Conference on Regional Cooperation and Integration
Experiences in Asia and the Pacific

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Papers and Presentations

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Session 2: Regional Cooperation in Transport and Roles of Economic Corridors

A. Executive Summary of Key Points & Ways of Looking Forward

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<td>1. Connectivity will remain important for all subregions</td>
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<td>2. Good progress achieved on the hard or physical aspects</td>
<td>2. Concerted effort and political will are needed for soft side, incl institutional strengthening</td>
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<td>3. Limited progress on soft or policy/regulatory aspects</td>
<td>3. Economic corridor devt needs to be customized</td>
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<td>4. Transforming transport corridors into economic ones is a priority by all subregions</td>
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B. Key Lessons/Experiences Learned

1. The improvement of multimodal transport links connecting neighboring countries is the most obvious and perhaps the most important area for economic cooperation. All subregional groupings recognize that regional transport connectivity was vital to lubricate the wheels of international trade. About three-quarters of approved investments in GMS and CAREC was directed to the transport sector.

2. Considerable progress has been achieved in building cross-border physical connectivity in the three subregional programs, particularly on road and rail corridors. Highest priority was accorded to the rehabilitation and improvement of existing alignments.

3. Some progress has been made in the soft aspects, but much remains to be done. Addressing the soft aspects or nonphysical barriers to cross-border transport is equally, if not more, important than physical connectivity. Unlocking borders to enable and ease cross-border movement of goods and people will help maximize the benefits of transport corridors.

4. The transformation of transport corridors into economic corridors is a priority in all subregional groupings. There is a need to link infrastructure connectivity more closely with trade and investment opportunities in the participating countries.
C. **Looking Forward**

1. The connectivity agenda remains and will continue to be important in all subregional groupings in the coming years. Much remains to be done in filling key missing links, ensuring proper operations and maintenance, and promoting inter-modal and multi-modal linkages.

2. Achieving progress in the soft area has not been easy, and requires strong political will among the participating countries. Concerted effort within and between participating countries is needed to move forward significantly in this area. Efforts to widen and develop economic corridors also entail institutional strengthening, including enhancing decentralization, stakeholder participation from subnational or provincial entities and private sector.

3. Economic corridor development needs to be customized to the specific opportunities and challenges of cooperation. In some cases, such initiatives may encompass better link of infrastructure improvements to trade, investment and production opportunities. In other cases, transformation into economic corridors may be sought through urban and integrated rural development along the transport corridors and at borders, along with increased role of private sector to promote logistics, industrial clusters and special economic zones, and increased trade in agricultural products. The widening and deepening of transport corridors thus needs greater knowledge inputs to support cooperation in policy and regulatory areas as well as substantial investments in multisector, second-generation projects.

4. There is potential to link the subregions together, and the subregions collectively with other regions via transport networks. This is an area that subregions could look into especially in the context of expanding inter-regional, inter-continental trade.