



**Fourteenth Meeting of the GMS Subregional Transport Forum
Nanning, Guangxi Zhuang Autonomous Region
People's Republic of China
2-3 December 2010**

SUMMARY OF PROCEEDINGS

Introduction

1. The Fourteenth Meeting of the Subregional Transport Forum (STF-14) was held in Nanning, Guangxi Zhuang Autonomous Region (GZAR), People's Republic of China (PRC), on 2-3 December 2010. The Meeting was jointly organized by the Ministry of Transport, PRC; the Department of Transport, GZAR; and the Asian Development Bank (ADB). The objectives of the Meeting were: (i) To review and monitor the progress on priority GMS transport projects, including those identified in the Vientiane Plan of Action (VPOA) for GMS Development (2008-2012), with a view to setting priorities for future GMS transport development; and (ii) To revisit the recommendations of the Strategic Framework for Connecting GMS Railways and initiate efforts to translate it into a plan of action. (The Meeting Program and Agenda is attached as **Appendix 1**.)

2. The Meeting participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Union of Myanmar, the Kingdom of Thailand, the Socialist Republic of Viet Nam, and ADB. Representatives from various development partner organizations also attended the Meeting. (The list of participants is attached as **Appendix 2**.)

3. The Meeting was chaired by Mme. Tang Guomei, Counsellor, International Cooperation Department, Ministry of Transport, PRC and co-chaired by Mr. James P. Lynch, Director, Transport and Urban Development Division, Southeast Asia Department, ADB.

Day 1 Proceedings: 2 December 2010

I. Opening Session

4. Mr. Pan Wei, Director-General, Department of Transport, GZAR, PRC, welcomed the participants of STF-14. He apprised the participants of the significant progress in transport connectivity in Guangxi under the GMS cooperation framework. He made a plea for ADB's continued support in promoting transport integration and connectivity with the GMS countries and pledged Guangxi's strong commitment to working with GMS countries. [A copy of his statement (in English translation) is in **Appendix 3**.]

5. Mme. Tang Guomei, Chair, in her opening remarks, noted the important role of transport cooperation in realizing the 3Cs of GMS cooperation, i.e., enhanced connectivity, increased competitiveness, and greater sense of community. She thanked ADB in supporting this cooperation, and gave assurance of PRC's continued commitment to such cooperation.

6. Mr. James Lynch, Co-Chair, in his opening statement (**Appendix 4**), emphasized the importance of the meeting in view of new trends and challenges that the subregion now faces,

which necessitate a strategic reassessment of the GMS transport sector and identification of the necessary actions going forward. For instance, multi-modal transport has gained greater importance given new demands, including those of increased competition, new production processes, and the threat of climate change. To address these new needs and challenges, the meeting will try to identify actions needed to implement the recommendations of the Strategic Framework for Connecting GMS Railways. In this regard, he informed the meeting that the Strategic Framework was endorsed by the 16th GMS Ministerial Conference in Ha Noi in August 2010. The next and more difficult task, is to translate the Strategic Framework into a workable action plan. The meeting intends to initiate this important process.

II. Session 1. Country Status Reports on Priority Transport Projects

7. The GMS delegations presented their respective country reports, which provided updates on the priority transport projects in their countries included in the Vientiane Plan of Action as well as other GMS-related projects considered high priority by their governments. Presentations were made by the following participants: (i) Mr. Sourn Vanhong, Director of Planning Department, Ministry of Public Works and Transport, Cambodia; (ii) Ms. Peng Zhihui, Director, International Cooperation Division, Department of Transport, Yunnan Province, PRC; (iii) Mr. Bouaphet Sayasane, Deputy Director General, Ministry of Public Works and Transport, Lao PDR; (iv) Mr. Aung Myint Hlaing, Deputy General Manager, Ministry of Rail Transportation Myanmar; (v) Mr. Silpachai Jarukasemratana, Deputy Permanent Secretary, Ministry of Transport, Thailand; and (vi) Mr. Nguyen Van Thach, Director General, International Cooperation Department, Ministry of Transport, Viet Nam. (The GMS delegations' respective country reports are in **Appendices 5-A to 5-F**).

8. Mr. Antoine Kunth, Infrastructure Specialist, Southeast Asia Department, ADB briefed the participants on ADB's Sustainable Transport Initiative (STI). The main objectives of ADB's STI are to promote environment friendly, accessible, safe, and affordable transport systems, focusing particularly on its railways-related elements. (A copy of his presentation is in **Appendix 6**.)

Open Discussion

9. The delegations expressed common agreement that to be able to attain maximum benefits from the substantial transport infrastructure that has been built, there is now a need to focus more attention on the software side, particularly facilitation of cross border traffic and trade flows. In this regard, they noted that although there have been some progress achieved in the exchange of traffic rights, these have been done through bilateral and trilateral MOUs, and not through the implementation of the CBTA. The Co-Chair informed the meeting that an ADB cluster RETA has been approved, funded by the AusAID (for \$6M over 5 years), to support the implementation of the Plan of Action for Transport and Trade Facilitation (TTF) in the GMS that was endorsed by the 16th GMS Ministerial Meeting. The Government of Japan also expressed interest in providing assistance in GMS TTF efforts.

10. PRC remarked that while much progress has been achieved in the area of land transport, greater attention must also be given to water transport, in particular to the improvement of the Lancang-Mekong navigation channels. ADB was requested to consider the possibility of providing assistance in this area, particularly in helping the countries in developing a strategic plan for the improvement of navigation channels in the said river system. The Co-Chair agreed that this is an important and challenging area of cooperation.

11. With regard to STI, the Co-Chair summarized the possible implications of the initiative on the GMS as follows: (i) Sustainability demands that climate-change considerations be increasingly mainstreamed into transport development, particularly since the subregion is among the most vulnerable to climate change impacts. Greater attention should be given to incorporating adaptation measures in transport investment projects. (ii) More effort must go into addressing road safety, as some of the GMS countries have among the highest incidence of traffic accidents. Also, certain GMS countries (e.g., Thailand) have had substantial experience in dealing with this issue, which they could share with the others. There are also some assistance resources that can be tapped for this purpose. (iii) STI also means helping efforts to make urban transport sustainable, preserving the ecological balance in cities. Even in still relatively uncongested cities, there are already opportunities for projects to ensure sustainable urban development (e.g., Vientiane).

12. The countries agreed that road safety is an important concern and expressed support for efforts to promote it. They also agreed on the sharing of knowledge and practices among the countries in this field. It will also be useful to build a subregional database on road safety-related information, as well as to conduct analyses, for instance, on the economic and social costs of road accidents and of the benefits from measures to mitigate them. It was also noted that road safety was among the priority areas of concern identified in the GMS Transport Strategy (2006-1015). UNESCAP and JICA currently provide assistance in road safety promotion in the region.

13. The Co-Chair noted that usually the climate-change adaptation and the road safety aspects are addressed at the project level, but it may now be time to find ways to try address these also at the subregional program level. He informed that a project on “climate-proofing of GMS transport corridors” is being considered for inclusion in the ADB pipeline of projects for the GMS. He also noted that there are resources that may be tapped to support such subregional efforts for road safety and climate change adaptation.

III. Session 2. Revisiting Strategic Framework for Connecting GMS Railways and Brief on Railway Development Activities and Plans of GMS Countries

Revisiting the Strategic Framework

14. Mr. Paul Power, railways expert and ADB consultant for the GMS railway strategy study, gave a presentation recapping the key findings and recommendations of the Strategic Framework for Connecting GMS Railways that was recently endorsed by the 16th GMS Ministerial Conference (August 2010, Ha Noi, Viet Nam). (A copy of his presentation is in **Appendix 7**.) He reiterated that the overall goal of the Framework is to have an interconnected and integrated railway network in the GMS by 2020. He highlighted the key requirements to achieve this goal.

Country Presentations on Ongoing and Planned Railway Development and its Relation to Future GMS Railway Integration

15. The country delegations presented their national railway development activities and plans, including planned or proposed interconnections with other countries’ railways. The following participants gave the presentation for their respective countries: (i) Mr. Sourn Vanhong, Director of Planning Department, Ministry of Public Works and Transport for Cambodia; (ii) Mr Yi Huaru, Deputy Director, Office of Railway Construction, GZAR and Deputy Director of Nanning Railway Administration for PRC, focusing on the Nanning and GZAR high-speed rail development plans; (iii) Mr. Sompong Pholsena, Deputy Director General, Railway Authority, Ministry of Public Works and Transport for Lao PDR; (iv) Mr. Aung Myint Hlaing, Deputy

General Manager, Ministry of Rail Transportation for Myanmar; (v) Mr. Suprapas Senivongse Na Ayudhya, Assistant Governor of the State Railway of Thailand; and (vi) Mr. Nguyen Van Thach, Director General, International Cooperation Department, Ministry of Transport, Viet Nam. (The country delegations' reports are in **Appendices 8-A to 8-D**). (Note: The railway presentations of Cambodia and Myanmar are incorporated in Appendices 5-A and 5-D, respectively.)

Open Discussion

16. On the plans for the development of railways in Cambodia, the meeting was informed that the development of one of the 3-4 new lines (in addition to the one that is currently being rehabilitated) will be undertaken in partnership with a private company; the others are still seeking financing. Mr. Power informed that the Republic of Korea is assisting in preparing a national railway development strategy for Cambodia, which will include looking into the best way of financing the new lines. He also mentioned that another challenge to PPP railway projects in Cambodia is the absence of a legal structure and special laws (apart from the general contract law) governing PPP railway projects.

17. Mr. Yi highlighted the potentials for railway development in GZAR, given the still significant gaps compared with other countries and regions, e.g., in terms of rail density. He apprised the meeting on the planned high-speed railway development plans to connect Nanning and GZAR with other parts of the PRC and with other countries in the region. In response to a question, he stated that the plans are equally focused on passenger and freight traffic, with the high speed rail addressing the former and large capacity lines for the latter. With regard to the resources for railway development, these are sourced from central government investment contributions (around 50%), local government fiscal revenues and land acquisition income (30%), and from social development funds of the state companies (20%). On the panel of experts that he proposed to provide inputs on important aspects of rail development in the subregion, he said this should be made up of representatives from all the GMS countries. Also, among the first issues that it should discuss are options for the alignments to be pursued (e.g., determining all the missing links, projected traffic volumes), technical issues (e.g., standards, speeds), and ways of mobilizing resources. He proposed an incremental, step-by-step approach to the development of the subregional rail network, which the Co-Chair noted is consistent with the railway Strategic Framework.

18. Among the challenges/contraints to railway development and interconnection that have been identified in the presentations (most of which were captured quite well by the Viet Nam presentation) were:

- Lack of market orientation
- Differences in technical standards
- Low utilization of railway assets
- Huge backlog of needed infrastructure maintenance activities
- Lack of modern and adequate business tools to manage railways
- Inadequate financial/performance agreements between railway authorities/companies and the government.

Day 2 Proceedings: 3 December 2010

IV. Session 3. Presentation on the Experience of the International Union of Railways (UIC)

18. Mr. Jean-Pierre Loubinoux, Director-General of the UIC, gave a presentation sharing the experience and current activities of the UIC, and raised points for consideration by the GMS countries in their efforts toward railways integration. (A copy of his presentation is in **Appendix 9.**)

Open Discussion

19. The Co-Chair expressed appreciation for UIC as a substantial resource for railway development in terms of the expertise and experience that it can share. He noted that two of the key factors that are required for railway development and integration are already present in the GMS, namely, strong economic growth and expanding markets. However, the subregion's railways are still encountering challenges in terms of technical interoperability and administrative interoperability. Of these two challenges, the latter, which involves software, e.g., streamlining and harmonizing procedure sfor cross-border movements, is considered the more crucial one.

20. Mr. Loubinoux emphasized that the key to successful regional railway integration program is the shared vision and will of the member countries to achieve it. the member countries must have the political will to pursue a common and comprehensive vision of integration. He cited the example of North America, where there was always discussion about linking the local railways with the federal railway, but not much was achieved because commitment to a shared vision was lacking. Once the countries commit to such a common vision, then a master plan can be developed step-by-step, including identification missing links, prioritization of links to ports/harbors, development of inland container depots, development of alternative scenarios, such as which cities to connect first, and so on. In these efforts, universities and training institutions should be involved, as it it should be ensured that new generations of railway professionals will be available to replace the dwindling number of existing ones as well as to man the expanding railway systems.

21. In relation with what the Co-Chair mentioned earlier, the meeting recognized that administrative integration issues are often more difficult to address than technical issues. In this regard, the importance of a common vision is again highlighted. The common vision would make it easier for countries to ensure the alignment and reconciliation of their technical choices. But it is often more challenging to harmonize institutional, policy and regulatory aspects of integration.

22. Another issue cited involves the difficulty of harmonizing various systems being provided by different suppliers. For instance, signalling systems being offered by different suppliers have different underlying source codes, such that in cases of railway expansion it is often difficult to merge new systems with existing ones. One important approach to solve this is to engage all industry players at the outset or planning stage. Relatedly, the meeting recognized the need to engage the private sector in the planning of railway expansion and integration.

23. With regard to the relative importance of freight and passenger traffic in railway development, Mr. Loubinoux advised that care should be taken in designing railway plans focusing on freight since this would depend on the evolving industrial structures of countries and regions. For instance, railway development during the time of industrial revolution was based on demand from bulk cargoes of mining and agricultural products; during the reconstruction period after the Second World War, from steel products. However, eventually the share of heavy industries in the European and North American economies have diminished, and competitiveness increasingly depended on the availability of inter-modal links and logistics services. With regard to passenger traffic, it should be noted that railways also have a social dimension and that they offer a safe and efficient mode of travel. For instance, high-speed rail

has been shown in many cases to be very useful and profitable, e.g., for inter-city travel. Moreover, there are costs associated both with provision as well as with non-provision of such facilities, and these should be weighed against each other. It was suggested that the tasks of the proposed GMS Railway Coordination Office (RCO) should include looking into not only the technical and economic dimensions of railways but also into their social dimensions.

24. With regard to railway services manpower development and capacity building, this will include efforts at both the national and regional levels, involving national and international universities and learning institutions. This should cover a wide range of training needs, including railway operations, maintenance, services, and management. It was suggested that the proposed RCO can organize workshops in coordination with and the assistance of the UIC. Another possibility is the use of e-learning modes.

25. The Co-Chair informed that ADB is currently in the process of forging a partnership with IUC through an MOU, and this partnership will include not only these two institutions but the GMS countries as well.

V. Session 4. Presentations on ADB's Railways-Related Operations and Possible Initiative toward Translating the RSF into a Plan of Action

26. Mr. Adrien Veron, Transport Economist, East Asia Department, ADB gave a presentation on completed, ongoing and planned railway development activities and projects in PRC, particularly in GZAR and in Yunnan Province, that are assisted and/or financed by the ADB. (A copy of his presentation is in **Appendix 10**.)

27. In response to a question on resettlement, the Co-Chair stated that this is an important issue in both rail and road transport projects and that ADB has a strict safeguard policy regarding it. Ensuring orderly and fair resettlement is a complex and time-consuming exercise that has to be taken very seriously. This is important in ensuring smooth project implementation, particularly in view of the growing interest and influence of civil society groups in resettlement-related issues. The ultimate objective though is to ensure that the affected communities are properly and safely resettled and provided with all necessary means to cope with their changed situation.

28. Mr. James Lynch, Co-Chair gave a presentation on ADB's ongoing and planned activities in the GMS railway sector. (A copy of his presentation is in **Appendix 11**.) A particular focus of the presentation was the proposed ADB technical assistance (TA) to support the setting up of the GMS Railway Coordination Office (RCO) that was recommended by the RSF. The RCO will help ensure that GMS countries' railway plans and broad activities are coordinated and that all stakeholders are engaged. The ADB TA's intended main output is a proposed detailed plan for the RCO, with a clear terms of reference, budget, business plan and proposed financing plan for the first 5 years of its operation.

29. The meeting agreed that the RCO will be owned by the GMS countries and will be composed of representatives from all the GMS countries. The Co-Chair suggested that the organization of other GMS regional bodies, such as the Environment Operations Center (EOC), the Mekong Tourism Coordinating Office (MTCO), be looked into as possible models. He said that the first activity to be undertaken under the TA will be a scoping exercise to determine the possible role, functions, requirements and structure of the RCO. This will be undertaken in consultation with the GMS countries, the UIC, and other development partners.

30. Viet Nam proposed that the planned rail link from Phnom Penh to Ho Chi Minh City be considered also by ADB as a GMS subregional project, with possible support from other development partners (e.g., PRC, Thailand), and not just as a bilateral project between Cambodia and Viet Nam. Moreover, software aspects (e.g., policy, institutional, and capacity-building issues) should also be considered. The Co-Chair remarked that with regard to software, although there may differing conditions between rail and road transport, work on this can perhaps be leapfrogged, given the substantial experience gained under the CBTA and with help from the UIC.

31. Mr. Paul Power gave a presentation that tried to summarize the key constraints, issues and challenges to GMS railway connectivity. (A copy of his presentation is in **Appendix 12.**) He said that among the constraints and issues are: inadequate cross-border interface, different technical standards, lack of information integration, and absence of common operating rules and safety standards. He noted that the TA supporting the setting up of the GMS Railway Coordination Office is an important step toward addressing these issues.

VI. Session 5. Statements/Updates from Other Development Partners

32. Mr. Li Yuwei, Chief, Transport Facilitation and Logistics Section, Transport Division of UNESCAP gave a presentation on his organization's activities in the field of transport. (A copy of his presentation is in **Appendix 13.**) He focused on the progress of work and plans regarding the Asian Highway Network, the Trans-Asian Railway Network, integrated inter-modal transport with interface of dry ports, road safety, PPP and transport facilitation.

33. Mr. Hozumi Katsuta, Senior Project Formulation Advisor, JICA Vietnam Office, said that JICA has been extending support for transport projects in the GMS.. Touching on an example of urban railway development now underway in HCMC and Ha Noi, he reiterated the problem that was earlier mentioned regarding the difficulty of harmonizing technologies from various suppliers and donors. He added that it is very important to consider this in the development of railway in terms of both hardware and software aspects.

34. Mr. Mukul Mathur, Head of UIC-Beijing, proposed certain points for consideration in planning for railway development and integration, among which are: the importance of connecting hinterlands with ports and involving the industries in the port area the private sector; the crucial role of complementary facilities, such as inland dry ports, and mobilizing support in this regard from financing institutions; the need for investments in rolling stock, including tapping the leasing market for this purpose; the need to find ways to draw upon and share resources that are in the region, including funds and manpower resources.

35. Mr. Rapipit Promnart, Director, Project Financing Bureau of the Neighboring Countries Economic Development cooperation Agency (NEDA) gave updates on his organization's activities to assist the transport sector in the GMS. (A copy of his presentation is in **Appendix 14.**)

VIII. Consideration of an Updated Transport Section of the Vientiane Plan of Action

36. Mr. Ronald Antonio Butiong, Head, CAREC Unit, ADB and the Co-Chair presented a proposed updating of the transport section strategic directions and actions under the Vientiane Plan of Action (2008-2012) based on the progress on the respective projects reported by the countries as well as the remaining gaps that have been identified. (A copy of his presentation is in **Appendix 15.**)

37. Among the key findings from the countries' reports are:
- The physical infrastructure (particularly roads) is almost complete.
 - However, certain gaps remain, namely:
 - Facilitating cross-border transport along the three original corridors
 - Multimodal transport, i.e., inclusion of rail
 - Other important software concerns, such as road safety and incorporation of climate concerns
38. To address these gaps, the proposed key strategic directions for the remaining period of the Plan, which were derived from the second GMS Transport Sector Strategy, endorsed by the GMS Ministers, are:
- Facilitate economic efficiency, through
 - Addressing nonphysical barriers to cross-border transport
 - Promoting economic corridors
 - Encourage multimodalism.
39. The following specific initiatives were proposed for inclusion in the transport section of the Vientiane Plan of Action for the period 2011-2012:
- Setting up and operationalizing the GMS Rail Coordination Office
 - Establishing exchange of traffic rights among:
 - PRC-Lao PDR-Thailand (NSEC)
 - Thailand-Cambodia-Viet Nam (SEC)
 - PRC-Viet Nam (Eastern Corridor)
 - Promoting corridor towns development
 - Undertaking sustainable transport initiatives, particularly:
 - Road safety program
 - Climate proofing of corridors (together with the GMS Environment Working Group)
 - GMS Carriers and Freight Forwarders' Association (in conjunction with initiatives under the Program of Action for Transport and Trade Facilitation endorsed by the 16th GMS Ministerial Conference)
40. The meeting endorsed the foregoing proposals.

IX. Other Matters

41. In line with the tradition of rotating the venue of the STF among the GMS members according to the alphabetical order of country names, the Lao PDR delegation said that they will make the appropriate consultations with their authorities for the holding of the Fifteenth Meeting of the STF in Lao PDR, and will advise ADB of the outcome as soon as possible.

X. Acknowledgements

42. The GMS countries and the ADB expressed their sincere thanks to the hosts, the PRC Ministry of Transport and the Guangxi Department of Transport, for the warm hospitality and excellent arrangements provided to the Fourteenth Meeting of the Subregional Transport Forum. The Co-Chair formally closed the meeting.

14th Meeting of the GMS Subregional Transport Forum

Nanning, Guangxi Zhuang Autonomous Region
People's Republic of China
2-3 December 2010

PROVISIONAL PROGRAM AND AGENDA

Proposed Meeting Theme:

Next Generation of Transport Connectivity in the GMS

Objectives:

1. To review and monitor the progress on priority GMS transport projects, including those identified in the Vientiane Plan of Action (VPOA) for GMS Development (2008-2012), with a view to setting priorities for future GMS transport development;
2. To revisit the recommendations of the Strategic Framework for Connecting GMS Railways and translate it into a plan of action.

First Day (Thursday, 2 December 2010)

0800-0830

Registration

0830-0900

Opening Session

Welcome Remarks

Mr. Pan Wei

Director General
Department of Transport
Guangxi Zhuang Autonomous Region
People's Republic of China

Opening Remarks

Chair, Mme. Tang Guomei

Counsellor
International Cooperation Department
Ministry of Transport
People's Republic of China

Co-Chair, Mr. James Lynch
Director, Transport and Urban Development Division (SETU),
Southeast Asia Department, Asian Development Bank (ADB)

0900-0915

Group Photo Session

0915-1230

Session 1. Status Reports on Priority Transport Projects

0915-1200

(1-A) Country Reports on Transport Projects in the Vientiane Plan of Action

[The session provides the venue for monitoring the progress on the Transport Sector projects in the Vientiane Plan of Action (VPOA) for GMS Development (2008-2012) endorsed and adopted by the Third GMS Summit. It aims to: (i) obtain updates on actual developments/status of the various action items/projects contained in the VPOA pertaining to each country; and (ii) apprise the STF on any issues, concerns, and needed actions regarding the projects.]

Presenter: Each Country Delegation

[Twenty-five (25) minutes will be allotted for each country presentation.]

0915-1030

Presentations by: Cambodia, People's Republic of China, Lao People's Democratic Republic

1030-1045

Coffee/tea Break

1045-1200

Presentations by: Myanmar, Thailand, Viet Nam

1200-1230

(1-B) Brief on ADB's Sustainable Transport Initiative

Presenter: **Mr. Antoine Kunth**
Infrastructure Specialist
Southeast Asia Department, ADB

1230-1400

Lunch

1400-1715

Session 2. Revisiting the Strategic Framework for Connecting GMS Railways and Discussion of Experience and Lessons from Other Regions

1400-1430 **(2-A) Revisiting the Strategic Framework and its Key Recommendations**

Presenter: **Mr. Paul Power**
Consultant, GMS Railway Strategy Study

Open Discussion

1430-1645 **(2-B) Presentations on Ongoing and Planned Railway Development and its Relation to Future GMS Railway Integration**

1430-1645
(with a 15-minute
coffee/tea break)

(1) Country Presentations

[Country delegations will present their national railway development activities and plans, if possible with the use of visual aids such as maps, including possible opportunities for interconnecting with other countries' railways. While the presentation will focus on physical infrastructure development, it will also include what the countries consider key constraints to railway development and interconnection with other countries' railways, both in terms of hardware and software.]

[Each country presentation will be allotted 20 minutes.]

1645-1715 **(2) Presentations on ADB's Railways-Related Operations**

Presentors: A representative from
Southeast Asia Department, ADB

Mr. Adrien Veron
Transport Economist
East Asia Department, ADB

1715-1730 Wrap Up of First Day Sessions

By Co-Chairs

1830-2000 Dinner (Hosted by ADB)

Second Day (3 December 2010)

0830-0915 Session 3. Presentation on the Experience of the International Union of Railways (UIC)

Presenter: **Mr Jean-Pierre Loubinoux**

President
Union Internationale des Chemins de Fer

Open Discussion

0915-1045

Session 4. Discussion of Next Steps and Translation of the Strategic Framework into a Plan of Action

[This session aims to come up with actions and initiatives pursuant to the recommendations of the Strategic Framework for Connecting GMS Railways.]

0915-1000

(4-A) Discussion of Key Constraints, Issues and Challenges to GMS Railway Connectivity

Moderator: **Mr. Paul Power**
Consultant, GMS Railway Strategy Study

1000-1015

Coffee/tea Break

1015-1100

(4-B) Discussion of Possible Initiatives to Address Some of the Key Challenges to Railway Integration

Presenter: A representative from
Southeast Asia Department, ADB

1100-1145

Session 5: Statements/Updates from Other Development Partners

[Development partners will be given the opportunity to present their assistance to related initiatives in the region as well as their views and suggestions on the general topic of GMS railway development/integration, including their possible engagement in it.]

Moderated by Co-Chairs

1145-1215

Session 6: Consideration of an Updated Transport Section of the Vientiane Plan of Action

Presentors/Moderators: **Mr. James Lynch**
Director, SETU, ADB

Mr. Ronald Antonio Butiong
Head, CAREC Unit, ADB

1215-1225	Session 7. Other Matters
1225-1230	Wrap Up of the Meeting
1230-1400	Lunch
1400-1800	Site Visit (Visit to Nanning railway station and other places of interest.)
1830-	Dinner (Hosted by PRC)

**GREATER MEKONG SUBREGION
14TH MEETING OF THE SUBREGIONAL TRANSPORT FORUM
Nanning, PRC
2-3 December 2010**

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GMS: Fourteen Meeting of the Subregional Transport Forum (STF-14)

Welcome Remarks

by Mr. Pan Wei, Director General of Guangxi Transport Department

December 2, 2010-12-1

Your Excellency, Ms Tang Guomei, Chair, Counsellor of the Ministry of Transportation, People's Republic of China

Mr. James Lynch, Co-chair, Director of Transport and Urban Development Division, Southeast Asia Department, ADB,

All delegates from ADB and Transport Sectors of GMS Countries,

Experts from the International Agencies,

Distinguished Guests, Ladies and Gentlemen,

Being as the director general of Guangxi Transport Department, I feel so pleased today to see the officials and experts from ADB and GMS countries come to Nanning, the capital city of Guangxi Zhuang Autonomous Region, to review the the GMS transport projects progress and jointly discuss about the future development program. Also I am very appreciated for the confidence and support by ADB and the Ministry of Transportation. Here I would like, On behalf of Guangxi Transport Department, to extend my warm welcome to all the distinguished guests, and congratulations to the opening of the 14th Meeting of the Subregional Transport Forum.

Guangxi is located in the joint area between the economic rings in South China and that in ASEAN countries, and it is actually a most convenient land route connecting with China and ASEAN. In recent years, along with the establishment of China-ASEAN Free Trade Area (CAFTA), the deepening of China-Vietnam

“Two Corridor One Ring” and the development of GMS cooperation and Pan-Beibu Gulf cooperation, Guangxi has become the most important corridor for the competitiveness of China and ASEAN.

According to the statistics in Year 2009, the total length of roads in Guangxi is up to 100,491 km, including 2,395 km of expressway; the total throughput capacity of sea ports in Beibu Gulf reaches 115 million tons and the cargo throughput of inland waterway port 56.07million tons. It is expected that, by 2012, the total length of expressway in Guangxi will reach 5000 km, and thus form a fairly completed expressway network to neighboring provinces, to sea and to border area. And the total comprehensive capacity of sea ports in Beibu Gulf reaches 300 million tons and the cargo throughput of inland waterway port 100 million tons, the cargo distributing capacity and competitiveness will be greatly improved.

The GMS cooperation is initiated by the Asian Development Bank, and we understand that it aims at the practical regional cooperation, poverty alleviation and economic and social development. Since Guangxi's accession in the GMS sub-region Economic Cooperation Mechanism in 2005, Guangxi has done some positively cooperation with GMS countries in fields of trade, investment, tourism, agriculture, energy, cross-border economy and transportation. Especially, the transport cooperation projects under the GMS cooperation framework witnesses a substantial progress. Among which, Nanning-Youyiguan Expressway project, loaned by ADB, was completed and opened to traffic in 2005; Longlin-Baise expressway project, also loaned by ADB, is expected to be completed in 2010. Besides, those projects related to Guangxi as listed in VPOA, e.g. Baise to

Longbang and Hechi to Baise expressway, Nanning to Kunming Railway Capacity Expansion project, Guilin and Nanning Airport projects are in processing.

We hope that ADB and the Central Government would provide us a continuous support in the transport projects processing, so as to promote the transport integration and connectivity with GMS countries. We are also expecting to have more new contents and updated project list for transport cooperation. We need all your support to the further study on construction of Nanning-Singapore Economic Corridor as proposed by Guangxi Government, and coordination input to those border bridges, such as Beilunhe River Bridge between China and Vietnam.

We would work with the GMS countries to build the international corridors by accelerating the transportation infrastructure construction on highway, railway and aviation, so as to create a harmonious environment for transport facilitation, and share a convenient, efficient and safe modern transport network.

We believe that the transport cooperation will achieve fruitful achievement with the active initiation by ADB and the joint effort by China and GMS countries.

In conclusion, I wish all the delegates and friends be happy and healthy during your stay in Nanning ! And I wish the meeting a great success!

Thank you!

**Greater Mekong Subregion
Fourteenth Meeting of the Subregional Transport Forum
Nanning, Guangxi Zhuang Autonomous Region
People's Republic of China
2-3 December 2010**

Opening Remarks

By

Mr. James P. Lynch

**Director, Infrastructure and Urban Development Division
Southeast Asia Department
Asian Development Bank**

Your Excellencies, Distinguished Guests, Ladies and Gentlemen:

It is my honor and pleasure to co-chair this 14th Meeting of the GMS Subregional Transport Forum. I wish to thank the People's Republic of China and the Guangxi Zhuang Autonomous Region of PRC for graciously hosting this forum, and for the excellent arrangements for our meeting.

I particularly wish to thank Mr. Pan Wei, Director General, Department of Transport of Guangxi, and Madame Tang Guomei, Counsellor of International Cooperation Department of the Ministry of Transport of PRC for their warm welcome and their strong support in organizing this meeting.

As you know, our Forum is the oldest and, objectively speaking, the most productive forum in the GMS Program. The importance of the transport sector in GMS cooperation is undisputed, considering the dominant role of connectivity in the program's overall strategy. This importance of the transport sector is reflected in the fact that transport projects account for

the bulk of the GMS portfolio. Total investment in the GMS transport sector has reached about \$9.3 billion, or close to 90% of the overall GMS investment portfolio. Even now, the GMS transport sector continues to have a relatively robust pipeline of projects over the medium-term.

However, recent trends and the challenges they bring make it imperative for us to strategically assess the transport sector in the GMS, and the necessary actions going forward. We need to determine what areas of cooperation to focus on, and identify a second generation of projects that will further support GMS connectivity and integration over the next decade of cooperation.

The requirements for greater connectivity are also evolving, and we have to be innovative and responsive to these new and emerging demands. The GMS transport corridor network has to be completed, and most of the projects in the Vientiane Plan of Action are geared toward achieving this objective. While we will certainly continue to pursue these projects, we also need to address new needs and challenges. For instance, as the Third GMS Summit correctly recognized, multi-modal transport has gained greater importance given new demands, including those of increased competition, new production processes, and the threat of climate change.

The need to address the multi-modal dimension of transport connectivity brings us to one of the key purposes of this meeting, namely, to identify actions needed to develop an integrated GMS railway system.

You will recall that in our last Forum in Siem Reap, we reviewed the final report of the GMS Railway Strategy Study, and subsequent further consultations and analytic work gave rise to a proposed Strategic Framework for Connecting GMS Railways. I am pleased to report to you that the Strategic Framework was endorsed by the 16th GMS Ministerial Conference in Ha Noi last August. The next and more difficult step is to now try to translate this Strategic Framework into a workable action plan.

We hold no illusions that this task will be an easy one. It will involve grappling with complex issues and overcoming serious resource constraints and other obstacles. But our meetings today and tomorrow will hopefully provide a modest, but meaningful beginning to this process. Nevertheless, we are fortunate that others have offered to provide advice and guidance based on their own experience in connecting railways across borders. We are very pleased that the President of the International Union of Railways or UIC, Mr. Jean-Pierre Loubinoux, will be with us tomorrow to share with us their experience in the development of the European railway network, and discuss how some lessons learned in Europe can be applied in the GMS.

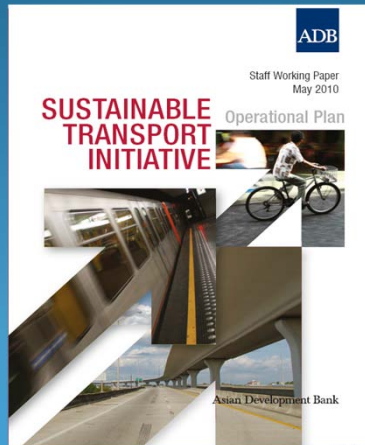
We have also requested each of the countries to present their respective railway development and interconnection plans, with particular focus on the key problems and constraints that they are facing in these efforts. Hopefully, in comparing notes and identifying common challenges, we will be able to find common approaches and the actions needed to arrive at workable solutions.

At ADB, we have also done a bit of homework and will present to you a first initiative toward the implementation of the Strategic Framework, namely, a plan to help establish a GMS Railway Coordination Office, as recommended in the Framework.

We therefore have a full and challenging task ahead of us over the next two days. The results of our meeting will be crucial in determining the course of cooperation in the GMS transport sector over the coming years and, given transport's dominant role, the future direction of subregional connectivity and competitiveness.

Thank you and I look forward to a very interesting and productive Subregional Transport Forum here in Nanning.

ADB's Sustainable Transport Initiative Operational Plan



Transport in Asia - *The Inconvenient Truth*

Transport is a key driver of development, but ...

- Motorization doubling every 5-7 years
- Congestion costs 2%-5% of Asian GDP
- Road accidents costs 2%-5% of Asian GDP
- Energy use ~ 30% of World energy
- Fuel security - US\$50-150/barrel
- CO₂ - 23% from transport sector
- Local pollution – health problems and cost

ADB

This Inconvenient Truth has served as a wake-up call for ADB...

- ADB's transport portfolio has always been large
- ADB is a trusted partner in the transport sector
- Transport has been the backbone of ADB lending operations

However changing times require New Directions...



These New Directions are Captured in ADB's New Sustainable Transport Initiative (STI)

ADB has recognized the need to align its transport operations with Strategy 2020, which is based on three core pillars:

- inclusive economic growth,
- environmentally sustainable growth and
- regional integration

ADB has also recognized the need to align its transport operations with the changing needs and demands of the Asia and Pacific Region.



ADB's STI is the result of extensive consultation and builds upon:

- Clean Air Initiative for Asian Cities (2000-2007)
- Arrive Alive: ASEAN Road Safety and Action Plan (2005)
- Study on Transport, Energy Efficiency and Climate Change (2006)
- Sustainable Urban Transport – Case studies for 5 cities (2006-2007)
- Changing Course: A New Paradigm for SUT (2007-2008)
- Promoting Sustainable Urban Transport in Asia Project (2009)
- ADB's Transport Forum: Changing Course - Pathways to Sustainable Transport (2010)

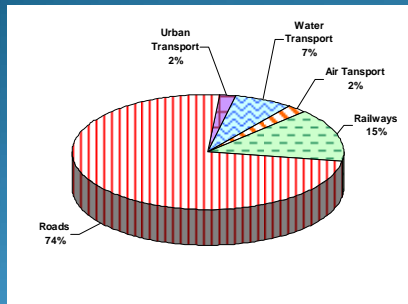
ADB

Sustainable Transport for ADB means developing transport systems that are
accessible, safe, environmentally-friendly, and affordable

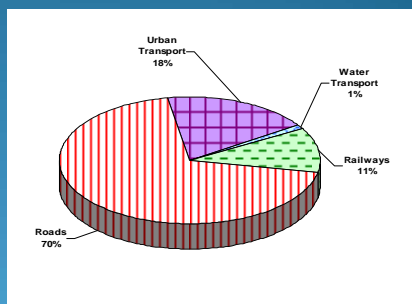
ADB

ADB's Transport Operations are Changing

1970-2009



2010-2012



ADB

ADB Road Sector Assistance...

- Over the years, ADB's support in the Road Sector has focused on improving access, enhancing economic opportunities, and increasing mobility especially for remote rural communities and farmers.
- **Key outputs (2005-2009)**
 - 1,400 km of expressways
 - 40,000 km of national highways, provincial and rural roads.
- **Road loans included...**
 - strengthening the capacity of road institutions
 - increasing private sector participation
 - complementary investments to increase poverty reduction impacts
 - road asset management
- **ADB's sub-regional programs...**
 - improved physical connectivity
 - economic integration of neighboring countries



ADB

ADB's Sustainable Transport Initiative Opportunities for New and Enhanced Operations

- **Scaling-up urban transport** – scale-up operations, promote model projects such as BRT and rail MRT
- **Mainstreaming climate change** – model projects for mode shifting and distance shortening
- **Improving cross-border transport and logistics** – more effective transport and trade facilitation
- **Supporting road safety and social sustainability** – scale-up, strengthen approach, and partner with road safety organizations and social development institutions

ADB

Sustainable Transport Initiative Phasing

STI implementation in 3 phases



2010-11

- Mainstreaming
- Scale up early opportunities
- Study further opportunities

2012-15

- Full implementation of early opportunities
- Scale up further opportunities

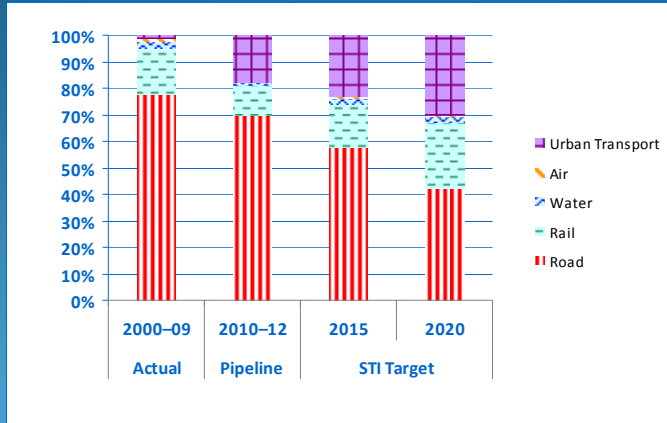
2016-20

- Full implementation

*The Sustainable Transport Initiative was approved
by ADB Management on 20 July 2010*

ADB

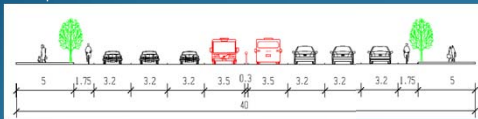
Annual Transport Lending – Actual and Targets



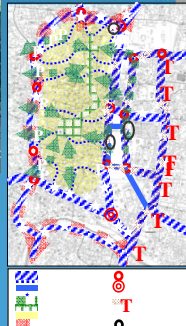
ADB

Early Opportunities: Scaling-up Urban Transport

BRT projects in Lanzhou and Pimpri, Pune, Ulaanbaatar



Metro Rail projects in Ho Chi Minh, Hanoi, Tbilisi



Integrated urban transport in Kathmandu, Dhaka, Davao, Vientiane, Xian, Yerevan

ADB

Early Opportunities: Mainstreaming Climate change:

▶ Railways

- Afghanistan: Hairatan to Mazar-e-Sharif (75km)
- PRC: Energy Efficiency and Safety Enhancement Investment program
- Cambodia: Rehabilitation 600 kms of track

▶ Road projects – national, state highway and rural roads

- ▶ CO₂ emitted over **full life cycle**
- ▶ Ongoing Study on **Reducing Carbon Emissions** from Transport Projects
- ▶ **Impact Assessment**

Afghanistan, People's Republic of China, Cambodia Bangladesh, Viet Nam, India, Azerbaijan



Carbon Footprinting of
Transport Projects



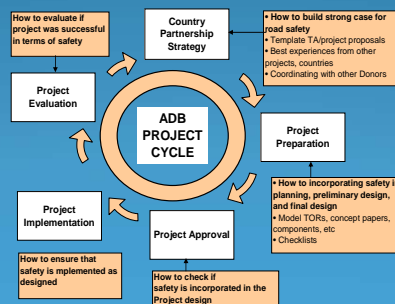
Improving Cross-border Transport and Logistics

- Multi-country regional projects to improve border crossings
- Cross-border transport and logistics within regional cooperation programs e.g. GMS, CAREC, SAARC
- Proposed regional infrastructure integration facility, including support for Asian Highway



Supporting Road Safety Initiatives

- ADB Road Safety Action Plan under development
- Road safety components of road projects
- Stand-alone road safety projects



ADB is Also Pursuing Emerging Opportunities

- Sustainable transport development plans
- Policy advisory support
- Transport demand management and road pricing
- Intelligent transport systems
- Possible roles for ADB in promoting new technologies for vehicles, engines and fuel



Sustainable Transport Partnership Facility

A mechanism for Development Partners to provide financing, expertise and support innovation for sustainable transport

- **Partnership Window**
 - Financing Contributions
 - Expertise Contributions e.g. KOTI, IRAP, FIA
- **Innovation Window**
 - Policy Advisory Work
 - Prefeasibility and Feasibility Studies
 - Finance “add on components” that enhance sustainability

ADB

While ADB's *Sustainable Transport Initiative* provides the necessary roadmap for scaling-up our support for sustainable transport, we hope that it inspires others to join us in developing *accessible, safe, environmentally-friendly and affordable* transport systems in Asia.



ADB

Information about ADB's Sustainable Transport Initiative
can be found at:

<http://www.adb.org/Transport/default.asp>

2 December 2010



Revisiting the Strategic Framework for Connecting GMS Railways

Presented at the
14th Meeting of the GMS Subregional
Transport Forum (STF-14)
2-3 December 2010
Nanning, Guangxi Zhuang Autonomous Region,
People's Republic of China



1

Strategic Framework for Connecting GMS Railways

- Endorsed by the 16th Ministerial Conference in Ha Noi in August
- The goal for the GMS countries in rail transport is an efficient and interconnected railway network
- The strategic framework is a significant first step toward this goal and provides a platform for dialogue



2

The views expressed in this paper/presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequence of their use. Terminology used may not necessarily be consistent with ADB official terms.

Key Features of the Strategic Framework

Priority actions:

- Ensuring that all GMS countries are connected to a GMS rail network by 2020.
- Promoting the development of a seamless rail network in the GMS by:
 - agreeing on common technical standards of interoperability,
 - streamlining and harmonizing procedures for cross-border movement of goods and people,
 - agreeing on regional operating rules and safety standards,
 - fostering cooperation between GMS railways, and
 - ensuring connection to other modes of transport.



3

Priority Actions (continued)

- Ensuring that railway infrastructure and equipment is
 - modern and sufficient to meet the demand, and
 - operated and regulated according to best practices in the operation and regulation of railways.
- Developing GMS railway organizations to support the network by establishing a GMS Rail Coordination Office
- Involving the private sector in the planning and development of the GMS railway network



4

Next steps

- The framework balances need to build and upgrade rail lines with the urgent requirement begin addressing “soft” aspects that are needed to form an efficient rail network
- How should we proceed to implement the framework? What are the priorities. How is to be managed?
- These will be discussed further after we hear from others on the agenda



5

THANK YOU.



6

Connecting GMS Railways, Changing Lives ADB Activities in the PRC



14th Meeting of the Subregional Transport Forum

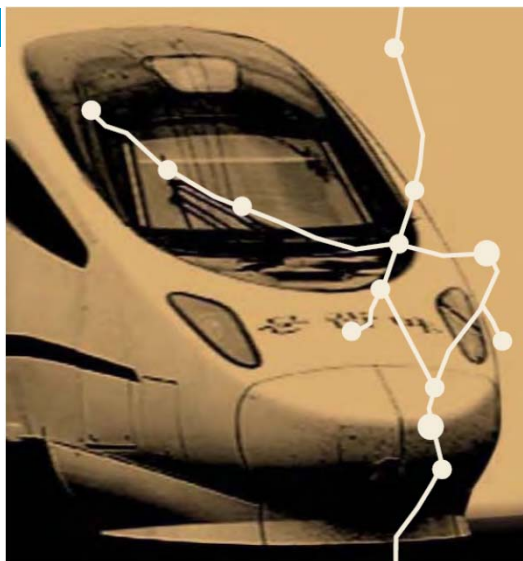
Adrien Veron, EARD - 2 December 2010



Connecting GMS Railways, ADB activities in the PRC

Presentation outline

- ▷ Why PRC railways?
- ▷ What has ADB achieved?
- ▷ Where are we going?
- ▷ Specific support in the GMS

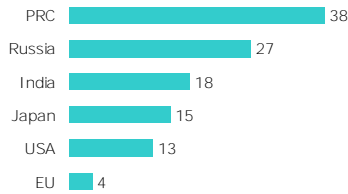


Railways in the PRC:

Boxing in a separate category?

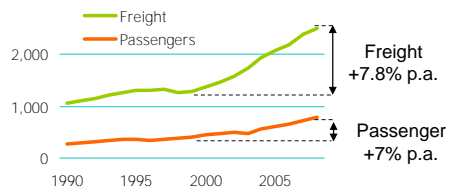
A highly productive system...

Traffic units /route-km (millions 2007)



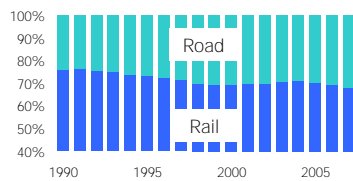
...meets a fast growing demand

Traffic (billion ton-km and billion pass-km)



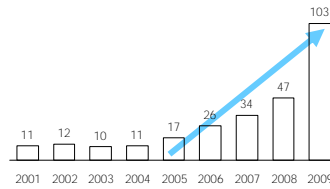
To ease the growing congestion...

Freight transport market share in % of ton-km



... investments have peaked

Railways fixed asset investments in billion \$

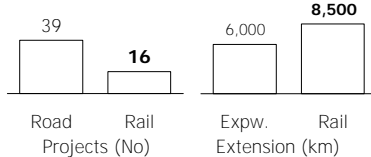


Source: World Bank, China Statistical Yearbook, China Daily, ADB staff calculations

What has ADB achieved? (1)

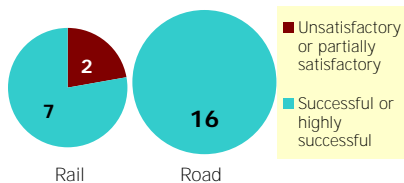
Large portfolio in PRC transport

\$12 billion since 1986



Good implementation record

Project performance (No projects)



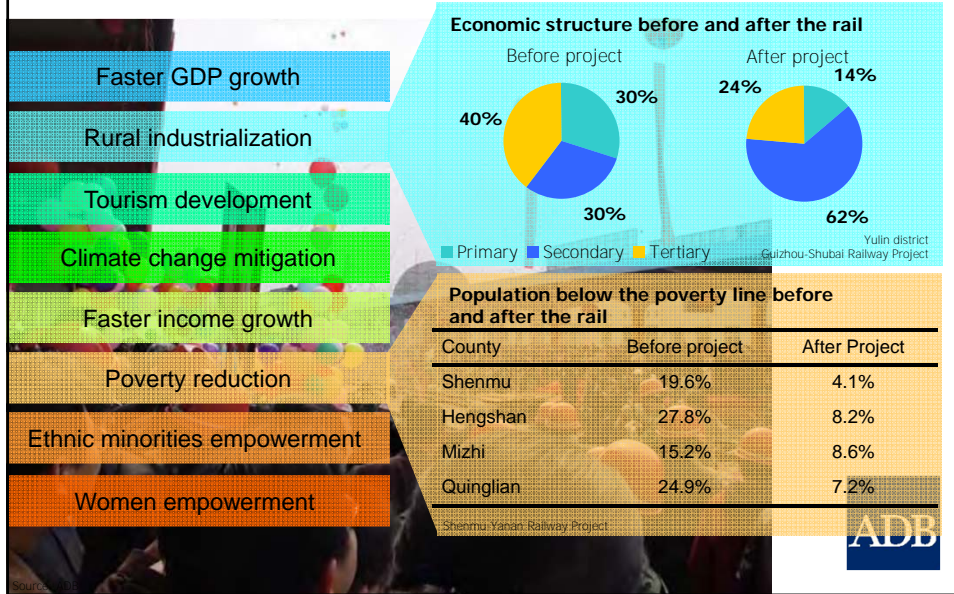
Source: ADB

From projects...



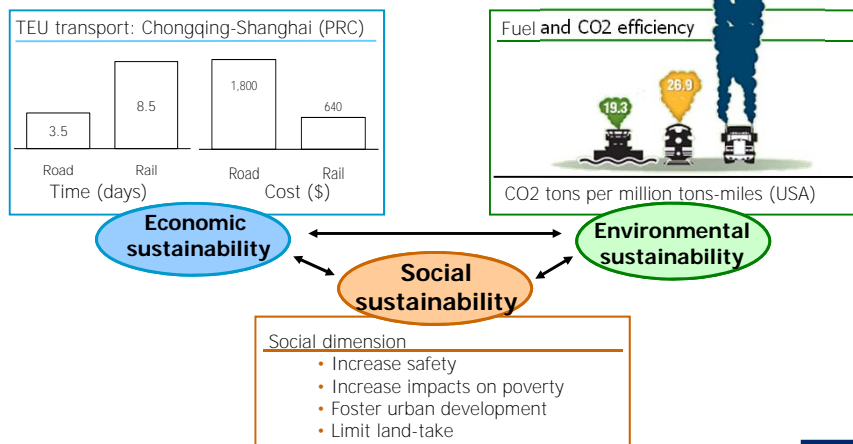
What has ADB achieved? (2)

... to impacts



ADB support to railways: Achieving sustainability

Railways contributes strongly to PRC's sustainable development...



... but much remains to be done to enhance its sustainability



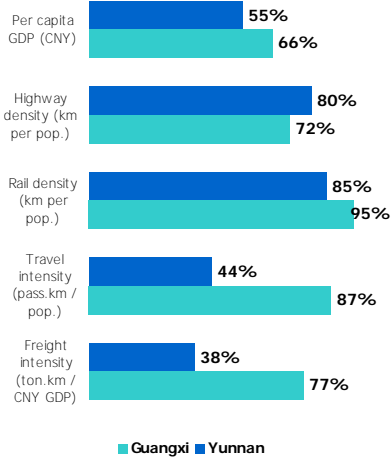
Sources: Deloitte and Touche, USACE, ADB

GMS in PRC: Yunnan and Guangxi Provinces

Catching up with the rest of PRC, linking with neighbors

A lagging area?

Yunnan & Guangxi in % of PRC average



A key ADB area of intervention

7 + 1 road projects

3 rail projects

Increasing focus on:

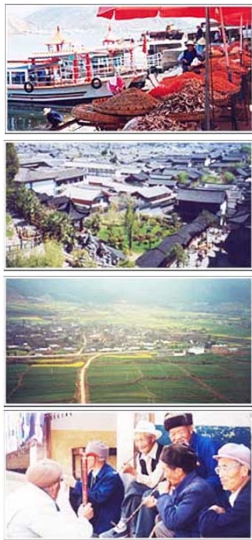
- GMS corridors
- Energy efficiency and safety
- Ethnic minorities development
- HIV-AIDs prevention
- Infrastructure maintenance



Sources: China Statistical Yearbook, ADB staff

Ongoing rail projects (1)

Dali-Lijiang Railway Project



Source: ADB

Ongoing rail projects (2)

Railway Energy Efficiency and Safety Enhancement Investment Program

A long-term, sector-wide approach...

- ▶ Multi-tranche Financing Facility
- ▶ **\$ 1 billion**
- ▶ 2009-2017

... for a focused intervention...

- ▶ One geographic area
- ▶ **Three areas of intervention**
 - ▶ Energy efficiency
 - ▶ Railway safety
 - ▶ Environmental sustainability
- ▶ Focus on technologically advanced equipment & capacity building

... bringing large environmental and social benefits



Source: ADB

Key lessons learnt and messages

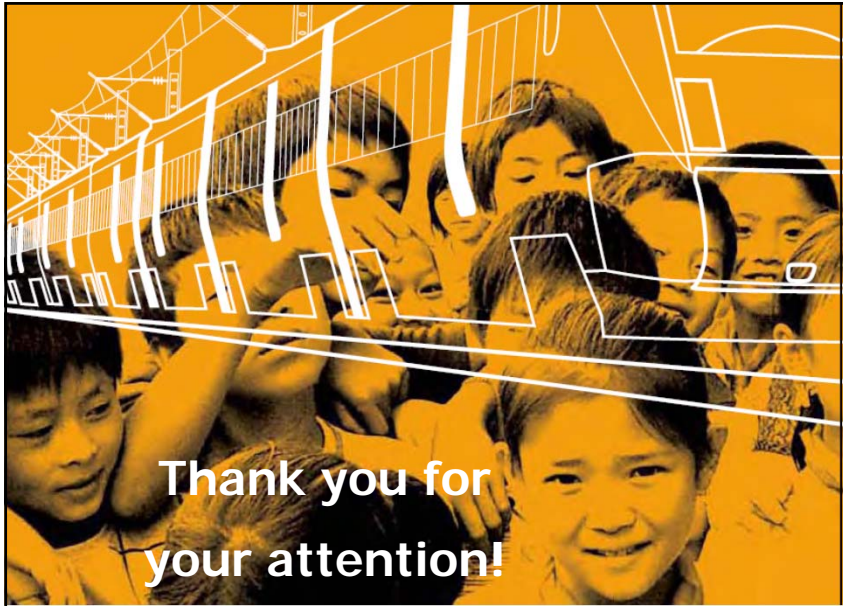
Railways in the GMS can be a safe, efficient and environmentally-friendly transport mode, contributing to growth and poverty reduction

Strong resettlement and ethnic minority development plans are key to smooth implementation

Railway projects can be implemented successfully, but there is a need for strong preparation and implementing structures

Infrastructure improvement and railways restructuring & reform need to progress in parallel





**Thank you for
your attention!**

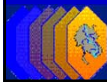


ADB's Railway Activities in the GMS

14th Meeting of the Subregional Transport Forum

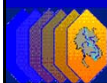
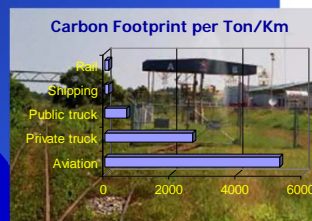
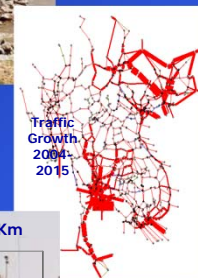
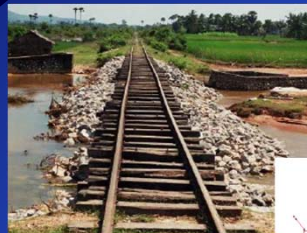
Nanning, PRC
2-3 December 2010

James P. Lynch
Director, Transport and Urban Development Division
Southeast Asia Regional Department, ADB



The Purpose of Railways in the GMS

- Facilitate economic development by promoting efficient trade by railway across borders
- Reduce congestion and negative social impacts of transport
- Reduce fuel dependency and CO₂ emissions



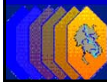
Ongoing and Planned ADB Activities

Ongoing:

- CAM: Rehabilitation of the Railway in Cambodia (ongoing), reconnection of the railways in Thailand and Cambodia
- VIE: Hanoi-Lao Cai Railway Rehabilitation (ongoing), improving connection between Vietnam and PRC

Planned:

- Subregional: Planning the GMS Railway Coordination Office, establish the coordination office at the earliest possible
- Subregional: Fully establish the GMS Railway Coordination Office, and develop a pipeline of GMS and national railway projects aimed at facilitating establishing seamless railway integration
- Subregional: Establish cooperation with the UIC, to enable UIC to be a resource base for facilitating railway integration in the GMS (a MoU between ADB and UIC is being prepared for signing)



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Tentative Time Line

2011:

- Establishing the GMS Railway Coordination Office
- Developing a framework for seamless interconnection (a common border interface)
- Facilitate the proposed Phnom Penh to HCMC link as required

2012:

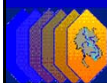
- Developing a proposed pipeline for GMS railway integration projects to facilitate integration of the national railways and start preparing other GMS railway links
- Review and agree on the pipeline and the selected future links (STF 16)

2013:

- Preparing the next batch of ADB financed GMS railway projects (infrastructure and technical assistance)
- Completion of the ongoing projects in Cambodia and Viet Nam

Beyond:

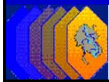
- Depends on the success with the steps taken until then, and developments in the fast paced GMS economies.



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A priority action under the Strategic Framework for Connecting GMS Railways:

- Setting up a GMS Rail Coordination Office to help ensure that GMS countries' railway plans and broad activities are coordinated and that all stakeholders are engaged



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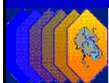
Proposed Regional TA

Goal:

To help the GMS countries to come up with an agreed detailed plan for establishing, operating and financing the GMS Railway Coordination Office (RCO) and a vision for its long-term role in facilitating GMS railway integration

Key Outputs:

- Terms of Reference for the GMS RCO
- Budget, business plan and proposed financing plan for the first 5 years of operating the GMS Railway Coordination Office

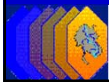


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Key Activities under TA

- ❑ Review the Railway Strategic Framework
- ❑ Hold country consultations on national needs and preferences: implementing GMS cross-border traffic, interface issues (e.g., payment clearance, immigration, health and customs procedures, other legal and regulatory issues), scope for private sector involvement
- ❑ Prepare a time-bound long-term plan --physical, institutional, operational and regulatory conditions toward enabling cross-border railway traffic, identifying the RCO's role

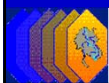


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Key Activities under TA (cont'd)

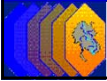
- ❑ Define scope of RCO's activities to facilitate GMS cross border railway traffic
- ❑ Conduct workshop with GMS countries and DPs
- ❑ Prepare the following for the RCO:
 - TOR
 - prepare 5-year business plan
 - prepare resource budget
 - financing proposal for next 5 years
- ❑ Prepare study report, present it to STF, and prepare final report for endorsement by GMS governments



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Thank You



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Key Constraints, Issues and Challenges to GMS Railway Connectivity

Presented at the
14th Meeting of the GMS Subregional
Transport Forum (STF-14)
2-3 December 2010
Nanning, Guangxi Zhuang Autonomous Region,
People's Republic of China



1

Constraints

- Investments are being made to upgrade national railways and to build new lines
- National plans need to be elaborated and address "soft" issues
 - Cross border interfaces will become "choke points" unless
 - Technical matters such as procedures for customs clearance, transfer of containers, wagons and passengers are agreed on and ultimately harmonized
 - Bi-lateral agreements are developed to permit connections and to facilitate cross border rail transport and these agreements reflect the goal of efficient & seamless rail transport



2

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Constraints (cont'd)

- Common technical standards are required – primarily structure gauge issues – otherwise rolling stock cannot be transferred easily from railway to railway
- Information integration – modern systems are needed to enable single ticketing for passenger's entire journey, electronic waybiling, wagon exchange and tracking, inter-railway revenue settlement
- Common operating rules and safety standards will be needed eventually to permit train to move over more than one railway



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Discussion

- ADB is preparing a TA to prepare a business and operating plan for the GMS Rail Coordination Office (GMS-RCO)
- Should addressing the "soft" constraints be part of the ToR for the GMS-RCO?
- What other priorities should the office have?
 - Promotion & communications
 - Project oversight
 - Finding funding for infrastructure development
- How should the office be organized?



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THANK YOU.

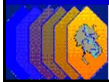


Greater Mekong Subregion (GMS) Updated Transport Section of the Vientiane Plan of Action

James P. Lynch
Director, Transport and Urban Development
Southeast Asia Department
Asian Development Bank

and

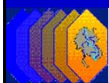
Ronald Antonio Q. Butiong
Head, CAREC Unit
Central and West Asia Department
Asian Development Bank



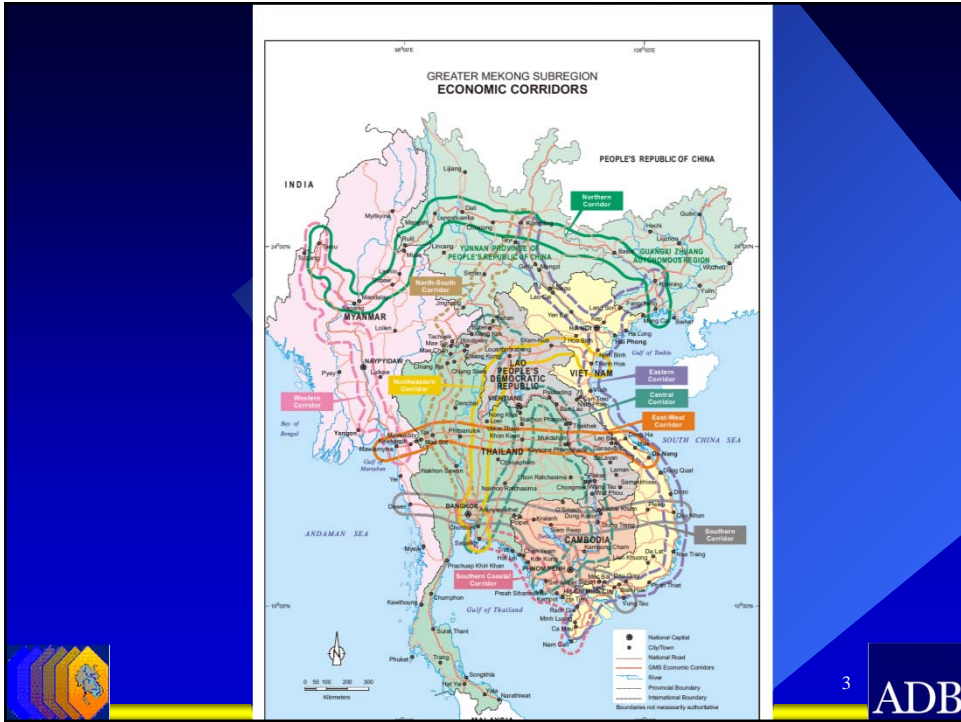
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Presentation Outline

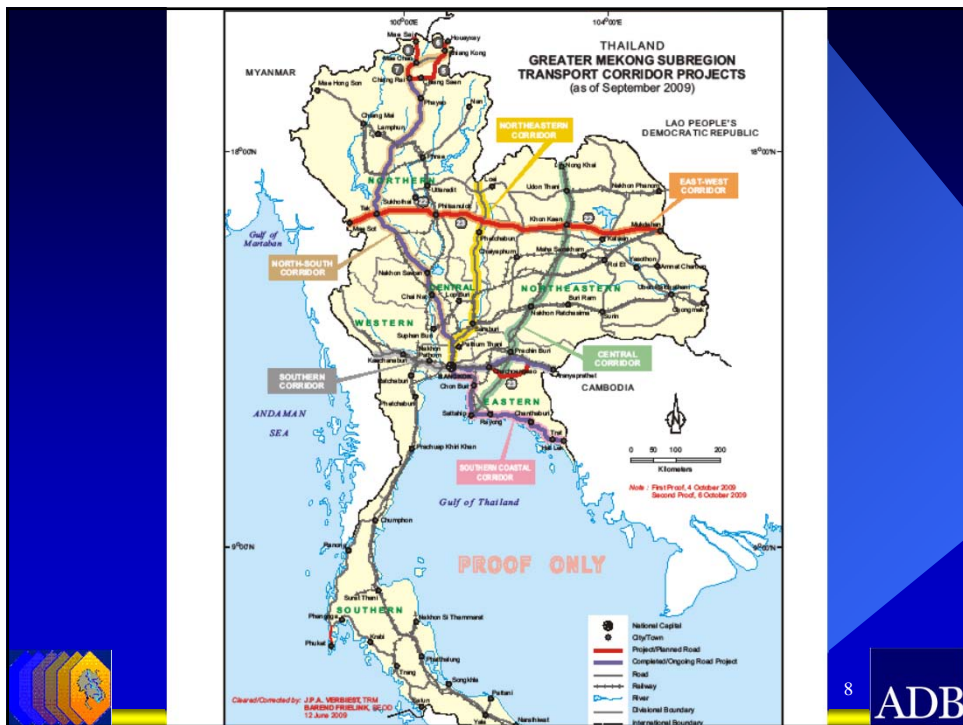
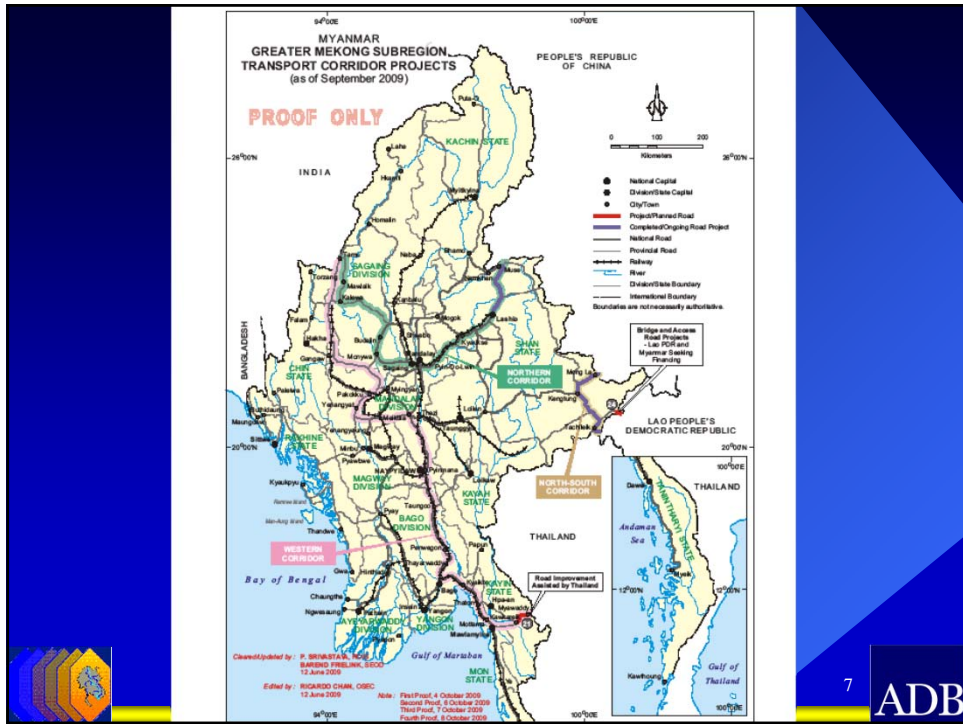
- Recap of VPOA Projects by Country
- Strategic directions for 2011-2012
- Proposed Priority Initiatives for 2011-2012

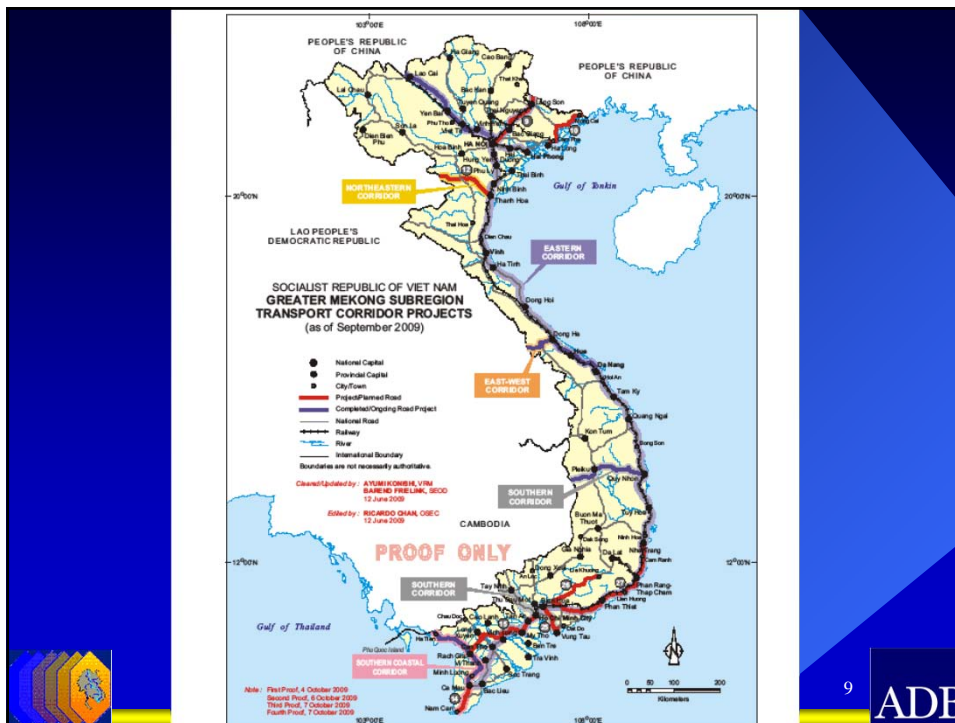


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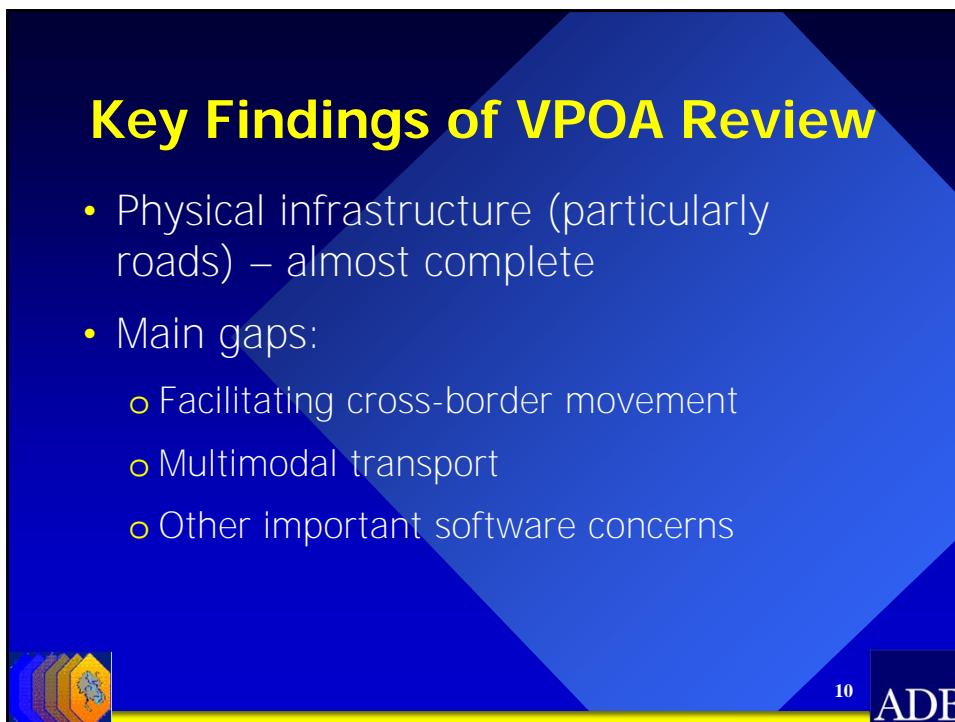






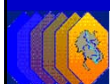
Key Findings of VPOA Review

- Physical infrastructure (particularly roads) – almost complete
- Main gaps:
 - Facilitating cross-border movement
 - Multimodal transport
 - Other important software concerns



Strategic Directions

- Facilitate economic efficiency
 - Address nonphysical barriers to cross-border transport
 - Promote economic corridors
- Encourage multimodalism

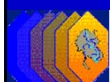


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Proposed New Initiatives for 2011-2012 (1)

- GMS Rail Coordination Office
- Exchange of traffic rights
 - PRC-LAO-THA (NSEC)
 - THA-CAM-VIE (SEC)
 - PRC-VIE (Eastern)
- Corridor towns development

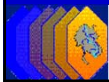


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Proposed New Initiatives for 2011-2012 (2)

- Sustainable transport initiatives
 - Road safety program
 - Climate proofing of corridors (together with Environment Working Group)
- GMS Carriers and Freight Forwarders' Association

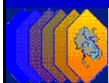


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Conclusions

- Very productive 15 years
- Transport: hallmark of GMS cooperation
- Need to cooperate remains strong
- ADB committed to provide support



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