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

Disclaimer:

The views expressed in this 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 Directors or the governments they represent.

ADB makes no representation concerning and does not guarantee the source, originality, accuracy, completeness or reliability of any statement, information, data, finding, interpretation, advice, opinion, or view presented.

By making any designation of or reference to a particular territory or geographic area, or by using the term “country” in this document, ADB does not intend to make any judgments as to the legal or other status of any territory or area.
GMS: Cooperation in Transport and the Role of Economic Corridors
By Mr. Nguyen Ngoc Thuyen
International Cooperation Department, Ministry of Transport, Viet Nam

Conference on Regional Cooperation and Integration
-Experiences in Asia and the Pacific
Kunming, Yunnan Province, People's Republic of China
26-27 March 2012

Presentation Outline

• Transport in the overall GMS strategy
• The evolution and achievements of GMS transport cooperation
  o the GMS transport sector strategies
  o some outcomes/benefits of cooperation
• The economic corridor approach
• Transport facilitation
• Challenges going forward
Transport and Overall GMS Strategy

• “3 Cs”
  – enhanced connectivity
  – improved competitiveness
  – greater sense of community
• infrastructure links and software
• integrating markets
• promoting trade and investment

GMS Transport Cooperation

• One of earliest sectors of cooperation; ADB-assisted strategy studies – 1st TSS (1994) and 2nd TSS (2006-2015)
• GMS Subregional Transport Forum (STF)
• Strategic thrusts:
  o Early years – 1st TSS
    ▪ Create cross-border access; priority to improvement over new construction
    ▪ Facilitate cross-border traffic; trade
  o Current TSS
    ▪ “Towards seamless transport services on a fully connected and integrated GMS network”
    ▪ Focus on:
      ▪ Completing the GMS transport corridors
      ▪ Economic efficiency and reduced transport costs
      ▪ Move toward an open market for transport services
      ▪ Multi-modalism
<table>
<thead>
<tr>
<th>No. of Projects</th>
<th>Total Cost (US $ millions)</th>
<th>ADB</th>
<th>Government</th>
<th>Cofinancing</th>
</tr>
</thead>
<tbody>
<tr>
<td>All GMS Projects</td>
<td>15,006.6</td>
<td>5,102.8</td>
<td>4,311.5</td>
<td>5,592.3</td>
</tr>
<tr>
<td>Of Which: Transport</td>
<td>11,788.8</td>
<td>4,418.4</td>
<td>4,127.7</td>
<td>3,242.7</td>
</tr>
</tbody>
</table>

ADB-assisted GMS Projects
(1992- June 2011)
Key Outcomes

Southern Transport Corridor: Phnom Penh-Ho Chi Minh City Highway Improvement Project
- Travel time and cost savings
- Bilateral trade up 40%
- Border crossings up 50%
- Special border economic zones creating jobs

East-West Transport Corridor Project
- Travel time and cost savings
- FDI: US$18M to US$200M
- Improved access to schools and safe water
- Poverty down by 35% in Savannakhet

The Economic Corridor Approach

Infrastructure is developed in specific geographical areas based on economic potential.
Usually starts with transport links, but extends to other infrastructure as well as the “software” for their optimal use.

Some Characteristics of Economic Corridors:
- Create links to major markets;
- Extend the benefits of improved transport linkages to remote locations and integrates them with more prosperous areas;
- Open up investment opportunities;
- Promote synergies through the clustering of projects;
- Provide demonstration effects;
- Facilitates prioritization of regional projects and coordination of national projects with regional implications
The New GMS Strategic Framework

- **New GMS SF** endorsed by 4th Summit in December 2011, to ensure GMS Program’s sustainability and effectiveness in the challenging new decade
- Continued central role of corridor development
- Broadening/deepening of economic corridors – inter-linkages across sectors, multi-sector approach, ensuring wide spread of benefits, accelerating implementation of TTF measures, logistics development and investments along the corridors, and attention to social and human resource, food and energy security, and climate change concerns
- Need for a regional investment framework (RIF) – new generation of cooperative undertakings based on solid analytical work and knowledge platform
A Framework for Corridor Development

<table>
<thead>
<tr>
<th>Zone II</th>
<th>Zone IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>National + Broad</td>
<td>Regional + Broad</td>
</tr>
<tr>
<td>Urban, SMEs, Rural Roads</td>
<td>CBEZ, Integrated regional plans, ECF</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zone I</th>
<th>Zone III</th>
</tr>
</thead>
<tbody>
<tr>
<td>National + Narrow</td>
<td>Regional + Narrow</td>
</tr>
<tr>
<td>Construction, upgrading</td>
<td>TTF, logistics</td>
</tr>
</tbody>
</table>

Corridor Development in the GMS Going Forward

- Corridor widening efforts – expanding and completing the infrastructure base – e.g., secondary roads/multi-modal transport, area/urban development, logistics
- Complementing hardware investments with increased focus on software
- Decentralization, involving all stakeholders, e.g., local authorities, private sector
- Multi-sector coordination and cross-sectoral links
- Closer links/complementarity with broader regional agenda (e.g., ASEAN)
- Intensified resource mobilization – DPs, private sector
THANK YOU