



Conference on Regional Cooperation and Integration

Experiences in Asia and the Pacific

Organized by the Asian Development Bank and Kunming Municipal Government,
Yunnan Province, People's Republic of China

Papers and Presentations

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BIMP-EAGA
East ASEAN Growth Area



Conference on Regional Cooperation and Integration

- Experiences in Asia and the Pacific

Kunming, Yunnan Province, People's Republic of China

26-27 March 2012

Background and Rationale

The Asian Development Bank (ADB), guided by its regional cooperation and integration (RCI) strategy,¹ supports and promotes RCI by providing and mobilizing financial resources and technical assistance for RCI projects and programs; helping developing member countries (DMCs) and regional and subregional bodies build capacity to manage RCI programs; creating, consolidating, and disseminating knowledge and information on RCI; and serving as catalyst and coordinator of RCI for the DMCs.

The global and regional circumstances in which sub-regional cooperation programs operate is quite different today than a decade ago. The world's economic condition poses new challenges to DMCs. It is critical that RCI programs in Asia and the Pacific provide opportunities to DMCs to effectively counter global economic problems in the 21st century.

This Conference brings ADB DMCs together for the first time to share their experiences in implementing RCI initiatives, present information on challenges met and the innovations introduced to address these challenges, and discuss the implications of these experiences for future RCI policies and initiatives.

The experiences of ADB-supported subregional programs namely Greater Mekong Subregion (GMS), Central Asia Regional Economic Cooperation (CAREC), and South Asia Subregional Economic Cooperation (SASEC) will be shared during the conference.

The presentations and discussions will cover, among others, the following topics:

- Major achievements of various subregional programs in the last 10 years
- Major factors that have positively or negatively impacted the implementation of the subregional programs
- New technologies, tools or approaches that may be introduced to broaden opportunities and further strengthen subregional cooperation
- Benefits of regional cooperation at the country level
- Efforts need to link the subregional, to regional and inter-regional cooperation, e.g., open regionalism

The proceedings of the Conference will be prepared and will serve as the reference for further research, studies, and knowledge products to improve understanding and action.

¹ Please see Annex 1 on Summary of ADB Regional Cooperation and Integration Strategy.



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International Hall, 3rd Flr. Empark Grand Hotel
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26 March 2012 (Monday)	
8:30 – 9:00	Registration
9:00 – 9:05	Conference Opening Master of Ceremony (MC): Mr. Zhu Yongyang , Vice-Mayor, Kunming Municipal Government
9:05 – 9:35	Welcome and Opening Remarks Mr. Zheng Xiaosong Director General, International Department, Ministry of Finance, People's Republic of China Mr. Huang Yunbo , Executive Vice Mayor of Kunming Mr. Xiaoyu Zhao , Vice-President, Operations 1, Asian Development Bank (ADB)
9:35 – 9:45	Group Photo
9:45 – 10:00	Tea Break
10:00 – 12:30	Session 1: Regional Cooperation Initiatives in Asia and the Importance of Regionalism <i>One defining event is the overall global economic slowdown, triggered by the Euro zone crisis and the economic woes in the United States. The Euro zone crisis has cast a shadow on the world, including Asia. At the same time there is a global rebalancing that is underway. Asia is clearly seen as a leader in many areas, particularly in GDP growth and in its ability to sustain global growth. It is important to explore Asia's role in the global rebalancing and how RCI has improved global growth and can help prevent or mitigate regional and global crises.</i> <i>This session will provide an overview of ongoing regional cooperation initiatives in Asia and those directly involved by ADB, and review experiences in developing broader (more countries and sectors) and deeper (more substantial institutional setup) regional cooperation programs. The session will highlight the importance of regionalism and regional institutions in maximizing the benefits of</i>

	<p>globalization.</p> <p>Moderator: Mr. Ramesh Subramaniam, Senior Director, Office of Regional Economic Integration (OREI), ADB</p> <p>Theme of Presentations: Asian Regional Cooperation Initiatives: Achievements, Challenges, and Prospects</p> <p>Presenters:</p> <p>Mr. Iwan J. Azis, Head, Office of Regional Economic Integration (OREI), ADB</p> <p>Dr. Poramettee Vimolsiri, Deputy Secretary General National Economic & Social Development Board, Thailand [Greater Mekong Subregion (GMS)]</p> <p>Mr. Sanjar Mukanbetov, Deputy Minister, Ministry of Economy and Antimonopoly, Kyrgyz Republic [Central Asia Regional Economic Cooperation (CAREC)]</p> <p>Mr. Rameshore Khanal, Economic Adviser to the Prime Minister, Government of Nepal [South Asia Subregional Economic Cooperation (SASEC)]</p> <p>Open Discussion</p>
12:30 – 13:30	Lunch - Cafeteria, 1 st Flr. Empark Grand Hotel
13:30 – 15:30	<p>Session 2: Regional Cooperation in Transport and Roles of Economic Corridors</p> <p><i>Trade patterns of the region are slowly becoming more diversified from the previous decade when there was an excessive reliance on Europe and the United States. Strategies to accelerate developing Asia's intraregional trade and its trade with other developing country regions are becoming increasingly important. Interconnectivity will play a crucial role in such strategies. The corresponding infrastructure investment needs will require a more active role for public-private sector partnerships.</i></p> <p><i>This session will discuss the issues in and approaches to enhancing regional cooperation through transport cooperation. Particular attention will be given to development of transport corridors for seamless connections and the roles that economic corridors could play in promoting local and regional economic development, focusing on issues related to logistics, nodal city development, and public-private sector partnership.</i></p> <p>Moderator: Mr. Juan Miranda, Director General, Central and West Asia Department, Asian Development Bank</p> <p>Theme of Presentations: Seamless Connections and Role of Economic Corridors in National and Regional Development</p> <p>Presenters:</p> <p>Mr. Nguyen Ngoc Thuyen, Deputy Director General International Cooperation Department Ministry of Transport, Vietnam (GMS)</p>

	<p>Mr. Roman Sklyar, Vice Minister of Transport and Communication, Kazakhstan (CAREC)</p> <p>Mr. Saifuddin Ahmed, Joint Secretary, Economic Relations Division, Ministry of Finance, Bangladesh (SASEC)</p> <p>Panelist:</p> <p>Mr. Li Shusen, First Secretary, Department of International Trade and Economic Affairs, Ministry of Commerce, PRC</p> <p>Open Discussion</p>
15:30 – 15:45	Tea Break
15:45 – 17:45	<p>Session 3: Regional Cooperation in Energy and Climate Change</p> <p><i>Rapid economic growth in the past two decades has brought prosperity to millions of people across Asia and the Pacific. This growth was powered by abundant and affordable energy, the backbone of all progress. However, affordable energy has its own environmental, social and political costs. Asia and the Pacific will be hit hard by climate change and the region needs to seek to decrease its rising greenhouse gas emissions to mitigate the worst effects. Similarly, questions of energy security have arisen with the region's increased dependence on imported fossil fuels and the volatility in that market.</i></p> <p><i>This session will discuss how various energy issues can be addressed in a regional cooperation context and how public good in environment protection and climate change (including natural disasters such as earthquakes, floods and tsunamis) can be maximized on regional platforms.</i></p> <p>Moderator: Mr. Sultan H. Rahman, Director General, South Asia Regional Department, Asian Development Bank</p> <p>Theme of Presentations: Energy and Climate Change: Challenges in achieving environmentally sustainable growth.</p> <p>Presenters:</p> <p>Mdme. Keobang A Keola, Director General of GMS Secretariat, Ministry of Natural Resources & Environment, Lao Republic (GMS -environment)</p> <p>Mr. Khin Maung Win, Deputy Director General, Department of Electric Power, Ministry of Electric Power, Myanmar (GMS -energy)</p> <p>Mr. Ramiz Rzayev, Head of Investment and Reconstruction of Industrial Buildings Department, Ministry of Industry and Energy, Azerbaijan (CAREC)</p> <p>Dasho Sonam Tshering, Secretary, Ministry of Economic Affairs, Royal Government of Bhutan (SASEC)</p> <p>Open Discussion</p>
18:30	<p>Dinner Hosted by Asian Development Bank</p> <p>Venue: Banquet Hall, 1st Flr., Empark Grand Hotel</p>

	Dinner Speech: Mr. Rajat M. Nag , Managing Director General, Asian Development Bank CAREC and GMS Video Shows
27 March 2012 (Tuesday)	
9:00 – 11:15	<p>Session 4: Regional Cooperation in Trade Facilitation, Trade and Investment, and Regional Financial Integration</p> <p><i>Asia's rapid development has been heavily dependent on markets external to the region. However, given the unlikely timely recovery of the United States or Europe there is an urgent need to develop domestic and regional markets. While greater integration has long been a regional goal, its importance has never been more pressing. Trade facilitation measures ensure the smooth flow of goods and people across borders, and they can only be effective in a regional cooperation setting. Mounting security threats, especially after the 9/11 event, have increased the complexity of border risk management. In addition, the importance of maintaining regional macro-economic stability and deepening and harmonizing regional financial markets will be essential to sustain economic growth of the region.</i></p> <p><i>This session will discuss role of regional cooperation in enhancing trade facilitation, and the importance of a regional platform in promoting trade and investment, and regional financial integration.</i></p> <p>Moderator: Mr. Ying Qian, Director, Public Management, Financial Sector and Regional Cooperation Division, East Asia Department, ADB</p> <p>Theme of Presentations: Facilitation Measures to Expedite and Expand Trade, and Promote Investment and Financial Integration</p> <p>Presenters:</p> <p>Mr. Sok Sopheak, Director General, Department of International Trade, Ministry of Commerce, Cambodia (GMS)</p> <p>Ms. Oyunchimeg Dash, Deputy Director-General, General Administration of Customs of Mongolia (CAREC)</p> <p>Dr. Nagesh Kumar, Chief Economist and Director, UNESCAP (SASEC)</p> <p>Panelists:</p> <p>Ms. Penchan Manawanitkul, Senior Officer, Consumer Protection & Intellectual Property Division, Association of Southeast Asian Nations (ASEAN).</p> <p>Open Discussion</p>
11:15 – 11:30	Tea Break
11:30 – 12:30	<p>Session 5: Summary and Looking Forward</p> <p><i>The session will summarize the key lessons/experiences learned from the various</i></p>

	<p><i>RCI grouping, follow up actions needed for more effective subregional cooperation and move towards open regionalism.</i></p> <p>Moderators:</p> <p>Ms. Vicky Tan, Director, Regional Cooperation and Operations Coordination Division, Central and West Asia Department, ADB</p> <p>Mr. Sekhar Bonu, Director, Regional Cooperation and Operations Coordination Division, South Asia Department, ADB</p> <p>Open Discussion</p>
12:30 – 12:45	<p>Closing Remarks</p> <p>Yunnan Provincial Government (TBD)</p> <p>Mr. Klaus Gerhaeusser, Director General, East Asia Department, Asian Development Bank</p>
12:45 – 14:00	Lunch - Cafeteria, 1 st Flr. Empark Grand Hotel
14:30 – 17:30	Field Visit: Dianchi Wetland, Sewage Treatment Works, Yunnan Nationalities Village
18:00 – 20:00	<p>Dinner Hosted by Kunming Municipal Government</p> <p>Venue: Yunnan Nationalities Village</p>
28 March 2012 (Wednesday)	
09:00 – 11:00	<p>Informal Business Networking Session: Yunnan Province with ASEAN</p> <p><i>This informal session intends to provide an opportunity for Yunnan Province (both government investment promotion agencies and business community representatives) and delegates from ASEAN countries to interact with each other and discuss opportunities of mutual cooperation in business and investment. Delegates from other subregions are also welcome to join.</i></p>
Departure	

Annex 1: ADB Regional Cooperation and Integration Strategy

ADB adopted a strategy to guide its work with developing Asian nations on regional cooperation and integration (RCI) on 25 July 2006. The strategy is designed to support ADB's overarching goal of poverty reduction through regional collective actions that lead to greater physical connectivity; expansion of trade and investment; development of financial systems and macroeconomic and financial stability; and improved environmental, health, and social conditions. The RCI strategy aims to build and deepen integration in four interrelated pillars:

- Pillar 1 - Regional and subregional programs on cross-border infrastructure and related software. Improved cross-border physical connectivity can contribute to poverty reduction by providing greater opportunities for the poor to participate in market activities. Cross-border infrastructure projects — e.g., transport, energy, and telecommunications — are essential for the movements of goods, services, people, and information across countries. They enlarge market access, reduce economic distance and facilitate trade, investment, and labor flows. The resulting intensification of cross-border economic activities can create employment, particularly in the labor-intensive sectors of DMCs, thus contributing to poverty reduction.
- Pillar 2 - Trade and investment. Acceleration of trade and investment integration of DMCs with regional and non-regional economies can help reduce poverty. Economic opening and globalization, if appropriately managed, can have significant impacts on poverty reduction. Trade openness and FDI inflows can connect developing economies with global markets where there is demand for developing country products. As developing economies have a comparative advantage in labor-intensive products, creating demand for such products can increase demand for labor or small piece of land, which are typically the only assets that the poor own. Trade and investment cooperation and integration at the regional level has a similar, and even greater, impact on poverty reduction.
- Pillar 3 - Money and finance. FDI inflows also have a positive impact on poverty reduction. FDI brings in not only capital but also production and management expertise and regional and global distribution links, thus relaxing DMCs' constraints, generating higher economic growth and employment, and reducing poverty. FDI provides an excellent vehicle through which the recipient DMCs can participate in regional and global supply networks and maximize their comparative advantage. Developing countries with large flows of investment are more successful in reducing poverty.
- Pillar 4 - Regional public goods (RPGs) such as prevention of communicable diseases and environmental degradation. Provision of RPGs is critical to support poverty reduction efforts. By working together to promote RPGs, DMCs can deal with the adverse impact of cross-border issues. This has been highlighted by the region's past experiences in dealing with the outbreak of communicable diseases, environmental problems, and other transnational issues. For the DMCs, RCI provides an additional platform that can supplement, complement, and even strengthen national policies and programs aimed at socioeconomic development and poverty reduction, and the global efforts to achieve global financial stability.

The key objective of the strategy paper is to guide ADB's support for the ongoing process of RCI in a coherent way and to facilitate new forms of RCI initiatives that are needed in the future. ADB plays four distinct roles in supporting and promoting RCI:

- as money bank by providing financial resources for RCI projects, programs, and related technical assistance and helping developing countries mobilize additional funding and technical assistance
- as knowledge bank by creating, consolidating, and disseminating knowledge and information on RCI
- as capacity builder by helping countries and regional or subregional bodies build institutional capacity to manage RCI
- multilateral development institution based in the region. Serves as an honest broker in performing its roles as catalyst and coordinator of RCI for developing nations.