager with the United Nations Inter-Agency Project on Human Trafficking in the GMS

of men, women, and children who are trying to migrate out of poverty and deprivation end up in debt bondage and are forced to work in illegal and hazardous occupations.

“While migration can lead to improved livelihoods, increasing migration arising out of economic distress, without due preparation and protection of the law, can lead to illegal and often hazardous forms of employment, ending up in trafficking,” says Manoshi Mitra, Asian Development Bank (ADB) Senior Social Development Specialist.

Coinciding with this expansion in trafficking is the increasing international attention on the issue. For instance, all GMS countries now have a range of initiatives to address the complex issues related to trafficking, and Cambodia and Thailand have signed the world’s first memorandum of understanding on trafficking between two nations.

Consistency Needed to Protect Poor, Vulnerable

ADB is working with UNIAP as well as other development partners to deal with the issue of how to consistently protect poor and vulnerable people in the region from illegal trafficking and exploitative work situations.

A technical assistance grant for \$700,000 from ADB’s Poverty Reduction Cooperation Fund, financed by the Government of the United Kingdom, is encouraging subregional cooperation among GMS countries for promoting safe migration, and will help address trafficking issues in ADB’s subregional projects.

Over 2 years, the grant covers four GMS countries—Cambodia, Lao PDR, Thailand, and Viet

Nam. It is helping develop pilot programs, a subregional action plan, a resource center, and training program for governments and civil society.

The grant will pilot programs to minimize the risks of migrant trafficking in two ADB-financed projects—the North-South Economic Corridor Project and GMS Mekong Tourism Development Project—and raise country level awareness through advocacy and policy dialogue.

The plan of action being formulated under the grant is already under way. In March 2005, senior officials from Cambodia, People’s Republic of China (PRC), Lao PDR, Myanmar, Thailand, and Viet Nam held a 3-day meeting in Hanoi under the Coordinated Mekong Ministerial Initiative (COMMIT) Process, and agreed on a subregional plan of action against human trafficking for the next 3 years.

The plan of action outlines activities focusing on law enforcement and criminal justice; and prevention, protection, and recovery of victims. It also sets the standard for anti-trafficking work in the Mekong region. The plan is a practical road map for priority action and translates into concrete activities the political commitments made under the COMMIT memorandum of understanding, signed by all six countries in October 2004.

These commitments include collaborating on the investigation and prosecution of traffickers, and on supportive systems of repatriation and assistance to help trafficked victims return home. The plan will be buttressed by the technical expertise and support of UN agencies, international and national nongovernment organizations, and bilateral and multilateral funding agencies.



A growing number of people trying to migrate end up in debt bondage and are forced to work in illegal and hazardous occupations such as the sex trade



Ian Gill (x2)



Cambodia and Thailand signed the world's first memorandum of understanding on addressing cross-border human trafficking

At the Hanoi meeting, Viet Nam's Deputy Minister of Public Security, General Nguyen Van Tinh, urged the international community to "join hands with us, to make the world a better future, void of exploitative practices and human rights abuses."

As Jordan Ryan, United Nations Resident Coordinator and United Nations Development Programme Resident Representative in Viet Nam, says, "Human trafficking is a complex problem that often crosses international borders and that, therefore, requires international cooperation." ■

While migration can lead to improved livelihoods, increasing migration arising out of economic distress, without due preparation and protection of the law, can lead to illegal and often hazardous forms of employment, ending up in trafficking

—Manoshi Mitra, ADB Senior Social Development Specialist

Prevention and control are key elements of a joint effort between governments and international organizations in tackling avian influenza and other diseases spread by livestock

BATTLING BIRD FLU

By Floyd Whaley
EXTERNAL RELATIONS SPECIALIST



Since late 2003, health and livestock officials have been on alert across the Mekong region for avian influenza

At the end of a dirt road, surrounded by picturesque rice fields, Somporn Kalika walks quietly among thousands of ducks. The birds flow like schools of fish in the ocean as he moves among them in the late afternoon sunshine.

Somporn has been taking care of ducks in Thailand's Saphan Buri Province for the last 20 years. The farm where he works, in the province's Muang District, is a hatchery that sells the ducklings of more than 8,000 birds.

During peak season, the farm produces about 6,000 eggs a day. It is not obvious from the bucolic setting, but the farm sits at the epicenter of the country's fight against avian flu. Its owner works with the Thai Government to take measures against the spread of the disease.

The ducks at the farm are kept overnight in an open-air barn, where they lay their eggs. In the morning, they are moved outside so their eggs can be collected.

Before the bird flu outbreak, the ducks were allowed to roam freely in the area around the farm and swim in a nearby pond. But now, the ducks are confined to a fenced area when let outside and are not allowed to mingle with wild birds.

"The protective measures are simple but, if replicated in livestock farms around Thailand, they can be instrumental in helping curb the outbreak of animal diseases such as avian influenza," says Tippawon Parakgamawongsa, a veterinary officer at the Provincial Livestock Office in Saphan Buri.

For Somporn, the 39-year-old farmer who is implementing the new procedures, the issue is more about his 9-year-old daughter, Chantima, who lives

with him and his wife in their small home near the farm. He is worried that if bird flu takes hold in the area, farms might be closed and he could lose his job. He has no skills or experience other than being a duck farmer.

"These precautions are necessary," Somporn says. "They are the best chance of saving the farm from disease and staying in business."

Health and livestock officials have been on alert for avian influenza across the Mekong subregion since late 2003. The virus has been blamed for killing people and causing the slaughter of millions of chickens and ducks, and harming the livelihood of farmers, vendors, and other small businesspeople.

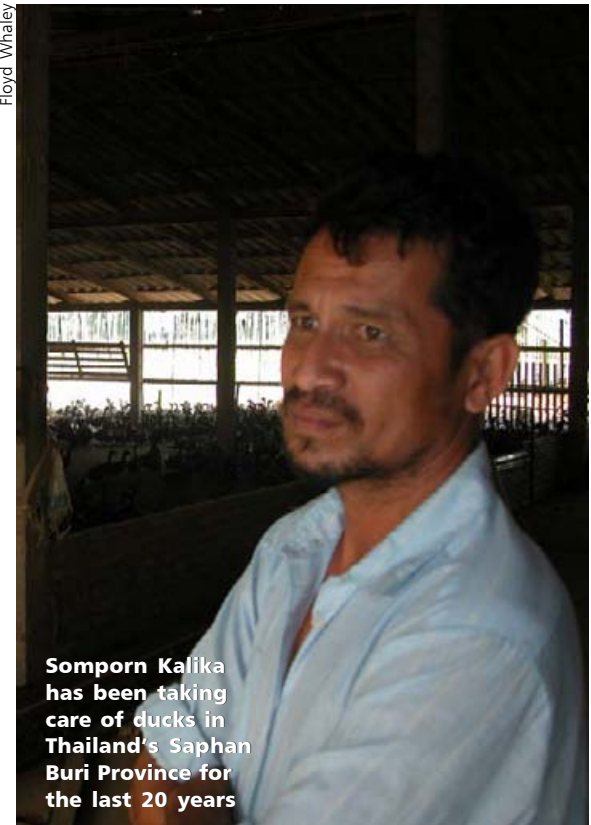
Team Effort to Prevent Outbreaks

International organizations are working with governments, private industries, and people in the subregion to address the issue. Although avian influenza has captured the headlines, efforts are also under way to help prevent the spread of two other major animal diseases: swine fever and foot-and-mouth disease.

Together, these diseases drive morbidity and mortality rates of livestock to as high as 70% in the subregion, according to an Asian Development Bank (ADB) study. The diseases kill animals and reduce productivity, threaten the livelihoods of poor farmers, drain public sector resources, restrict trade, and hinder efforts to reduce poverty. Nearly 23 million people are small-scale farmers who depend on livestock for food and as a source of cash income.

"The poor in the developing world face a

Floyd Whaley



Somporn Kalika has been taking care of ducks in Thailand's Saphan Buri Province for the last 20 years

These precautions are necessary. They are the best chance of saving the farm from disease and for staying in business

—Somporn Kalika, Thai duck farmer



The farm where Somporn Kalika works has undertaken protective measures against avian influenza

Floyd Whaley

particularly high risk from animal diseases,” says Akmal Siddiq, Senior Project Economist with ADB’s Mekong Department.

The diseases could have even wider economic impact if they begin moving freely across borders with the increasing cross-border trade in livestock among GMS countries. For example, Yunnan

Province in the People’s Republic of China has an annual cross-border trade in livestock and livestock products worth about \$365 million. In Viet Nam, the figure is \$136 million, and Thailand, \$32 million.

ADB is working with its partners in the subregion to assist GMS countries develop a subregional

cooperation framework to control these animal diseases through a \$1 million technical assistance grant.

The grant will address common issues related to the control of the diseases, which are predominantly spread by animal movement across borders, in Cambodia, People’s Republic of China, Lao People’s Democratic Republic, Thailand, and Viet Nam. In the long term, this grant is expected to enhance food security and food safety, while promoting greater trade in livestock and livestock products.

“This will be a team effort to address this important problem,” says Subhash Morzaria of the Bangkok office of the Food and Agriculture Organization (FAO) of the United Nations. In addition to the work of GMS member countries, there will be projects led by the Association of Southeast Asian Nations, Japan International Cooperation Agency, and the European Union.

Developing a Framework for Cooperation

“The immediate task is to develop a framework for subregional cooperation, upgrade national and subregional laboratories, and build staff capacity in the participating countries to control transboundary animal diseases,” says Mr. Siddiq. “The project represents a major shift toward control rather than the traditional approach of applying mass, blanket vaccination to control outbreaks, which has proven unsustainable and expensive.”

“Introducing policy and technological options that make livestock-dependent poor farmers, especially women, less vulnerable to the devastating effects of animal diseases and support their access to markets for economic growth is a major priority in the GMS,” says Mr. Siddiq.

The grant will bring together international experts and people throughout the GMS who are working with livestock and poultry. These include farmers, traders, veterinarians, community health service providers, nongovernment organizations, border-control units, private pharmaceutical companies, and other stakeholders.

Among the rice fields and poultry farms of Saphan Buri, such practical, grassroots efforts are clearly necessary. On a quiet road running through vast green fields, a truck stuffed with live ducks stops and disgorges the birds into nearby rice paddies. There, the ducks graze on snails and other pests—thus helping the rice farmers clean their

fields of vermin. The ducks are later rounded up and put back in the truck.

“The danger of this kind of free-range grazing is that these ducks will mix with wild birds that could carry or spread diseases,” says Mr. Tippawon, the local veterinary official in the area. “If one flock is infected and it moves from field to field, the infection can spread fast.”

Most farmers who use this free-grazing method are too poor to buy the feed necessary for their ducks. To minimize the risk of spreading the disease without putting free-graze duck farmers out of work, Thai officials are not allowing new free-grazing duck farms to start up. They are also

restricting current free-grazing duck farmers to their immediate area to limit the possible spread of disease.

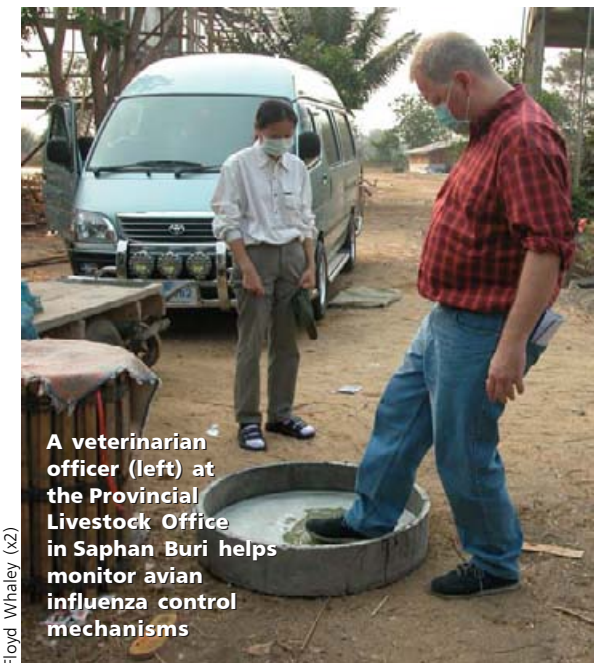
Such measures are a good start, but Mr. Tippawon points out that more work is needed and international help is appreciated. ■

The poor in the developing world face a particularly high risk from animal diseases

—Akmal Siddiq, Senior Project Economist
ADB Mekong Department



Simple yet effective protective measures are being put into place in Saphan Buri; if replicated around Thailand, they could be instrumental in helping curb the outbreak of animal diseases



A veterinarian officer (left) at the Provincial Livestock Office in Saphan Buri helps monitor avian influenza control mechanisms

Floyd Whaley (x2)

Strategies for dealing with flooding have evolved away from structural solutions toward management programs that address the way communities live near rivers

GOING WITH THE FLOW

By Floyd Whaley
EXTERNAL RELATIONS SPECIALIST



Throughout Asia, the frequency of floods has doubled since 1978

Flooding has traditionally been seen as a problem to be fixed with engineering or relocation. After major floods, political leaders and the media frequently call for a greater emphasis on fighting floods.

“One often hears the expression ‘fighting floods’ in the context of flood control,” says Ian Fox, an Asian Development Bank (ADB) Principal Project Specialist (Natural Resources). “Flood control is a structural means of keeping a river within its channel. The thinking is that floods are bad and have to be fought with the whole armory of modern engineering capability.”

On the Mekong River, which flows for 4,800 kilometers through six countries, Mr. Fox and other experts on flooding have found that spending more money on flood control is not the answer. “Floods are often made worse by human interventions, especially flood control, as well as the expansion of human settlements into flood-affected areas,” says Mr. Fox.

Throughout Asia, the frequency of floods has doubled since 1978, according to a report by the International Center for Urban Safety Engineering at the University of Tokyo. On the Mekong, the floods last for months and are sometimes too heavy and quick for villagers to cope.

Poor People Hardest Hit by Flooding

The people who are hit hardest are those who are least equipped to deal with the onslaught of the waters. Poor people living on river banks and flood-

Despite the devastation, floods can serve an important function in the lives of people residing near the river

plains and in low-lying coastal areas will most likely lose their crops, livestock, possessions, and even their lives when rivers overflow.

Yet, despite the devastation, floods can serve an important function in the lives of people residing near the river. “In the Mekong River Basin, the annual flood cycle creates the conditions for an extremely productive fishing industry on which millions of people depend for their livelihood,” says Mr. Fox.

Flooding is a source of livelihood and food. The floods feed the wetlands, which are breeding areas for aquatic plants, fish, and animals. They also enrich the soil with sediment and nutrients brought from upstream, and replenish groundwater that is desperately needed during the dry season.

“Floods are essential for the communities living on the floodplains, as they nurture the fisheries and maintain the agricultural sectors,” says Olivier Cogels, Chief Executive Officer of the Mekong River Commission (MRC). “People very much depend on the positive aspects of flooding. For them, we need to maintain the flooding, but we need to ensure there is the right amount of water at the right times. It is a very difficult and complex problem.”

To respond to the flooding, ADB is working with MRC and the Government of the Netherlands to provide technical assistance to help develop a basin-wide flood management and mitigation program for the Mekong River.

The technical assistance will support MRC’s Flood Management and Mitigation Program to study the potential flood control benefits of structural measures, the effect on flooding of the rapidly proliferating infrastructure within the basin, and the use of flood-proofing measures as a cost-effective means of mitigating floods at the local level. The technical assistance will also provide flood-

Our member countries are not just looking at their own interests. They are approaching the issue in terms of the effects on the entire basin

—Olivier Cogels, Chief Executive Officer of the Mekong River Commission

management training for those tasked with managing floods at both the basin and country levels.

MRC is also coordinating the sharing of flood and river information among its members and with the Mekong upstream countries, the People’s Republic of China and Myanmar.

Benefits in a Basin-Wide Approach

“Our member countries are not just looking at their own interests. They are approaching the issue in terms of the effects on the entire basin,” says Mr. Cogels. “The countries realize that cooperation in the management of water resources will help them avoid the catastrophes flooding can bring. They are aware that the impact of one project or one action by one area may have disastrous effects on another area.”

The goal of the program is to prevent, minimize, or mitigate people’s suffering and economic losses due to floods, while preserving the environmental benefits. But it will also have the overall impact of helping the countries in the region build ties and solidify relationships.

“Countries are working together to manage this important resource,” says Mr. Cogels. “The cooperative efforts in flood management are a key aspect of regional cooperation as a whole.” ■

A breakthrough initiative in human resource development is creating a core of highly skilled GMS middle- and senior-level managers committed to economic and social development in the subregion

DRIVING CHANGE

By Pamela Asis
PHNOM PENH PLAN PROGRAM OFFICER



A participant shares his thoughts on human resource challenges



Pamela Asis

An overwhelming spirit of camaraderie envelops alumni of the Phnom Penh Plan for Development Management (PPP) every time they gather.

As they recall their life-changing experiences in the learning program, the PPP alumni reflect time and again on “new perspectives, different versions of leadership, a renewed spirit to work for development, and a deeper commitment to regional cooperation.”

Although the PPP alumni come from the six countries of the Greater Mekong Subregion (GMS), they call themselves “GMS citizens,” an apt reference to the growing community of Mekong leaders and managers who make up the critical mass of change agents that the PPP has established, and will continue to do so in the next 3 years.

The PPP is a breakthrough initiative in human resource development that aims to create a core of GMS champions who will drive economic and social development in the subregion.

The need to develop the subregion’s most valuable resource—its people—was given impetus at the first GMS Summit of Leaders in Phnom Penh, Cambodia, in November 2002. The Asian Development Bank (ADB) approved funding for the PPP in 2002, initially at \$800,000 for two years (2003–2004). ADB recently extended the program’s implementation, expanded its scope, and provided an additional \$800,000 to fund the program for another two years (2005–2006). The New Zealand Agency for International Development and the Ministry of Foreign Affairs of the Government of France also support the program.

The program is targeted at middle- to senior-level officials in GMS governments and aims to

build capacities in public policy and development management. The PPP has delivered 20 demand-based learning programs since its inception in July 2003. These customized learning programs run from 1–3 weeks and cover a range of subjects such as strategic leadership, regional cooperation, governance, participatory development, environment and natural resource planning and management, rural leadership, poverty reduction, health care financing, project feasibility and design, education management, social protection systems, trade policy development, and electronic governance.

The PPP’s learning programs—which are of the highest quality and in high demand among GMS public servants—deliberately focus on a critical set of development-related issues. About 400 middle- and senior-level officials from Cambodia, People’s Republic of China, Lao People’s Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam have participated in the programs. Of these, more than half were at levels equivalent to director and above.

A PPP fellowship program that sends promising alumni to programs of higher learning at reputable international institutions was launched in 2004.

Sustained Ownership and Political Commitment

The PPP is strongly supported by GMS governments, which have acknowledged its catalytic role in improving the subregion’s human resources.

Senior GMS officials who are members of the PPP Steering Committee ensure the relevance and responsiveness of the PPP to their needs. Further, GMS ministers and senior officials form part of the distinguished roster of PPP alumni.

In December 2004, new perspectives and paradigms on development issues in Asia, particularly in the GMS, were introduced to GMS ministers and senior officials, together with the PPP fellows and selected ADB staff, in a cutting-edge and short high-impact course entitled Top Development Management Program (TDMP).

The TDMP was held on 16 December 2004 at the 13th GMS Ministerial Conference in Vientiane, Lao PDR. Topics covered in the course were the changing role of governments in the 21st century, need for partnerships, role of leadership in GMS development, and governance in GMS cooperation.

Resource persons were Robert Klitgaard, a governance and regional cooperation academic and Dean of the Pardee-RAND Graduate School in Santa Monica, California; and John Thomas, Harvard professor and public policy expert.

Key Instrument to Promote Regional Cooperation

“If subregional cooperation is our common endeavor, then there is no better breeding ground for friendships and camaraderie among civil servants of the six GMS countries than the PPP,” said ADB Vice-President (Operations 1) Liqun Jin, at the inauguration of the PPP in December 2003 in Phnom Penh.

Envisaged as a key instrument to promote regional cooperation, the PPP has implemented activities that are regional in scope and character. It has contributed to an enhanced awareness of the GMS and, specifically, the GMS Economic Cooperation Program. Its alumni represent various organizations and agencies in the GMS governments. Their coming together to participate in shared learning



Richie Abrina

has fostered friendships and bonds and a shared vision for the GMS.

Although a seemingly intangible benefit, the growth of a cooperative spirit in the GMS is a powerful tool in the subregion’s development, to which the PPP learning programs contribute.

The PPP alumni, after being exposed to new paradigms and cutting-edge management tools and concepts, are expected to initiate reforms in their respective institutions. Through the alumni network, the PPP intends to create a multiplier effect in fostering capacity building in the GMS. Feedback from participants indicates a high level of motivation

to share knowledge and adapt skills acquired or strengthened through participation in PPP learning courses.

Central to the PPP’s philosophy is a commitment to design learning programs in collaboration with the best talent, and to research these programs thoroughly for content and for the target groups they aim to reach. The educational content of the learning programs is a carefully designed blend of cutting-edge knowledge and GMS situations. Most programs are customized and provide a learning experience not usually available in traditional academic environments.



Voravate Chonlasin

Teaching organic farming at the Kyusei Nature Farming and Environment Center in Saraburi Province, Thailand

In the spirit of partnership, the PPP has created a supportive institutional network. It collaborates with leading organizations, think tanks, and networks to secure the highest-quality learning programs. The current PPP network includes Asian Institute of Technology; Economics and Finance Institute, Cambodia; Kunming University of Science and Technology; Kennedy School of Government at Harvard University; National University of Lao People's Democratic Republic; Mekong Institute; Hanoi School of Business, Viet Nam; the Administrative Staff College of India; and National University of Singapore. The PPP is also working with the GMS Academic and Research Network to develop a GMS development research framework, and to participate in the research effort.

Beyond a Traditional Approach

Going beyond the traditional approach to building capacity, the PPP allows participants to discuss key development issues. A learning resource center in Phnom Penh will enhance that dialogue and provide the public with "all-that-you-need-to-know-information" about the GMS.

The PPP already has a dedicated website (www.adb.org/GMS/Phnom-penh-plan) and will develop a portal to enable PPP alumni to maintain lifelong contacts. Apart from a newsletter, the PPP launched the *GMS Journal of Development Studies* to provide a platform for sharing research, reviewing development literature, and fostering debate.

The GMS Distinguished Speaker Series will offer the subregion the opportunity to share experience

and insights from the world's leading figures in development, research, and governance. The *GMS Development Management Dialogue*, video-conference sessions will provide opportunities for the exchange of ideas on pressing issues that call for collective action and regional cooperation. Likely subjects will be finance, health, education, HIV/AIDS, environment, corruption, infrastructure, trade, private sector, and civil society.

The PPP seeks to instill in managers a perpetual curiosity about the people and issues that they are charged to lead and to foster a thirst for knowledge. At the end of each learning program, participants are inducted as PPP alumni and commit to uphold the PPP ideals as part of their lifelong learning experience. They are imbued with a spirit for putting the GMS on the path to high growth with equity. ■

If subregional cooperation is our common endeavor, then there is no better breeding ground for friendships and camaraderie among civil servants of the six GMS countries than the PPP

—Liqun Jin, Vice-President of Asian Development Bank

Radio soap operas broadcast in local languages are proving to be an inexpensive and effective way to teach remote and vulnerable communities about the dangers of HIV/AIDS and drug use

AIR WAVE AWARENESS

By Ian Gill

PRINCIPAL EXTERNAL RELATIONS SPECIALIST



Getting the message about HIV/AIDS to people in remote areas



Ian Gill

Tradition runs deep among ethnic minority groups in the heartland of Yunnan Province in the People's Republic of China (PRC), but some influences are eroding their customary lifestyle.

In the rural village of Gunsai, visitors experience customary hospitality when greeted by a small band of Jingpo musicians and girls in red ceremonial dress who offer rice wine. But villagers say other ways of life are changing, including more open attitudes to sex and increased drug abuse.

"We are conservative in this village," says Jin Ma Nian, a 29-year-old mother of two. "But the younger generation is becoming more open about sex."

Several kilometers away, in Luliang village near the Myanmar border, a white-haired woman, Ms. Ma, aged 76, says she is sad because her three sons have all had problems with drugs.

To counter these influences, a unique radio drama series, warning of the dangers of HIV/AIDS and drug use, has been broadcast for the Jingpo people of Yunnan Province.

The radio series is special because it is delivered in the Jingpo language and deals with everyday situations in the context of Jingpo culture. The broadcasts first aired in October 2004 and were rebroadcast in February 2005 during the Spring Festival (Chinese New Year).

Villagers Respond to Familiar Soap Situations

Feedback from the Jingpo, who live mostly in mountain areas between Yunnan Province and Myanmar, has been positive and constructive.

Though generations apart, both Ms. Jin and Ms. Ma like the soap operas because they dramatize important social problems.

Sitting in a spartan community hall, Ms. Jin says she listened with interest to a heartbreaking episode about a girl who went to hospital, accidentally contracted HIV/AIDS through a blood transfusion, and decided to break off with her lover to avoid infecting him.

Blood transfusions and contaminated needles continue to be a major cause of the spread of HIV/AIDS in this region.

"I already knew about this problem," says Ms. Jin. "But it's helpful to reinforce such messages."

Next to her, a stocky farmer, Wang La Dong, likes the soap operas "because they're about our culture, and I feel they're about my life." He says the soap operas are useful because they offer knowledge on how to protect oneself against disease.

In the mountain village of Luliang, Ms. Ma says the social messages are useful—but not strong enough. "They are too indirect," she says. "The message should be more direct as new infections are increasing and people are dying."

The main benefit of the radio program is to deliver social messages through an art form that is more interesting than explanatory materials

—Yue Jian, a Jingpo radio drama scriptwriter

Her eldest son lost his job with a radio station after taking drugs and has been lost to the family for many years. Ms. Ma says her younger sons tried to help their brother but ended up taking drugs themselves. One is now in a rehabilitation center.

In her time, says Ms. Ma, villagers commonly took opium for medical or relaxation purposes, but they led normal lives. In contrast, she says, today's drug users cannot work and end up destroying their lives.

The Jingpo soap operas are produced in the provincial capital, Kunming, by the Yunnan Peoples' Broadcasting Station under a Greater Mekong Subregion (GMS) project being implemented by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and financed by the Asian Development Bank. Meanwhile, the Southeast Asian Ministry of Education Organization, as co-executing agency of the project, has trained teachers and developed teaching materials in local languages for HIV/AIDS prevention for use in schools in high-risk cross-border areas.

Risks are High in Mobile Populations

"The main benefit of the radio program is to deliver social messages through an art form that is more interesting than explanatory materials," says radio scriptwriter Yue Jian, a Jingpo. "It is closer to everyday life and can be easily understood. It is expected to make people more aware of social problems like taking drugs, and trafficking women and children."

Adds Yang Zaipeng, Jingpo program coordinator, "Radio is a good vehicle for combining education with entertainment. Drama and singing are part of the traditional culture, so the Jingpo are comfortable with it."



A poster warns of the dangers of HIV/AIDS

Ian Gill



HIV/AIDS is particularly acute in border areas. Some of the first cases of HIV/AIDS in the PRC were discovered in Ruili, a bustling town near the Myanmar border where the ethnic mix of traders in the market—including the people of Myanmar, Kachin, Shan, and Indian—reflects a highly mobile population.

As Ms. Yang Xing, Vice Governor of Long Chuan County, says, “Three factors contribute to the above-average infection rate among the population—they live in a poor and remote mountain region, their education level is low, and there is a prevalence of drug addiction.”

With television still a luxury in rural Yunnan, radio is a cheap and effective way to reach remote and vulnerable communities, says Heather Peters, a Bangkok-based UNESCO consultant who is working on the program.

Programs Reach Beyond Borders

“Radio is a medium without borders, and people can listen to it while working in the field,” notes Dr. Peters. “This program started because the Kachin in Myanmar asked if we could provide some kind of programming to inform them about HIV/AIDS and drug abuse.”

As well as its Jingpo program, UNESCO is helping produce soap operas in Lahu with Radio Thailand Chiangmai, and in Hmong through Lao National Radio. Earlier, UNESCO piloted the project with 30 programs in Shan with Radio Thailand Chiangmai.

“The pilot had a tremendous reach—across Myanmar and into PRC, Lao PDR, and Viet Nam—and was popular enough for people to request for repeats and for taped copies of the programs,” says

David Feingold, UNESCO’s International Coordinator for HIV/AIDS and Trafficking. “The Jingpo and the Lahu programs have a call-in feature, which provides us with instant feedback.”

The Yunnan People’s Broadcasting station plans to reproduce the Jingpo programs for distribution. They will make 780 sets of CD-ROMs and 750 sets of tapes to be distributed in 260 Jingpo villages in Dehong Prefecture as well as to local governments, schools, and local centers for disease control.

Under the GMS Program, expanded use of broadcasting media for reducing the risk and vulnerability of HIV/AIDS among ethnic groups are being planned. ■



Ian Gill

Radio is a medium without borders, and people can listen to it while working in the field

—Heather Peters, Consultant of UNESCO



Richie Abrina

**A hotel in Hue,
Viet Nam enjoys
the tourist boom**

In Viet Nam, the GMS Program's promotion of the subregion as a single tourism destination is providing young people from poor families with a chance to improve their lives

TOURISM BOOM

By Ian Gill
PRINCIPAL EXTERNAL RELATIONS SPECIALIST

The plain classrooms of the Hue Tourism School come alive with color when the female students take their seats. They are dressed in shimmering red or blue *ao dai*, the flowing tunic and wide-bottomed trousers that make up Viet Nam's national costume.

The school began only 5 years ago with capacity for 300 students. Yet so great has been the demand that 800 full-time and 500 part-time students now cram into eight classrooms that are used in three shifts.

Many of the young men and women are from the Central Region—one of Viet Nam's poorest areas—and are taking advantage of the current tourism boom to improve their lives.

The students—more than 80% young women—are enrolled in either 1-year professional or 2-year college courses.

"Some 30% of our students are from poor households, including ethnic minorities. They come because of the strong development of tourism in central Viet Nam," says Le Duc Trung, the school's affable vice director. "They know tourism is an important means to escape poverty."

The tourism boom is spurred in part by the improved East-West Economic Corridor, also known as Highway 9, which provides easier access to Viet Nam's Central Region from the Lao People's Democratic Republic (Lao PDR) and Thailand, as well as other parts of the country (see story, page 44).

The rehabilitation of the highway in the Lao PDR and Viet Nam—which the Asian Development Bank (ADB) helped cofinance under the GMS Economic Cooperation Program—is nearing completion.

Richie Abrina (x2)



Easing Access for Tourists

The GMS countries—Cambodia, People’s Republic of China, Lao PDR, Myanmar, Thailand, and Viet Nam—are promoting the subregion as a single tourist destination. They have relaxed visa regimes, upgraded and improved airports, developed roads, initiated tourism training programs, and intensified joint marketing efforts.

Tourist arrivals in the six countries last year totaled nearly 16 million, and these are expected to soar to 20 million in 2006. By 2010, tourist arrivals are expected to increase to nearly 30 million.

At the ochre-colored An Dinh Palace, by the Perfume River that runs through Hue, Ngo Hoa, Vice Chairman of the People’s Committee of Thua Thien Hue Province, says improved road and rail links are contributing to a boom that has seen a rise in the number of visitors to the province by about 17–20% annually in recent years. This is well above the national average.

“Our tourism drive includes stepping up advertising as well as using the Internet more,” says Mr. Hoa. “The Central Region has a strong attraction for ecotourists as well as those interested in history and culture.”

Ancient History Attracts

Major Central Region tourist attractions—which include the Ho Chi Minh Trail, the Imperial City of Hue, and the 17th century trading port of Hoi An—are expected to play a key role in that increase.

Hue’s hotels are also gearing up to handle increased business. At the historic Saigon Morin Hotel, general manager Tao Van Nghe sends his staff for training to cope with the demands of rising occupancy rates, with 60% of the guests coming from Europe.

Meanwhile, the Hue Tourism School is planning to expand its facilities to cater to the ever-increasing number of students. In 2006, the 2-year college course will be upgraded to a 3-year course. Despite strained resources, Mr. Trung says the school waives tuition fees for the poorest students.

Some students come from neighboring countries, says Mr. Trung. Currently, 10 students are from the Lao PDR. Most are male, but the contingent includes Manohay Sindonthan, who wants to work as a travel agent when she returns home to Champassak in Southern Lao PDR.

The Hue Tourism School receives financing from the European Union. Vincent Gibbon, an Irish senior

technical advisor with the Luxembourg Development Agency, helps ensure training is up to international standards. “We’ve supported the training program and have developed the examination and certification system under the Viet Nam Tourism Certification Board,” he says. English language skills are the top priority.

By easing access to and within the subregion, improving training in the tourism industry, and promoting the GMS as a single tourist destination, new opportunities for both poor people and tourists will be developed. The poor are improving their lives through training and greater availability and diversity of employment, and the tourists can now enjoy more of the subregion’s geographical beauty and historical and cultural richness while availing of good service from an increasingly professional industry. ■



Some 30% of our students are from poor households, including ethnic minorities. They know tourism is an important means to escape poverty

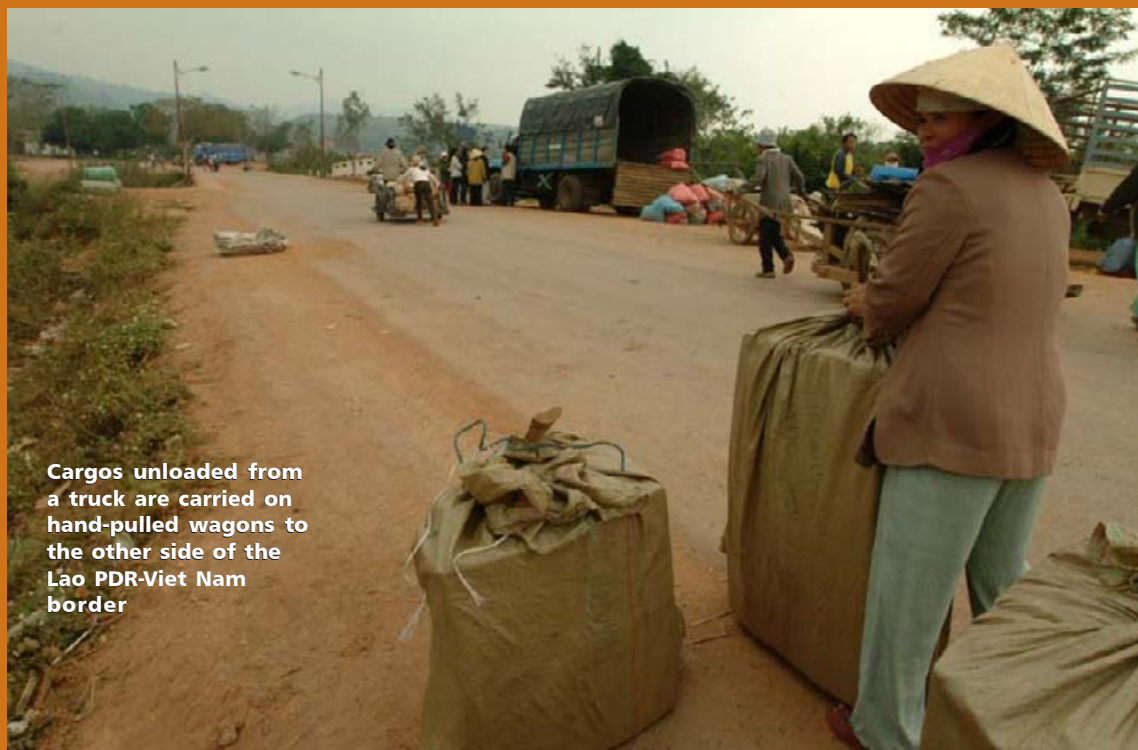
—Le Duc Trung, Vice Director, Hue Tourism School

The GMS Cross-Border Transport Agreement aims to ease the flow of goods and people across borders and help boost local business and foreign investment throughout the region

EASING BORDER BARRIERS

By Tsukasa Maekawa

PRINCIPAL EXTERNAL RELATIONS SPECIALIST



Cargos unloaded from a truck are carried on hand-pulled wagons to the other side of the Lao PDR-Viet Nam border

Richie Abrina

Mr. Vinh, a Vietnamese truck driver, has a long wait ahead of him as he sits at the Lao People's Democratic Republic (Lao PDR) side of the border checkpoint between Dansavanh (Lao PDR) and Lao Bao (Viet Nam).

The Vietnamese truck driver is waiting for his load to be carried on hand-pulled wagons to the Vietnamese side of the border and then loaded back into his Vietnamese-licensed truck before he heads back to his country. The process takes a few hours.

Worse, it may take him an additional 4 hours if many trucks are waiting to go through the checkpoint, where he has to stop at four windows for customs and immigration clearance.

Such are the nonphysical barriers that hinder the flow of people and goods at borders in the Greater Mekong Subregion (GMS). However, these non-physical barriers may soon be banished to history as the GMS Cross-Border Transport Agreement is implemented.

In addition to developing transport networks in the GMS, reducing the time spent at border checkpoints and harmonizing rules and regulations on border-crossing formalities are integral to fully realizing the subregion's development potential.

Joint Control at Crossings

The GMS countries are starting to test single-stop customs inspection at borders. This means that the officials of countries with common borders help each other perform their duties by carrying out inspections jointly and simultaneously.

The first testing is taking place at the Dansavanh-Lao Bao border and aims at joint, simultaneous inspection by customs officials of the two countries at the border checkpoint at the country of entry.

Nguyen An Binh, Deputy Director of the Vietnamese Customs Office, says single-stop customs inspection will be fully implemented by mid-2007 at the Dansavanh-Lao Bao border.

“When the single-stop customs inspection is realized and restrictions on cargo loads are removed, I can do my business much easier and business costs will be greatly reduced,” says Mr. Vinh.

Currently, he drives to the Lao PDR side and goes around border villages and towns for 3–4 days buying local products. Because of cargo restrictions, he hires local people to carry the products in wagons to the Vietnamese side and reload them to drive back home.

Mr. Vinh is not the only one eagerly awaiting the streamlining of cross-border procedures.

“When the East-West Economic Corridor is completed, we want to export our products to Thailand through Route 9,” said Phornchai Chiravinijnjandh, Managing Director of Camel Rubber (Viet Nam) Co., a Thai motorcycle tire company.

Business Booms Near Borders

Dansavanh-Lao Bao is one of the three borders on the East-West Economic Corridor being developed under the GMS Economic Cooperation Program.

Camel Rubber is one of 60 small- and medium-sized enterprises—manufacturers and trade and business services companies—operating at the Lao Bao Special Border Zone that the Government of Viet Nam set up in late 1998.

The establishment of the commercial center has led to water, electricity, and transport services being provided to the place for the first time. In the past few years, more than 1,500 jobs for local people were created.



Riche Abrina

“With work on the East-West Economic Corridor nearing completion, and the easier flow of people and goods at the border expected, we would like to attract more investors and tourists to this area,” says Nguyen Huy, Deputy Chief of the Special Border Zone.

Currently, 22 Vietnamese and Thai manufacturers operate in the Special Border Zone. “We hope to have about 60 manufacturers by 2020, turning the area into an industrial city,” says Mr. Huy.

He says they are planning to create a better environment for foreign investors and local people by building facilities and providing water, banking, power, education, and health care systems. Companies from the People’s Republic of China have already shown interest in investing in the area.

Some foreign investors are using local raw materials. For example, one enterprise produces cassava flour and another processes coffee. Some are training local people by sending them to Thailand and elsewhere in Viet Nam to improve their skills.

Camel Rubber is the Thai company’s first overseas manufacturing venture. It started producing motorcycle tires in mid-2004, initially mainly for the Vietnamese market. It employs 130 Vietnamese and 20 foreigners, mostly from Thailand. “We want to export our products back to Thailand when transportation through the East-West Economic Corridor becomes economically beneficial for us,” says Mr. Chiravinijnjandh.

Clearly, improved physical infrastructure and expected easier cross-border procedures are already providing incentives for businesspeople and providing jobs for the poor. When nonphysical barriers to trade and investment are removed, trade and investment will inevitably expand, making the subregion more integrated economically. ■

When the East-West Economic Corridor is completed, we want to export our products to Thailand through Route 9

—Phornchai Chiravinijnjandh, Managing Director of Camel Rubber (Viet Nam) Co.

Improved transport links have eased the way for trade and business development for both domestic and foreign investors in the PRC's Yunnan Province

BUSINESS BLOOMS

By Tsukasa Maekawa
PRINCIPAL EXTERNAL RELATIONS SPECIALIST



The biggest market for cut-flowers produced in Kunming is Southeast Asia



Richie Abrina

The cut-flower industry is flourishing in Kunming, the provincial capital of Yunnan in the People's Republic of China (PRC).

"Our biggest market is Southeast Asia," says Pienne Lam, Vice General Manager of Jin Yuan Flowerly Industry Ltd. "We are waiting for the completion of the North-South Economic Corridor (NSEC) because we could then ship our products—cut-flowers—to Thailand by a land route."

As one of the leading cut-flower producers/exporters in Kunming, the company air freights 2–3 tons of cut flowers daily to Thailand and Hong Kong, China. Products are also flown via Thailand or Hong Kong, China to the Republic of Korea, Japan, and other Asian countries, and to Russia, the Middle East, Europe, and the United States.

Some flowers are transported by land to Viet Nam. "There are not enough flights, and we would like to cut freight costs," says Ms. Lam.

The hopes for industrial enterprises are high both in Yunnan and in neighboring Lao People's Democratic Republic (Lao PDR), Myanmar, and Viet Nam—and countries beyond—for increased trade and tourism once the main road links between the southern PRC and neighboring countries are completed.

Under the Greater Mekong Subregion Economic Cooperation Program (GMS Program), assisted by the Asian Development Bank (ADB), the 2,000-kilometer road link between Kunming and Bangkok, Thailand, is being upgraded.

Given the good road network from Bangkok to Singapore and Kunming to Beijing, the NSEC will reduce transport costs from the PRC capital to the tip of the Malay Peninsula; improve the ease of movement of people, vehicles, and goods; and

expand trade between the PRC and the Mekong Region and beyond.

The major portions of the NSEC in the PRC and Thailand have already been completed. A remaining section in the PRC toward the Lao PDR border will be completed in 2006, and a section in Lao PDR is due to be finished by the end of 2007. In addition, another road link is planned between Kunming and the port city of Haiphong in Viet Nam, which includes an expressway from Hanoi to Lao Cai that would be completed by 2012.

Once the Kunming-Haiphong road link is completed, trucks can carry container cargo in one day. "There will be a dramatic increase in traffic flows between Kunming and the bordering countries when the road links are completed," said Yin Yonglin, Chief of Yunnan's Division of International Trade and Economic Affairs.

Along with the main road links, many feeder roads will be improved, allowing farmers to more easily bring their produce to markets in major cities.

Tapping International Markets

"Farmers were producing only vegetables in Kunming before as they did not know how to grow flowers," says Ms. Lam. Ten years ago, she says, the company thought that the mild and dry climate might be suitable for growing flowers. It provided farmers with seeds, equipment, and the necessary skills to grow roses, lilies, carnations, and other flowers. "Now we can sell them at international markets," she says.

The company's exports have since expanded rapidly: in 2005, the company expects to ship 1 billion yuan (\$120 million) worth of flowers from 700 million yuan in 2004, and 500 million yuan in 2003.

“We are very hopeful that the flower industry will boom further in the next several years as the quality of products improves and better road links reduce transportation costs,” says Ms. Lam. The company’s business now has 170 farming households and 5,000 people involved in Kunming.

As the PRC economy grows, incomes increase, and more people are able to afford flowers, the company will consider expanding its business to the domestic PRC market.

Growing flowers is one of 39 leading industries in Yunnan: the others include tobacco, minerals, nonferrous metals, chemicals, electric power, medicines, foods, agriculture, and tourism. Yunnan Copper Industry (Group) Import/Export Corporation, the third largest copper company in the PRC, is one of the companies that hopes to expand its shipment route when the NSEC is completed.

In addition to producing copper for domestic consumption, the company exports silver and gold to Thailand via the ports of Fengcheng and Zhanjiang in neighboring provinces east of Yunnan.

We are very hopeful that the flower industry will boom further in the next several years as the quality of products improves and better road links reduce transportation costs

—Pienne Lam, Vice General Manager of Jin Yuan Flowerly Industry Ltd

Richie Abrina



The cut-flower industry in Kunming is creating new jobs

“Obviously, the completion of the Corridor will provide an important option for transporting silver and gold,” said Wang Yu Yun, one of the company’s managers.

Yunnan Reaps Economic Rewards

The copper and flower industries are only two of many major industries that have been supporting the high economic growth of Yunnan Province. Fueled by exports and strong domestic consumption, the province has been showing an 8–10% annual economic growth rate since 1992, when the GMS Program started. Before 1992, trade had been expanding moderately. The entry of the PRC into the World Trade Organization in late 2001 has also helped boost trade.

Yunnan’s overall trade has been steadily expanding from \$2 billion in 2001 to more than \$3 billion in 2004. Its trade with three border countries—Lao PDR, Myanmar, and Viet Nam—has especially soared: trade with the Lao PDR shot up 75%; trade with Myanmar rose 15% in the first 11 months of 2004 against a year earlier; and trade with Viet Nam jumped 48% in the same period.

Foreign direct investment in Yunnan has been increasing, especially in the areas of agriculture and manufacturing. “Yunnan is open to foreign direct investment. It has simplified approval procedures, created a system to deal with business disputes with foreign investors, and created a better environment for them,” says Bao Wentao, Deputy Director of Yunnan Province’s Division of Foreign Investment Administration.

One unique foreign investment has been made by a Thai diamond processing company owned by a



Flowers: an industry with lots of promise

Belgian businessman. Kunming Pyramid Diamond Processing Co., which was established in Kunming in 1995, has been exporting polished diamonds back to Thailand, and to Belgium.

“We are now planning to tap the PRC market. The PRC has huge potential as people are getting

wealthier and can afford diamonds,” says General Manager Daniel Gaspar.

Mr. Gaspar says abundant cheap but quality labor, a good access road to an international airport, regular flights to the major markets, and good services provided by the local government for foreign investors encourage them to stay in Kunming. ■



Local farmers are being trained in growing flowers

There will be a dramatic increase in traffic flows between Kunming and the bordering countries when the road links are completed

—Yin Yonglin, Chief of Yunnan’s Division of International Trade and Economic Affairs

Incomes are being boosted and opportunities increased as the road links making up the East-West Economic Corridor near completion

CORRIDOR LIFTS HOPES, INCOMES

By Tsukasa Maekawa
PRINCIPAL EXTERNAL RELATIONS SPECIALIST



Better roads are good for everyone



Richie Abrina

Mr. Alo, in his 60s, stands smiling in front of a local market in the southeastern town of Sepon in the Lao People's Democratic Republic (Lao PDR) after selling almost all the sweet potatoes he carried from his farm some 12 kilometers (km) away.

"The road was so rugged and bumpy before that I was never able to bring my sweet potatoes from my farm," he says. "Now I come here twice a month to earn kip 20,000–50,000 (\$2–\$5) each time."

The proceeds from the sale are an important secondary income for Mr. Alo. He also grows rice, but his family consumes most of it.

Mr. Alo and his family, including grandchildren, leave their house in an ethnic village while it is still dark. They pull two wagons for several hours to the front of a local market as Mr. Alo does not want to pay for a slot inside.

His regular visits to the market were made possible more than a year ago after the road was rehabilitated under the Greater Mekong Subregion Economic Cooperation Program (GMS Program). The road is a section of the East-West Economic Corridor (EWEC), a pioneering project to develop an economic corridor in the GMS.

With the rehabilitation of the narrow and dilapidated National Road 9—described as a "moon surface" by a long-term resident—and its transformation into an all-weather highway, the local market has expanded significantly over the past couple of years.

The market houses hundreds of small family-owned shops selling not only clothes and consumer goods but also vegetables, fish, and other fresh products. A 16-year-old student selling vegetables

grown in her small garden says, "I come here to open my shop twice a week after school to earn money for my family."

The EWEC stretches coast to coast from Da Nang to Mawlamyine, linking Viet Nam, Lao PDR, Thailand, and Myanmar. It is a flagship project of the GMS Program that the Asian Development Bank (ADB), in partnership with governments and other international development agencies, is promoting. It is a pioneering initiative for economic corridor development.

The 1,500-km road link is the most advanced of several planned corridors crisscrossing the GMS.

Attracting Foreign Investment

The EWEC not only helps improve the lives of the poor residing along the highway but also vitalizes local business and attracts foreign investors in the Lao PDR.

A 1-hour drive from the Sepon market is the gold and copper producer, Lane Xang Minerals Limited, a joint venture with an Australian company.

The Melbourne-based metals producer employs 5,500 people, of whom 3,000 local people are working for the construction of the gold and copper mine.

The EWEC has made it easier for us to come to this area to invest. With the old road, it would have been difficult to do this business

—Mick Wilkes, General Manager of Lane Xang Minerals Limited's Sepon operations

For its part, the Government of the Lao PDR views it as a “win-win” project. The Government expects to receive significant taxes and royalties from the mine’s operations.

Lane Xang Minerals Limited’s schedule is on track. After it started gold production in 2003, the company has been producing 140,000–166,000 ounces (oz) annually. It expects to boost gold production to 220,000 oz in 2005. It started copper production in mid-March 2005. In the next 5 years, it expects to boost the annual production to 400,000 oz of gold and 100,000 tons of copper.

Underpinning the showcase operations is the transport infrastructure. “The EWEC has made it easier for us to come to this area to invest. With the old road, it would have been difficult to do this business,” said Mick Wilkes, General Manager of Lane Xang Minerals Limited’s Sepon operations.

Moreover, once Lane Xang Minerals Limited starts exporting copper to its major Asian markets—such as People’s Republic of China, India, and Japan—it will need ready access to ports. Major bottlenecks to ports in Thailand and Viet Nam will have been eased with a new bridge across the Mekong between Mukdahan in Thailand and Savannakhet in the Lao PDR, and a tunnel through the Hai Van Pass near Da Nang, Viet Nam—projects that are also being undertaken as part of the EWEC.

The bridge is scheduled to be completed in 2006, while the tunnel was officially opened in June 2005.

Serving the Local Community

Benefits are also spilling over to the local community. Lao PDR citizens comprise 85% of the workforce of Lane Xang Minerals Limited. Many, working as drivers, electricians, or maintenance personnel, are developing the skills and confidence to start their own small businesses.

A community program sponsored by the company includes helping farmers diversify from unsustainable slash-and-burn agriculture toward cash crops and mulberry trees to support a fledgling silk industry.

Another program has trained 72 women in 10 villages in the art of weaving and dyeing. Currently, their products are sent via the EWEC to be sold in the Lao PDR capital of Vientiane, and Savannakhet.

People in Savannakhet hope the GMS Program will boost trade and local business. Savannakhet—the Lao PDR’s most populous province with 14% of the total population—is already achieving economic growth 1–2% faster than the national rate of 6%.

The pace of change will accelerate with the completion of the bridge over the Mekong River. The \$75 million bridge—plus an upgraded airport in Savannakhet and improved highway—is expected to bring major changes to the town and the province.

The bridge, a joint undertaking of the Lao PDR and Thailand, is being financed by the Japan Bank for International Cooperation. The Savannakhet airport, which may be upgraded to handle international flights, is planned to be shared by the Lao PDR and Thailand. The airport will strengthen regional air and tourism links.



A Savannakhet weaving company exports high-quality fabrics to Japan



Richie Abrina (x2)

Savannakhet officials hope that better transport links will bring more investors to lay the basis for more diversified economic activity in the country.

Increasing Expectations of More Business

For the small but growing number of Lao PDR entrepreneurs, change in the form of expanded markets is clearly welcome.

Lahasin Indigo is a Savannakhet-based weaving company that uses natural dyes and locally grown cotton to make high-quality fabrics for export to Japan in collaboration with Japanese designers.

The business involves 1,000 households in six nearby villages that grow cotton and indigo. The cotton is spun by people in ethnic minority villages who are experienced in traditional handspinning.

Currently, 90% of the products are shipped to Japan after being transported by land from Savannakhet to Mukdahan on the other side of the Mekong River, and then to Bangkok.

“Shipping through the Da Nang Port is not yet viable,” says Songbandith Nhotmanhkhong, Director of Lahasin Indigo. “But once the EWEC is fully completed, with the easing of border crossing formalities and export clearance procedures at the Da Nang Port, we would like to seriously consider using Route 9 because it should provide a shortcut to Japan.” ■

For the small but growing number of Lao PDR entrepreneurs, change in the form of expanded markets is clearly welcome.



An ethnic minority woman uses natural dyes in her weaving

FREQUENTLY ASKED QUESTIONS



Richie Abrina

**The owner of a
weaving company
in the Lao PDR hopes
to expand exports of
indigo cotton fabrics**

What is the GMS Program?

The GMS Economic Cooperation Program (GMS Program) was initiated in 1992 with the support of ADB. It aims to promote economic cooperation among Cambodia, People's Republic of China (PRC), Lao People's Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam.

The GMS Program covers nine priority sectors: transportation, telecommunications, energy, environment, human resource development, trade, investment, tourism, and agriculture.

What has been the outcome so far of the GMS Program?

The GMS Program has catalyzed the process of regional cooperation among the countries that share the Mekong River by enhancing connectivity through transport, telecommunications, and energy linkages; increasing competitiveness through trade and investment facilitation; identifying subregional development opportunities; building a greater sense of community by addressing transborder issues; and increasing attention paid to the sustainable management of common resources.

Priority subregional projects in the nine sectors of cooperation are being implemented with support from GMS governments, ADB, and other development partners.

As of the end of April 2005, ADB provided financial assistance for 19 loan projects worth \$5.2 billion—of which ADB funding comprised \$1.4 billion—and 100 technical assistance projects worth \$105 million—of which ADB funding comprised \$60 million.

The GMS Program has generated a peace dividend, which is reflected in increased economic

opportunities and growth and closer subregional cooperation among the GMS countries.

What are the benefits of closer economic ties among the GMS countries?

Tangible benefits flow through the development of cross-border infrastructure linkages that lower transport and communication costs; through a cooperative approach to the management of shared natural resources; and through harmonizing institutional arrangements for the cross-border movement of people and goods.

Closer economic ties help realize economies of scale, enhance complementarity among neighboring countries, and ensure regional economic and financial stability. Regional cooperation helps establish important cross-border linkages to address

priority social issues in health, and people and drug trafficking. It is helping the region move toward the GMS leaders' vision of a peaceful, prosperous, and more equitable subregion, and is providing an important tool in the fight against poverty.

What are GMS flagship programs?

The GMS flagship programs are the core initiatives that provide focus to the program. They are large-scale initiatives identified by the GMS countries to implement the 10-year GMS Strategic Framework.

Of the 11 flagship programs, the most visible are the economic corridors linking the subregion. These economic corridors have been planned around major transport infrastructure that the GMS Program designed and implemented.

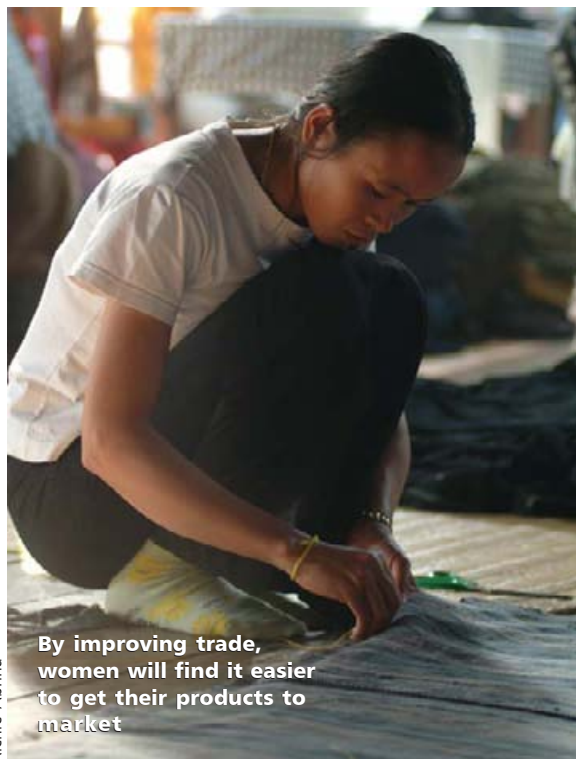


A Mekong bridge between Mukdahan, Thailand and Savannakhet, Lao PDR will be completed in 2006

What are the greatest challenges for GMS?

There are four major challenges that need to be addressed if the program were to foster greater prosperity and equity in the region:

- mobilizing financial resources to address the subregion's investment needs,
- developing the subregion's human resource potential,
- managing and nurturing the subregion's natural environment, and



Richie Abrina

By improving trade, women will find it easier to get their products to market

- preparing for changes in the global and regional economic environment.

What opportunities exist for private sector participation in the GMS Program?

The private sector has a crucial role to play in the GMS Program. GMS members recognize the private sector as one of the main engines of growth for the subregion. Financing of infrastructure projects under the GMS Program provides an immediate opportunity for private sector participation, particularly in telecommunications and energy. Business opportunities also arise from closer economic relations among GMS countries and as the subregion improves its competitiveness. However, the private sector's potential contribution extends beyond financing of development projects. Its role in capacity building is equally important, through the introduction of new ideas, technology, and management and other expertise needed in the pursuit of development.

How has the GMS Program contributed to private sector development in the GMS?

Given the key role of the private sector in developing the subregion, the thrust of the GMS Program is to improve the environment for doing business in the Mekong.

The GMS Program aims to expand cross-border business activities by improving connectivity among member countries, and implementing measures to promote GMS countries' competitiveness. This is made possible through developing economic corridors—East-West, North-South, and Southern—



Better transport routes mean more trade



Floyd Whaley

and promoting improved trade facilitation measures. All the first-generation economic corridors are expected to be substantially completed by 2008. In trade facilitation, all six GMS countries are about to implement a GMS Cross-Border Transport Agreement to facilitate the movement of people and goods across their borders, thereby reducing the cost of cross-border transport and improving efficiency. Moreover, a Strategic Framework for Action on Trade Facilitation and Investment that will commit to time-bound, specific measures has been formulated to reduce trade and business transaction costs in the subregion.

To strengthen business links among the member countries, strategic partnerships among local business chambers and provincial governments are also being promoted under the GMS Business Forum, which was launched in 2000. The GMS Business Forum focuses on promoting business opportunities through networking, capacity building, and product promotion. It also serves as the official channel for interface between the private sector and the GMS governments.

In a more globalized environment, what is the role of regional cooperation?

Regional cooperation is a vehicle to effectively strive for lasting peace, greater prosperity, and sustainable and equitable development. Regional economic cooperation can boost exports, create jobs, and raise incomes—especially in countries that are not traditionally export-oriented. A more open economy leads to a more efficient redistribution of the

workforce. For example, workers will shift from import substitution to export industries. Such moves will enhance an economy's international competitiveness and expand growth.

A regional approach is also often a more efficient and effective way to address transborder issues. Communicable diseases such as HIV/AIDS or malaria are often transmitted across borders and are therefore more effectively addressed by a combination of regional and national level programs.

Regional forums may also be an effective way of ensuring compliance to global commitments as they involve relatively few members and are less constrained than larger forums. ■

About the Asian Development Bank

The Asian Development Bank (ADB)'s work is aimed at improving the welfare of the people of the Asia and Pacific region, particularly the 1.9 billion who live on less than \$2 a day. Despite the success stories, Asia and the Pacific remains home to two thirds of the world's poor.

ADB is a multilateral development finance institution owned by 63 members, 45 from the region and 18 from other parts of the globe. ADB's vision is a region free of poverty. Its mission is to help its developing member countries reduce poverty and improve their quality of life.

ADB's main instruments in providing help to its developing member countries are policy dialogue, loans, technical assistance, grants, guarantees, and equity investments. ADB's annual lending volume is typically about \$6 billion, with technical assistance provided usually totaling about \$180 million a year.

ADB's headquarters is in Manila. It has 26 offices around the world. The organization has more than 2,000 employees from over 50 countries.

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