

Building on Success

A Strategic Framework for the
Next Ten Years of the
Greater Mekong Subregion
Economic Cooperation Program

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Cover photo: Carolyn Dedolph

ABBREVIATIONS

ADB	Asian Development Bank
ADTA	advisory technical assistance
AFTA	ASEAN Free Trade Area
AMBDC	ASEAN Mekong Basin Development Cooperation
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
EDL	Electricité du Laos
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
EWIS	early warning information system
EWEC	East-West Economic Corridor
FDI	foreign direct investment
GMS	Greater Mekong Subregion
GMS Program	Greater Mekong Subregion economic cooperation program
GMSARN	GMS academic research network
HIV/AIDS	human immunodeficiency virus/acquired immunodeficiency syndrome
HRD	human resource development
IT	information technology
JBIC	Japan Bank for International Cooperation
Lao PDR	Lao People's Democratic Republic
NGO	nongovernment organization
ODA	official development assistance
PPTA	project preparatory technical assistance
PRC	People's Republic of China
R & D	research and development
RETA	regional technical assistance
SEF	strategic environment framework
SLMIN	subregional labor market information network
SME	small and medium enterprise
TA	technical assistance
TNC	trans national corporation
UK	United Kingdom
UNAIDS	United Nations Programme on HIV/AIDS
UNDCP	United Nations Drug Control Programme
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund
WHO	World Health Organization
WTO	World Trade Organization

In this report, "\$" refers to US dollars

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Preface

Marking nearly ten years of the Greater Mekong Subregion economic cooperation program (GMS Program), ministers from the six participating countries¹ have called for formulation of a strategic framework for the next ten years of economic cooperation. The first ten years have resulted in many important achievements, particularly in infrastructure provision. Now a new strategy for subregional economic cooperation is needed to respond to the changing global and regional context and apply the key lessons learned since the start of the GMS initiative.

The GMS countries recognize subregional cooperation as an important element in promoting economic growth and a better life for all. This recognition is integral to Asian Development Bank's (ADB's) Charter, prompting ADB to take on a catalytic role in initiating and building the GMS Program. By working together and sharing resources in mutually advantageous ways, participating countries can reduce poverty and ensure sustainable development in the subregion. For the program to succeed it is necessary that GMS countries identify highly practical projects and initiatives of mutual benefit.

Formulating a renewed strategic framework involved an extensive consultative and review process with stakeholders. These included the GMS

The first ten years have resulted in important achievements, but a new strategy is needed to apply its lessons.

¹ Cambodia, People's Republic of China/Yunnan Province, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam.

The framework must balance between need for further economic cooperation, global and regional trends, and the limits of public resources.

governments, the private sector, the donor community, and civil society. The process presented many challenges and opportunities, adding to the potential scope and depth of the program. Reflecting the human and economic toll of recurrent flooding, several GMS countries believe that water resource management should be added. All stakeholders agree that more can and should be done collaboratively to protect the environment and the economic base of rural people. This view also applies to human resource development and labor market facilitation. Other interests and concerns (e.g., drug control, HIV/AIDS, agriculture) would further expand the GMS Program.

The strategic framework offers a renewed approach for the GMS Program for the next ten years. Necessarily, a strategic framework for subregional economic cooperation must be focused in order to ensure that limited technical and financial resources are used effectively in meeting priority needs. It must balance between the considerable scope of and need for further economic cooperation, given regional and global trends and the limits of public and private resources to support this cooperation.

The preparation of the strategic framework was facilitated by Toru Tatara, Head GMS Unit, Mekong Department, ADB, with the assistance of David Husband, Senior Advisor of the GMS Program. The strategic framework was endorsed by the GMS Ministers during the Tenth GMS Ministerial Conference.



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The First Ten Years of the GMS Program *Taking Stock*

Accomplishments

The key accomplishments of the GMS Program include the following: (A detailed stock-taking is attached as Appendix 1.)

Trust and confidence building

Newly established peace in the subregion provided a window of opportunity for establishing the GMS Program in 1992. One of the program's most fundamental accomplishments was the building of trust and confidence among member countries. Numerous conferences and joint initiatives have contributed to this highly positive result.

Important infrastructure provisions

From its inception, the GMS Program has emphasized practical results in a wide range of specific projects. The initial focus on provision of infrastructure has brought significant benefits to the subregion. To date, ten subregional infrastructure projects with investments of approximately \$2 billion have been completed or are under implementation. The key projects are in energy, road trans-

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*The Program
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port, environment, and human resource development. These hard as well as soft infrastructure projects play key roles in promoting economic development and reducing poverty. Without them the local communities would have difficulty in accessing to markets and services.

Reducing non-physical barriers

Clearly, the focus of the GMS Program has become more balanced through the years. The initial emphasis was on developing physical infrastructure linkages as the means to increase trade and investment among countries in the region. This was evident in the high priority accorded to subregional transport projects, and to a lesser extent, energy and telecommunications projects. At the same time, it was recognized that policies and procedures had to be harmonized so as to minimize distortions across GMS countries. Thus, towards the end of the first decade, the GMS Program began to emphasize reducing non-physical barriers between countries. One illustration of this is the framework agreement that has been signed by Cambodia, Lao People's Democratic Republic (Lao PDR), Thailand, and Viet Nam to facilitate the cross-border movement of goods and people.

Co-financing

A related accomplishment is its success in mobilizing co-financing for regional cooperation projects, particularly in the transport and energy sectors, and to a lesser extent in the environment and human resource development sectors. Over \$58 million from ADB, co-financiers, and GMS governments has been mobilized for technical assistance projects.

Lessons Learned

Among the lessons learned during the first ten years are the following:

The merits of a flexible, activity-based approach

The “two plus” principle of the GMS Program enables subsets of member countries to pursue regional cooperation initiatives without requiring full consensus. As a result, GMS countries have reached numerous agreements, both bilateral and multilateral. The relatively non-institutional nature of the GMS Program, with its minimum of protocols, bureaucracy and other formal structures gives the members flexibility in reaching agreements.

The need for patience and long-term commitment

Infrastructure projects dominated the early years of the GMS program. These required pre-feasibility and feasibility studies and other steps that were time-consuming as they involved two or more countries. The complexity of subregional projects and the limited institutional capacity of GMS countries to coordinate, negotiate, and implement such projects further slowed down progress in several sectors. In addition, the Asian financial crisis drew attention away from regional projects and undermined resource mobilization, especially from the private sector.

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The need for equitable sharing of costs and benefits

Economic cooperation should reflect the views of all stakeholders To maintain the momentum of regional cooperation, the costs and benefits of cross-border projects should be distributed equitably among the participating countries. This principle has been followed in important subregional infrastructure projects such as the East-West Corridor and North-South Corridor projects. It is essential even from the project design stage to ensure equitable sharing of costs and benefits.

from formulation to implementation. **The need for broad-based participation** Economic cooperation initiatives should reflect the views of all stakeholders, from project formulation to implementation. Central ministries have been extensively involved in the decision-making processes, but local officials, civil society, nongovernment organizations (NGOs) and the private sector have not been adequately represented or involved. Steps are now being taken to make the GMS Program more inclusive. The next ten years will need to be more vigorous in building awareness and fostering broad-based participation.² In particular, local stakeholders must be encouraged to state their needs and become more involved in GMS activities.

The need for capacity building

GMS countries need to enhance their capacity to formulate and implement projects involving two or more member-countries, and to pursue regional cooperation more generally. This is especially

² Asian Development Bank. 1999. *Impact Evaluation Study of the Asian Development Bank's Program of Subregional Economic Cooperation in the Greater Mekong Subregion*. Manila.

needed by countries in transition from centrally planned to market-oriented economies. The GMS strategic framework for the next ten years must include resources for building institutional and human capacities.

The sector approach, needs to be

The need for greater country ‘ownership’

While there is an increasing sense of ‘ownership’ of the GMS Program by member countries, their leadership role needs to be further enhanced. The strategic framework outlines several measures to strengthen ownership. The GMS Summit scheduled for November 2002 will also be influential in this regard.

complemented

with cross-sector linkages

that bring out

the synergy of

The importance of cross-sector linkages

The sector approach of the GMS Program, while highly useful and focused, needs to be complemented with mechanisms for cross-sector linkages. Projects conducted at the sector level often lack synergy with other sectors. Hence, they miss out on opportunities presented by such synergy, as in the case of industrial and trade possibilities resulting from investments in subregional transportation routes. The strategic framework for the next ten years outlines a more multidisciplinary approach. As noted below, greater emphasis on cross-sector linkages is especially important in dealing with the social and environmental dimensions of infrastructure projects.

sectors.

The importance of social and environmental dimensions

During the early phases of the GMS Program, the social and environmental implications of subregional infrastructure development projects were not adequately assessed in some cases. Hydropower

Mechanisms are needed to reconcile project financing projects resulted in unexpected social and environmental costs, leading to concerns expressed by various groups. Increasing attention is being paid to ensure exhaustive assessment of the social and environmental implications of infrastructure projects at all stages of planning and implementation.

with country-specific benefits. **The critical role of resource mobilization**

Scarcity of resources and complications in financing have slowed down key projects. Compounding this problem, member governments have tended to conserve concessional financing for national projects, in the expectation that incremental funds would be available for subregional projects. The full benefits of the latter are shared, and mechanisms are needed for better reconciling project financing with country-specific benefits. Another key lesson is the need to provide for maintenance, so as to ensure that expected returns from infrastructure projects are realized. Some GMS countries also have limited absorptive capacities for foreign aid, while private financiers think that projects in the GMS require a high-risk premium. Given the extensive resource requirements for subregional projects, a more concerted approach with other development partners is needed to generate additional financing.

The need for information, monitoring, and coordination

Information is basic to progress in all sectors, monitoring is critical to project implementation and assessment, and extensive coordination is essential for effective and efficient allocation of scarce resources.³ The GMS Program needs to develop a systematic and effective approach to: (i) compiling and disseminating information, including proactive public relations efforts to raise regional and global awareness of the achievements of the GMS Program; (ii) monitoring progress; (iii) evaluating the effectiveness and efficiency of projects; and (iv) coordinating with other development partners.

³ Most information-related activities have been conducted on an ad hoc basis, and formal monitoring is often limited to basic project details. *Impact Evaluation Study of the Asian Development Bank's Program of Subregional Economic Cooperation in the Greater Mekong Subregion*. 1999.

Global and Regional Trends

The Context of the Strategic Framework

In addition to building on accomplishments and drawing from lessons learned during the first ten years, the strategic framework of the GMS Program for the next decade should reflect global and regional trends relevant to economic cooperation.

Global Trends

Following are some of the main trends:

Globalization, interdependence and trade liberalization

The globalization of production processes and financial markets, as well as advances in transport and telecommunications technology, have transformed the nature of business practices, making world economies increasingly interdependent. Trade liberalization has progressed considerably,

Production processes and financial markets have globalized, and economies are increasingly interdependent.

Proper economic management and coordination of policies are crucial. as reflected by agreements under the World Trade Organization (WTO) and the ASEAN Free Trade Area (AFTA). Countries that are slow to adjust to these changes fall behind; firms must respond rapidly to global demands in order to maintain their competitiveness and market position. At the same time, globalization, interdependence and trade liberalization present risks, both political and economic. As illustrated by the 1997 Asian financial and economic crisis, the interdependence of economies can trigger a contagion effect. Proper economic management and coordination of policies therefore become increasingly critical.

Investment trends

The share of foreign direct investment (FDI) by developing countries is now less than 20 percent of the global total, compared to 40 percent in the mid-1990s. In order to compete for FDI, GMS countries will have to adjust to new investment determinants, which emphasize the domestic policy framework, progress in transport, communications and information technologies, the management and organizational techniques of firms, and the presence of industrial clusters. An abundance of natural resources and low-wage labor is no longer enough. The ability of the GMS countries to attract FDI will depend significantly on the extent to which they can provide complementary resources, adequate infrastructure, competent suppliers, and institutions that harness technology effectively.

Global supply, production and distribution chains

Another trend is the intensification of networking by Trans National Corporations (TNCs) as part of global supply, production, and distribution

chains. These chains are seen as a critical element of modern business operations. Through them, domestic firms acquire better knowledge, upgraded skills, advanced technology and, at times, financing. Foreign firms, on the other hand, benefit from reduced costs and enhanced access to human and other resources. The increasing importance of outsourcing is also fueling the rapid growth of global business chains. As competition intensifies, firms are increasingly focusing on their 'core competencies' and outsourcing the rest. GMS governments have an important role in helping domestic firms participate in these global business chains. For example, they can provide information services, conduct training programs, promote industry associations, and exempt exporters from value-added tax.

Shortened product life cycles and advances in IT are providing both pressure and tools for regional cooperation.

Production and technology

Two of the most important trends in production and technology are the shortening life cycles of new products, and rapid advances in information technology (IT). These developments are providing both pressure and tools for regional cooperation. Although many developing countries are endeavoring to embrace IT, the speed with which they can absorb it is typically slower than the rate at which new technologies are being developed. Even basic manufacturing is becoming more technology-oriented in order to improve efficiency and product quality for more demanding consumers.

Regional Trends

PRC and Within the region, the pertinent trends are:

ASEAN **Expansion of ASEAN**
are expected
to considerably
expand
trade in
the region.

The expanded membership of ASEAN presents opportunities and challenges for GMS countries, especially the new members – Cambodia, Lao PDR, Myanmar, and Viet Nam. It also poses challenges for the Association of Southeast Asian Nations (ASEAN) itself, as it must address the issues associated with the emergence of a two-tier system and the consequent difficulties of reaching consensus. The possibility of ASEAN plus three [Republic Korea, Japan and the People's Republic of China (PRC)] could fundamentally redefine the role of ASEAN, with important implications for the GMS Program. AFTA and the new WTO round, and the move for an ASEAN/PRC free trade zone, will result in considerable expansion of trade. GMS countries should be able to take full advantage of this expansion, with the resulting economies of scale, possibilities for resource sharing, and other initiatives to strengthen productivity and product quality. The reduction of physical and non-physical barriers to trade and resource sharing will be important in meeting competition.

PRC's WTO membership and growing regional role

The PRC has succeeded in its 15-year quest for WTO membership. This makes the PRC's economy increasingly important to the region. The GMS countries that are already members or expect to be admitted to the WTO will be able to gain greater access to the PRC market. Other GMS members

will need to increase their competitiveness and explore complementary linkages with the PRC.

Newly emerging markets in South Asia

Another key regional development is the growing importance of South Asian economies. Erstwhile import substitution-oriented, many of these economies are now opening to external markets, making South Asia a potentially new market for GMS countries. However, it is also a competitor for labor-intensive industry. South Asia – India in particular – has important advantages, including advanced technology and a large number of university-educated people. GMS countries will need to forge supply, production and distribution chains with South Asia. The GMS countries will increasingly find themselves a veritable land bridge linking the PRC, Southeast Asia, and South Asia.

South Asia presents a potentially new market for GMS countries.

Key Issues and Challenges

Gearing Up for Global Demands

The key issues and challenges for the GMS Program derive in large part from these global and regional trends. Economic cooperation should help member countries respond to the pressures of globalization, to new business practices, and the IT revolution. It should also help them diversify, specialize and modernize faster towards more productive economies and higher standards of living. Rural-urban migration, continued rapid population growth in some countries, and increasing labor mobility pose further challenges for the subregion. The environment is at risk. Land and other natural resources that are the source of livelihood for the great majority of people are threatened.

The strategic framework for economic cooperation in the GMS addresses five strategic issues and challenges:

Creating a conducive environment for trade, investment and private sector development

Following the Asian financial crisis, and in the face of the current world economic downturn, reestablishing investor confidence in the GMS is of para-

Economic cooperation will help GMS countries globalize, diversify, and specialize towards more productive economies.

Policy and institutional reform should strengthen financial markets, and liberalize trade and investment. mount importance. Policy and institutional reform must be continued and accelerated. This should cover the strengthening of financial markets, commercialization of state-owned enterprises, and liberalization of trade and investment regimes. Impediments to cross-border trade and investment must be reduced or eliminated. Among these are inefficient customs clearance procedures, lack of transparent regulations and procedures, and inadequate infrastructure.

Accelerating the pace of regional integration

The pace of regional integration will not only depend on how fast the GMS countries can adapt to the AFTA, APEC, WTO and other trade/investment liberalization initiatives. Much depends also on how efficiently they can establish cross-border infrastructure and streamline the flow of goods and people. The GMS Program can complement the 'rule-based approaches' inherent in these initiatives by concentrating on practical measures at the national level. These could include the provision of transportation and telecommunications infrastructure and securing cross-border agreements on the inter-country movement of goods and people.

Human resource development

Skills development and labor force upgrading are normally country-based initiatives that are critical to reducing poverty and achieving national goals. However, subregional economic cooperation can also contribute much in these areas. Networks of higher education and research institutions can be strengthened in order to facilitate the transfer of research, technology and know-how among GMS countries, and to help create centers of excellence.

To facilitate sharing of skilled labor resources, a standardized system of trade certification and accreditation is needed. Common health problems, such as HIV/AIDS, must also be given priority in the strategic framework.

Protecting the environment and ensuring equitable development

To achieve sustainable development in the GMS, the social and environmental consequences of public and private investment projects must be fully anticipated, and corresponding safeguards installed to mitigate undesired effects. Pro-poor sustainable economic growth demands an overarching environmental strategy that is fully integrated with the development process. Such a strategy should involve all stakeholders in the decision-making process. Successful pro-poor sustainable economic growth also requires that the interests of those most affected by investment decisions are fully respected, and that compensation offsets unavoidable costs.

Resource mobilization

The availability or lack of project financing bears strongly on the pace of economic cooperation. This is one of the lessons of the ten years of the GMS Program and is especially true with infrastructure investments designed to link the subregion. Mechanisms must be created for mobilizing resources. The private sector must also be given a greater role in financing subregional projects.

*Pro-poor
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Building on Success

A Strategic Framework for the Next Ten Years

Vision and Goal

The strategic framework of the GMS Program for the next ten years builds on accomplishments to date, lessons learned, and trends and challenges facing the subregion. The framework is founded on a common vision, goal, and strategic thrusts for regional cooperation. The vision and goal are:

- GMS countries envision a Mekong subregion that is more integrated, prosperous and equitable.
- The GMS Program will contribute to realizing the potential of the subregion through (i) an enabling policy environment and effective infrastructure linkages that will facilitate cross-border trade, investment, tourism and other

***The vision is
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and more
equitably
developed
Mekong
subregion.***

**A more
multisectoral
and holistic
approach to
regional
cooperation
will be pursued
in the next
decade.**

forms of economic cooperation; and (ii) the development of human resources and skills competencies.

- To ensure that this development process is equitable and sustainable, environment and social interests will be fully respected in the formulation and implementation of the GMS Program.

Strategic Thrusts

The GMS Program is defined in terms of what is achievable through regional economic cooperation. While eight priority sectors were the focus during the initial years of the Program, a more *multisectoral* and *holistic* approach to regional cooperation will be pursued in the next decade. Accordingly, five strategic thrusts are identified:

- ❑ Strengthen infrastructure linkages through a multisectoral approach
- ❑ Facilitate cross-border trade and investment
- ❑ Enhance private sector participation and improve its competitiveness
- ❑ Develop human resources and skills competencies
- ❑ Protect the environment and promote sustainable use of shared natural resources

■ **Strengthen Infrastructure Linkages Through a Multisectoral Approach**

This strategic thrust will include the following initiatives:

Integration of the GMS Program with national development plans

As the global and regional integration process intensifies, regional priority projects and national development plans should increasingly be made consistent and mutually reinforcing. Thus, cross-border infrastructure projects under the GMS Program will be linked with the national development plans to ensure consistency in policy and maximize developmental impact. For example, feeder and farm-to-market roads are essential to extending the economic benefits of the subregional transport corridors to local communities and remote villages.

Regional

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Building physical infrastructure linkages

In building physical infrastructure linkages, a multisectoral and holistic approach will be taken. Investments in priority infrastructure sectors (transport, energy, telecommunications and tourism) will focus on the same geographic space and corridors to maximize their development impact and to minimize costs. To achieve this holistic approach, the investment planning process will be strengthened through the preparation of integrated regional development plans. The needs of the local community, especially the poor in rural and border areas, will be a priority consideration in project design and implementation. Economic corridors will be developed in selected transport routes in the GMS. The aim is to come up with a carefully planned and managed process involving policy,

**The
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to play a vital
role in
addressing
rural poverty
in largely
rural-based
GMS.**

regulatory and infrastructure initiatives supporting selected business opportunities.

Cooperation in the agriculture sector

As the GMS countries have disproportionately large rural populations, and since poverty is largely a rural phenomenon, the agriculture sector is seen as playing a vital role in addressing the critical needs of the poor. Thus, the GMS infrastructure projects should be closely linked with agricultural development projects at the national level. At the same time, the GMS Program will address subregional agricultural issues, such as: (i) price control of agricultural products that discourage regional trade and specialization; and (ii) the role of infrastructure in reducing the cost of selling agricultural products in subregional markets.

■ Facilitate Cross-Border Trade and Investment

To take advantage of the move towards free trade arrangements involving ASEAN and the PRC, and to maximize the benefits of cross-border infrastructure linkages, the *Agreement for the Facilitation of the Cross-border Movement of Goods and People* must be implemented immediately. This will continue to be a major agenda of the GMS Program. Moreover, the *annexes and protocols* which stipulate the detailed procedures for the cross-border movement of goods and people will be implemented by 2005 as agreed during the Ninth Ministerial Conference in January 2000. In addition, the following objectives will be pursued:

Trade facilitation

Cross-border trade facilitation will first focus on simplifying customs procedures at selected border crossings. Notable among these is the single-stop customs inspection for border crossings at Poipet and Bavet (Cambodia), Mukdahan and Aranyaprathet (Thailand), Savannakhet and Dansavanh (Lao PDR), and Lao Bao and Moc Bai (Viet Nam). Based on experience gained, single-stop customs inspection systems will be refined and replicated in other areas. Coordination of common hours of operation will also be enhanced. Subsequent phases of cooperation will cover transparency of customs procedures and adherence to the Kyoto Convention.

*Banking
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and cross
border trade
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harmonized.*

Trade Financing

The important role of the financial sector in facilitating cross-border trade and investment has been highlighted by the private sector in GMS. One of the major impediments to cross-border business transactions, for example, is the lack of a reliable payment system among commercial banks in the GMS. At present, commercial banks involved in cross-border transactions apply different banking regulations. Harmonizing banking regulations has been identified as another important area to be addressed.

Investment Promotion

The GMS will contribute to creating a favorable environment for private firms, especially for small and medium-sized enterprises. The establishment of economic corridors and other cooperation initiatives will bring economies of scale in production and distribution and improve the member coun-

The private sector is the main engine of growth for the subregion; measures to entice its participation will be undertaken.

tries' capacity to export. Agriculture-based and labor-intensive products have been identified as areas of comparative advantage for enterprises located along the major economic corridors. Technical, marketing, credit and management support will be made more accessible. The GMS Business Forum, in collaboration with the governments and local business, will help promote investment.

Tourism Promotion

The GMS possesses vast potentials for tourism development because of its rich historical and cultural heritage and ecological attractiveness. Tourism development will directly contribute to the increase in income and employment of the poor. The GMS Program will promote joint tourism initiatives in the subregion as a single tourist destination through the simplification of the visa issuance process, improvement of the tourism infrastructure, and other activities in partnership with the private sector.

■ Enhance Private Sector Participation and Improve Its Competitiveness

The private sector is the main engine of growth for the subregion. Measures to enhance the competitiveness of the private sector will include: (i) lowering production and distribution costs through efficient utilities/infrastructure services; (ii) improving the skills competencies of the labor force; (iii) training entrepreneurs for small and medium enterprise (SME) management, production and marketing; and (iv) extending credit lines for the provision of working capital. Further, the policy environment for private sector enterprises will be better harmonized.

The private sector is also a potential source of financing for GMS infrastructure projects. This, however, raises a complex set of issues, including the risk premium of investing in the subregion and the investment regimes of GMS countries. Public-private sector partnerships, including guarantee facilities and other mechanisms, will likely be needed before private sector participation in infrastructure projects can be secured.

The private sector is a major beneficiary of regional economic cooperation. It should be actively involved in the process. However, to date, private sector involvement in the GMS Program has been relatively limited. The newly established GMS Business Forum provides an entry point for more active private sector participation. Once fully established with an active membership base (including the Chambers of Commerce), the GMS Business Forum will serve as a channel for communicating with the GMS governments and resolving impediments to business development.

■ ***Develop Human Resources and Skills Competencies***

The GMS has a large labor force, much of which is greatly underutilized, as shown by the high rates of unemployment and underemployment. Also, productivity is low, reflecting, among other factors, lack of skills. The population-age structure is relatively young, with large annual additions to the labor force. While Thailand and the PRC have succeeded in reducing fertility rates, other GMS countries continue to experience relatively rapid population growth. This has exacerbated the labor surplus problem.

In Cambodia, Lao PDR, Myanmar, and to lesser extent Viet Nam, the PRC, and Thailand, labor pro-

The region has a large, young but underutilized labor force, and a labor surplus problem.

Some HRD issues require subregional cooperation over national programs of education, training and health. ductivity is hindered by low literacy/schooling levels and, in some cases, malnutrition and generally poor health. National development strategies for these countries focus on poverty reduction and improved labor productivity. Assistance goes mostly to basic health and education services which take precedence over skills training and higher education. The challenge remains for GMS countries to upgrade their labor force for more skilled jobs.

GMS countries face different challenges in human resource development. Because of these and because of diverse languages and cultures, the normal tendency is to favor national education, training and health programs. Nevertheless, there are human resource development (HRD) issues where subregional cooperation is logical and urgently needed. These include the following:

Capacity building to address cross-border human resource development and labor market issues

An earlier technical assistance (TA) project on *Cooperation in Employment Promotion and Training in the GMS* established the groundwork for a Subregional Labor Market Information Network. It also outlined a certification and accreditation system regarding graduates of training institutions. GMS countries need to further strengthen the labor market information system and the capability to resolve issues concerning the cross-border movement of workers. Moreover, it is important to harmonize training standards, skills certification, and accreditation of training institutions. This could be achieved through capacity building in labor market management, policy formulation, legal frameworks, and institutional development. It would also help if subregional agreements on skills certification and accreditation could be made.

Addressing health and social problems associated with mobile populations

Health and other social problems associated with mobile populations must be addressed by regional as well as national programs. These problems or issues include the spread of communicable diseases (e.g., HIV/AIDS), the rights of migrants and guest workers, and the trafficking of women and children. The HRD Working Group will continue to address these issues and, through joint projects, strengthen partnership with specialized agencies, such as the United Nations International Drug Control Programme (UNDCP) and the United Nations Programme on HIV/AIDS (UNAIDS). In addition, subregional approaches are needed to take advantage of economies of scale which can be achieved with some health programs, such as the GMS vaccine program for malaria control.

There is need for GMS countries to upgrade their research and development base.

Networking higher education and training institutions

To keep pace with rapidly changing production and information technology, there is an increasing need for the GMS countries to upgrade their research and development (R&D) base. For this purpose, the GMS Academic Research Network (GMSARN) was established in 2000, with membership from major higher education institutions in the GMS countries. This initiative is the first step towards establishing centers of excellence in the Mekong subregion. The GMS Program will explore partnership with the GMSARN in addressing higher education and training needs.

■ ***Protect the Environment and Promote Sustainable Use of Shared Natural Resources***

Environmental considerations must be at the forefront of all decision-making regarding development.

The serious extent of environmental degradation in the subregion must be stopped and reversed. Proper management of shared natural resources and collective action to resolve cross-border environmental problems are among the steps needed to achieve this goal. Environmental considerations must be at the forefront of all decision-making regarding development projects. While the primary responsibility for environmental protection rests with national and local governments, cooperation with neighboring countries is critical to resolving unintended negative outcomes of development activities that go beyond national borders. Cooperation is also needed to ensure sustainable use of shared natural resources. Thus, the strategic framework for the GMS Program includes the following initiatives:

Subregional monitoring of the cumulative environmental impact of development

Large-scale infrastructure investments in the GMS in the next ten years will put additional strain on the environment. To minimize the adverse social and environmental impacts of these projects, a sub-regional approach will be adopted. The Strategic Environment Framework (SEF) for the GMS prepared over the past two years provides the policy, technical and procedural basis for subregional planning and monitoring. The Early Warning Information System (EWIS) included in the SEF will enable GMS governments to monitor the cumulative environmental impact of development projects, and respond to it in a proactive manner. The ultimate goal of the SEF is to engender sus-

tainable rural development, improve forestry coverage (and thus reduce soil erosion, siltation and flooding), restore fish stocks, protect endangered species, and reduce pollution in international waterways.

Sound practices for sustainable use of shared resources

Priority will be given to the protection and management of watershed areas and wetlands, considering their severe degradation. To reverse deforestation and environmental degradation of watersheds, GMS countries will adopt a framework of mutually consistent policies, strategies and guidelines for environmental protection and sustainable use of shared resources. The framework will include measures to reduce poverty in watershed areas, such as creating employment alternatives to slash-and-burn agriculture and other undesirable activities.

Participation in international environmental initiatives

The GMS countries recognize that regional cooperation on the environment should link with global initiatives, such as the World Summit on Sustainable Development. The GMS Program will help member countries share experiences with other nations in international environmental initiatives. In particular, opportunities will be explored and pursued for developing projects eligible for support through the Global Environmental Facility. The GMS Working Group on the Environment will cooperate with international programs to strengthen the subregion's capacity for environmental assessment and management.

*GMS will
strengthen its
capacity to
assess and
manage the
environment.*

Implementing the Strategic Framework

Making It Happen

The strategic thrusts and operational priorities of the GMS Program will be implemented through the sector forums, working groups, and the strengthened national secretariats. The critical measures for implementation are as follows:

Developing a Rolling Operational Program

To achieve its desired outcomes, the ten-year strategic framework for the GMS Program will require a highly focused set of activities. The most essential steps are: (i) to identify priority subregional projects that support the strategic thrusts; and (ii) prepare a rolling investment and TA program for implementing these projects. A *comprehensive development matrix* will be developed to serve as a basic document for planning and programming of subregional projects. This will include projects previously endorsed by the GMS working groups and forums.

Priority

subregional

projects that

support the

Program's

strategic

thrusts will be

identified.

Multisector and large-scale, the flagship programs represent major advances in regional cooperation.

To further focus the Program, **'flagship'** programs have been identified. These are multisector, large-scale initiatives representing major advances in regional cooperation. Eleven flagship programs⁴ are listed below, the components of which are detailed in Appendix 2.

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

Following the endorsement by the GMS Ministerial Conference of the ten-year GMS Strategic Framework, GMS working groups and forums will start discussions to prepare detailed implementation plans for the flagship programs. These plans will assign the primary responsibilities for project implementation, and identify the respective roles of individual GMS governments, ADB, other development partners, NGOs, and the private sector.

⁴ The Eleventh GMS Ministerial Conference held in Phnom Penh, Cambodia on 23-25 September 2002 endorsed the inclusion of GMS Tourism Development as the eleventh flagship program.

Mobilizing Resources

The implementation of the ten-year strategy will also require a concerted effort among the GMS countries in mobilizing resources. The GMS governments must ensure that the national components of flagship programs get priority in their public investment programs, whether the funds come from domestic sources or development assistance. GMS governments should also provide counterpart funds in support of investment and technical assistance (TA), in keeping with their commitment to the goals and priority projects of the GMS Program.

Given the dwindling resources for TA grants, the GMS could establish a financing mechanism that will give grants to project preparation (feasibility studies) and capacity building projects. ADB, in its role as catalyst and supporter of the GMS Program, will assist in financing as well as mobilizing resources for selected priority projects. Cofinancing arrangements with bilateral and multilateral donors will also be strengthened through partnership arrangements and other mechanisms.

*GMS
governments
must ensure
that flagship
programs get
priority in
each
government's
public
investment
program.*

Building Strategic Alliances and Partnerships

The scarcity of ODA grant funds and the growing number of economic cooperation initiatives for the subregion all the more call for better coordination among development partners. Economic cooperation initiatives for the GMS include the ASEAN Mekong Basin Development Cooperation (AMBDC), the Comprehensive Program for Indochina Development (Japan), and the Mekong River Commission. Partner organizations that have been actively involved in the GMS Program include: the World Bank (energy, transport and environment); United Nations Economic and Social Commission for Asia

GMS Program initiatives play an important role in facilitating economic integration and narrowing the development gap. and the Pacific (ESCAP) (trade, investment and tourism); UNDCP (drug prevention and control); United Nations Environment Programme (environment); and European Union (environment, human development and governance). Bilateral development agencies of Japan, Australia, Nordic countries, Germany, France and United Kingdom (UK), among others, continue to be strategic partners in the GMS Program.

The relationship between the GMS Program and ASEAN is of special importance, as five of the six GMS countries are also members of ASEAN. During the 34th ASEAN Ministerial Meeting in Hanoi (July 2001), foreign ministers called for the narrowing of the development gap between its original and new members in order to facilitate ASEAN economic integration. GMS Program initiatives play an important role in this regard. Close coordination with ASEAN, especially in planning and implementing transport, energy, trade and drug control initiatives, is vital.

To resolve the “Mekong congestion,” the Sixth Ministerial Conference in August 1996 concluded that ADB should coordinate economic cooperation initiatives involving the subregion. The Tenth Ministerial Conference reaffirmed ADB’s lead coordinating role. During the consultations on the strategic framework, member countries suggested the preparation of a *comprehensive development matrix* to help coordination. This would highlight the priorities for regional cooperation, as well as the current initiatives of governments and donors. ADB will consult with donors on the development matrix. Donor consultation meetings will also explore possible modalities of assistance for GMS priority projects, including the possible establishment of a GMS development facility.

Strengthening Capacities and Institutions

The implementation of the strategic framework entails complex and comprehensive tasks. Some of these may involve new modalities of cooperation. The institutional framework for the program will thus need to be strengthened. This can be achieved through: (i) an expanded role for the GMS Senior Officials Meeting to address cross-sector linkages and economic corridor initiatives; (ii) establishment of sector secretariats to involve member countries more in the management of GMS working groups and forums; and (iii) establishment of national GMS secretariats to serve as focal points for all GMS-related activities. Technical assistance will help GMS countries to respond to these expanded responsibilities.

The member countries' ownership of the GMS Program in the next ten years will be strengthened. Ownership by member countries has been a long-standing principle of the GMS Program, but the GMS Summit of Leaders, scheduled for November 2002, will strengthen it further. Strong ownership is essential for effective and efficient implementation of priority subregional projects.

Strong ownership of the Program and genuine participation by all stakeholders are important in ensuring success.

Broadening the Scope of Participation

Genuine participation by all stakeholders — not just government but civil society, NGOs, the private sector, academe and the donor community as well — is needed in the management and coordination of the Program. This means stakeholders are not just consulted, but involved as joint partners in the development and implementation of policies, strategies and projects. GMS sector forums and working groups will henceforth invite greater participation from key stakeholders. Because of this, the structure and process of the working groups/fo-

Member countries should agree on and convey to key stakeholders their vision and goals for subregional economic cooperation.

rums, senior officials' meetings (SOM), and the Ministerial conference will have to be improved.

Public Relations

Improved public relations is important to the successful implementation of the GMS strategic framework. Better understanding of the vision, goals and strategic thrusts of the GMS Program is vital.

Information dissemination

As noted earlier, member countries should agree upon and convey to key stakeholders their vision and goals for subregional economic cooperation. Public relations tools need to be developed for this purpose. These may include, among others: (i) introductory brochures; (ii) sector studies that focus on investment opportunities; (iii) press kits and press releases; and (iv) project profiles. The public relations strategy should also include information exchanges with journalists, potential investors and development agencies.

Community relations

To support broader participation, public relations must increase community participation. Communities affected by development projects should be fully involved in all stages of planning, design and implementation. This will require greater information sharing with community members. Having project summaries in the local language, for one, would be very helpful.

Monitoring and Evaluating Performance

Projects under the GMS Program complement national projects. As such, their exact contribution to development objectives (e.g., poverty reduc-

tion) is very difficult to evaluate. Nevertheless, broad indicators should be identified for assessing progress, however generally, in achieving the program's vision and goals.

Monitoring and evaluation at the project level is conventional and straightforward. However, with regional cooperation projects, it is difficult to measure cross-border benefits and costs and their distribution among participating countries. This requires new capacities and skills for project appraisal and evaluation.

The GMS Ministerial Conference, as the highest decision-making body of the GMS Program, should ensure that program priorities are adjusted in line with developing needs. GMS working groups and forums must monitor project implementation and resolve issues that hamper implementation – especially those regarding flagship programs.

- specific product categories (including volume and value traded, tariff and non-tariff measures, and factor costs of production), industrial facilities (e.g., export processing zones), investment incentives, business-related services (e.g., banking, insurance, shipping and travel), and existing and potential business opportunities;
- construction of data bases for trade and market access conditions, data base management, design and implementation of an Internet-based searchable data base application; and
- training components for systems development.

Broad indicators will be identified for assessing progress and evaluating performance.

Appendixes

Number	Title	Page	Cited on page
1	The First Ten Years of the GMS Program – Taking Stock	41	1
2	Flagship Programs	53	32

THE FIRST TEN YEARS OF THE GMS PROGRAM *TAKING STOCK*

Since 1992, when the six member countries first entered into the program of economic cooperation, there have been many accomplishments. Economic linkages among the six countries have been strengthened through a series of infrastructure and other highly pragmatic projects. In turn, the emergence of a new trade area attracted investor interest, promoting economic growth and social development in the subregion. The GMS Program has also had a peace dividend – it contributed to trust and better relations among the member countries. Indeed, this contribution may be its most significant accomplishment: nothing could be more determining for the welfare of people in the subregion than their peace and security.

The first phase of the Program, from 1992-1993, entailed close consultations with member countries to determine the framework for economic cooperation, and the areas of cooperation best suited for practical results. The second phase, from 1993-1996, involved detailed sector studies to identify priority subregional projects and initiatives. This second phase strengthened the consultative process and intensified resource mobilization for priority projects. The third phase, from 1996 to date, has been a period of implementation and consolidation. Several infrastructure projects and numerous technical assistance initiatives were undertaken during this phase. Despite the Asian financial and economic crisis, the program has deepened and broadened in recent years, reflecting the increasing commitment of member countries to subregional cooperation.

Under the GMS Program, a series of feasibility studies led to ten infrastructure projects, with overall investment amounting to about \$2 billion. Among these was the upgrading of the Phnom Penh-Ho Chi Minh City Highway and the East-West Corridor Project. Investment in transport infrastructure was complemented by attention to the regulatory framework. A framework agreement has been signed by the governments of Cambodia, Lao PDR, Thailand, and Viet Nam to facilitate the cross-border movement of goods and people. The agreement covers such issues as customs procedures, rights of cross-border passage for vehicles and drivers, vehicle and load specifications, insurance provisions, and transit or user fees. In addition, significant progress has been made concerning trade in energy and in establishing a telecommunications network for the subregion. The two hydropower projects amounting to \$380 million were breakthroughs,

Appendix 1

THE FIRST TEN YEARS OF THE GMS PROGRAM *(cont'd.)*

both in terms of bilateral partnership (between Lao PDR and Thailand) and private sector participation. They have also promoted power-sharing arrangements on a multilateral basis, along with technical assistance.

Initiatives concerning human resource development, tourism, the environment, trade and investment have been supported by 18 advisory TAs from ADB and co-financiers. Human resource development initiatives include: harmonization of training standards and accreditation/certification; mitigating of the transborder spread of communicable diseases; and improvement of health and education services for ethnic minorities in border areas. Subregional cooperation has led to establishment by the private sector of the Mekong Tourism Forum. The member countries have also established the Agency for Coordinating Mekong Tourism activities. The agency oversees a variety of training, and promotion and planning activities to strengthen the sector. Environment initiatives included: joint monitoring and information systems; training and institutional strengthening; area-specific projects to protect the natural resource base; and a comprehensive strategy for sustainable development. Trade and investment initiatives have been closely coordinated with ASEAN and ESCAP, so as to avoid duplication of efforts and to focus on local area impediments. The GMS Business Forum was recently established to promote private sector participation in the GMS Program.

Significantly, the program has acted as a catalyst for encouraging broad-based economic cooperation and resource mobilization. ADB has provided \$772 million in loans for subregional infrastructure projects and mobilized a further \$234 million for co-financing them. In addition, \$58 million in technical assistance has been provided by ADB, co-financiers, and the GMS governments. Other subregional initiatives have been encouraged by the GMS Program, including the following: the Forum for the Comprehensive Development of Indochina; the ASEAN-Mekong Basin Development Cooperation Initiative; and the ASEAN Economic Ministers - Ministry of Economy, Trade, and Industry (Japan) Economic and Industrial Cooperation Committee. ADB has a Partnership Arrangement with the Mekong River Commission to coordinate activities with the GMS Program.

Most important of all, the GMS Program has served as a catalyst for the member countries to take the initiative in forming cooperation agreements. Examples are: the opening of new air routes and international airport designations in the subregion (e.g., Siem Reap,

Appendix 1

THE FIRST TEN YEARS OF THE GMS PROGRAM *(cont'd.)*

Luang Prabang); and the Quadripartite Agreement on Commercial Navigation along the Upper Reaches of the Mekong River. Bilateral agreements include: Lao PDR's access to Sihanokville Port in Cambodia; the opening of the railway bridge linking PRC and Viet Nam at Lao Cai; and Thailand's energy needs leading to hydropower projects in Lao PDR and development of the natural gas fields in the Gulf of Martaban, Myanmar.

The tables attached list ADB's investment and technical assistance projects under the GMS Program.

Table A1.1: GREATER MEKONG SUBREGION
ADB-Assisted Loan Projects
(as of 30 June 2002)

LOAN NO.	COUNTRY	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$million)	FINANCING		
					ADB	Government	Co-financing
National Projects with Subregional Dimensions							
1325	PRC	Yunnan Expressway	29-Sep-94	461.4	150.0	311.4	
1329	Lao PDR	Theun Hinboun Hydropower	8-Nov-94	270.0	60.0 ^a	14.5 ^a	195.5 ^b
1369	Lao PDR	Champassak Road Improvement	31-Aug-95	60.1	48.0	12.1	
1456	Lao PDR	Nam Leuk Hydropower Development	10-Sep-96	112.6	52.0	22.1	38.5 JBIC
1503	Cambodia	Siem Reap Airport	12-Dec-96	17.0	15.0	2.0	
1691	PRC	Southern Yunnan Road Development	24-Jun-99	770.3	250.0	520.3	
		Subtotal		1,691.4	575.0	882.4	234.0
Purely Subregional Projects							
1659	Cambodia	Phnom Penh - Ho Chi Minh City Highway	15-Dec-98	52.7	40.0	12.7	
1660	Viet Nam	Phnom Penh - Ho Chi Minh City Highway	15-Dec-98	144.8	100.0	44.8	
1727	Lao PDR	East-West Transport Corridor Project	20-Dec-99	40.0	32.0	8.0	
1728	Viet Nam	East-West Transport Corridor Project	20-Dec-99	36.0	25.0	11.0	
		Subtotal		273.5	197.0	76.5	
		Total (10 projects)		1,964.9	772.0	958.9	234.0

^a The financial participation of the Government of Lao PDR, through Electricité du Laos (EdL) is as follows: Equity - \$66.0 million; Debt - \$8.5 million. \$60.0 million of the Government's project equity was provided as a loan by ADB.

^b Other financing sources for the project are as follows: Equity - Nordic Hydropower (\$22.0 million), MDX Power (\$22.0 million); Debt - Commercial Loan (\$81.5 million), Export Credit (\$70.0 million).

Table A1.2: GREATER MEKONG SUBREGION
ADB-Assisted Technical Assistance Projects
(as of 30 June 2002)

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
A. Core Projects							
5487	Studies on Subregional Cooperation among Cambodia, the PRC, Lao PDR, Myanmar, Thailand and Viet Nam — Phase I	9-Mar-92	270.0	270.0			
5535	Promoting Subregional Cooperation among Cambodia, the PRC, Lao PDR, Myanmar, Thailand and Viet Nam — Phase II	10-Jun-93	5,260.0	1,500.0	3,000.0		760.0 — Sweden
5643	Subregional Electric Power Forum — GMS	20-Sep-95	78.0				78.0 — Norway
5645	Meeting of Telecommunications Officials	2-Oct-95	30.0				30.0 — Australia
5693	Promoting Subregional Cooperation among Cambodia, the PRC, Lao PDR, Myanmar, Thailand and Viet Nam — Phase III	23-Jul-96	3,250.0		3,000.0	250.0	
5741	Subregional Telecommunications Forum—GMS	18-Jun-97	50.0				50.0 — Australia
5886	Promoting Subregional Cooperation among Cambodia, the PRC, Lao PDR, Myanmar, Thailand and Viet Nam — Phase IV, Year 1	22-Dec-99	860.0		800.0	60.0	

Source: GMS Economic Cooperation Program

Continued on the next page

Appendix 1 **Table A1.2: ADB-Assisted Technical Assistance Projects** (cont'd.)

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
A. Core Projects							
5961	Promoting Subregional Cooperation among Cambodia, the PRC, Lao PDR, Myanmar, Thailand and Viet Nam — Phase IV, Year 2	14-Dec-00	860.0		800.0	60.0	
	Subtotal		10,658.0	1,770.0	7,600.0	370.0	918.0
B. Feasibility Study/Project Preparation							
5586	Study of the Lao-Thailand-Viet Nam East-West Transport Corridor	18-Jul-94	1,000.0				1,000.0 — France
5649	GMS Infrastructure Improvement: Ho Chi Minh City to Phnom Penh	9-Nov-95	3,100.0		3,000.0	100.0	
5691	Thailand-Cambodia-Viet Nam Southern Coastal Road Corridor	18-Jul-96	100.0	100.0			
5697	Se Kong-Se San and Nam Theun River Basins Hydropower Development Study	22-Aug-96	2,500.0	500.0			2,000.0 — France
5710	Study of the Lao-Thailand-Vietnam East-West Transport Corridor	11-Dec-96	3,100.0		3,000.0	100.0	

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Appendix 1 **Table A1.2: ADB-Assisted Technical Assistance Projects** (cont'd.)

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
B. Feasibility Study/Project Preparation							
5728	Chiang Rai-Kunming Road Improvement via Lao PDR	27-Feb-97	625.0		600.0	25.0	
5738	East Loop Telecommunications Project in the GMS	28-May-97	820.0			50.0	770.0 — France
2903	Border Towns Urban Development - Thailand	27-Oct-97	1,000.0		800.0	200.0	
2926	Nam Ngum 500 kV Transmission - Lao PDR	28-Nov-97	605.0		580.0	25.0	
3222	Se San 3 Hydropower - Viet Nam	14-Jul-99	1,248.0		998.0	250.0	
5885	GMS Preinvestment Study for the East-West Economic Corridor	22-Dec-99	350.0		350.0		
5893	Mekong/Lancang River Tourism Infrastructure Development	28-Dec-99	770.0		600.0	170.0	
5915	Establishment of Backbone Telecommunications Network Project Phase I	17-May-00	180.0	150.0		30.0	
3544	Nam Ngum River Basin Development - Lao PDR	14-Nov-00	1,015.0		850.0	165.0	

Continued on the next page

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
B. Feasibility Study/Project Preparation							
3642	Preparing the Western Yunnan Roads Development Project - PRC	20-Mar-01	970.0		770.0	200.0	
3780	North-Northeast Region Area Development - Thailand	26-Nov-01	1,430.0		1,000.0	430.0	
3817	Preparing the Northern Economic Corridor Project - Lao PDR	19-Dec-01	710.0		600.0	110.0	
3852	GMS: Cambodia Road Improvement Project - Small-Scale Technical Assistance for Economic Analysis	4-Apr-02	188.0	150.0		38.0	
3854	GMS: Cambodia Road Improvement Project - Small-Scale Technical Assistance for Environmental Assessment	11-Apr-02	75.0	60.0		15.0	
3855	GMS: Cambodia Road Improvement Project - Small-Scale Technical Assistance for Resettlement Study and Social Impact Assessment	11-Apr-02	187.5	150.0		37.5	

Continued on the next page

Appendix 1 **Table A1.2: ADB-Assisted Technical Assistance Projects** (cont'd.)

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
B. Feasibility Study/Project Preparation							
3868	GMS: Cambodia Road Improvement Project Engineering Design Update	31-May-02	500.0	400.0		100.0	
	Subtotal		20,473.5	1,510.0	13,148.0	2,045.5	3,770.0
C. Advisory TA							
5622	Subregional Environmental Monitoring and Information System	9-Feb-95	4,000.0		1,000.0	2,000.0	1,000.0 — UNEP
5647	Regional Program to Train Trainers in Tourism in the GMS	23-Oct-95	149.0	130.0			16.0 — Singapore 3.0 — Thailand
5681	Cooperation in Employment Promotion and Training in the GMS	18-Apr-96	920.0		600.0	50.0	270.0 — ILO
5684	Subregional Environmental Training and Institutional Strengthening in the GMS	9-May-96	2,370.0		800.0	705.0	765.0 — Norway 100.0 — Finland
5686	Mitigation of Nonphysical Barriers to Cross-Border Movement of Goods and People	29-May-96	232.0		180.0	24.0	28.0 — ESCAP

Continued on the next page

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
C. Advisory TA							
5743	Mekong/Lancang River Tourism Planning Study	24-Jun-97	655.0		600.0	55.0	
5749	Cross-Border Movement of Goods and People in the GMS	26-Aug-97	730.0		550.0	40.0	140.0 — ESCAP
5751	Prevention and Control of HIV/AIDS in the GMS	17-Sep-97	150.0				150.0 — Australia
5771	Poverty Reduction and Environmental Management in Remote GMS Watersheds	31-Dec-97	3,800.0		1,000.0	600.0	2,200.0 — Finland
5783	Strategic Environmental Framework for the GMS	20-Mar-98	1,900.0		600.0	270.0	1,000.0 — Switzerland 30.0 — UNEP
5794	Study of Health and Education Needs of Ethnic Minorities in the GMS	30-Jun-98	850.0		300.0	50.0	500.0 — UK
5807	Tourism Skills Development in the GMS	29-Sep-98	135.0		125.0		10.0 — Thailand
5822	Protection and Management of Critical Wetlands in the Lower Mekong Basin	22-Dec-98	2,070.0		1,000.0	420.0	650.0 — Finland
5850	Facilitating the Cross-Border Movement of Goods and People in the GMS	16-Jul-99	990.0		950.0	40.0	

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Appendix 1 **Table A1.2: ADB-Assisted Technical Assistance Projects** (cont'd.)

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
C. Advisory TA							
3225	Analyzing and Negotiating Financing Options for the Nam Leuk Hydropower Project Cost Overruns - Lao PDR	16-Jul-99	140.0	140.0			
5881	Preventing HIV/AIDS Among Mobile Populations in the Greater Mekong Subregion	16-Dec-99	610.0		610.0		
3348	East-West Corridor Coordination - Lao PDR and Viet Nam	20-Dec-99	690.0		690.0		
5899	Subregional Environmental Monitoring and Information System (Phase II)	29-Dec-99	600.0		100.0		500.0 — Norway
3396	Assessing A Concession Agreement for the Lao PDR:	2-Feb-00	150.0	150.0			
5920	Regional Indicative Master Plan on Power Interconnection in the Greater Mekong Subregion	14-Jul-00	950.0	158.0		50.0	742.0 — Norway
5951	Small and Medium-Size Enterprise Growth and Development in the Mekong Region	17-Nov-00	750.0	750.0			
5958	Rollback Malaria Initiative in the Greater Mekong Subregion	7-Dec-00	750.0		600.0	75.0	75.0 — UNICEF & WHO

Appendix 1 **Table A1.2: ADB-Assisted Technical Assistance Projects** (cont'd.)

TA No.	PROJECT NAME	DATE APPROVED	TOTAL PROJECT COST (\$ 000)	FINANCING			
				TASF	JSF	Government	Co-financing
C. Advisory TA							
5970	Drug Eradication in the Greater Mekong Subregion	21-Dec-00	150.0	150.0			
6004	GMS Telecommunications Sector Policy Formulation and Capacity Building	2-Nov-01	750.0		700.0	50.0	
6017	Capacity Building for National Institutions Involved in the GMS Economic Cooperation Program	21-Dec-01	800.0		500.0	300.0	
6020	Facilitating Cross-Border Trade and Investment for Small and Medium Enterprise Development in the GMS	21-Dec-01	900.0		600.0	300.0	
6032	Support to the Greater Mekong Subregion Summit of Leaders and Related Activities	17-May-02	500.0	500.0			
6034	Study on Subregional Issues in the Agriculture Sector in the Greater Mekong Subregion	31-May-02	180.0	150.0		30.0	
	Subtotal		26,871.0	2,128.0	11,505.0	5,059.0	8,179.0
	TOTAL AMOUNT		58,002.5	5,408.0	32,253.0	7,474.5	12,867.0

GREATER MEKONG SUBREGION ECONOMIC CORRIDORS

98°00'E

108°00'E

KEY :

- R1 Bangkok-Phnom Penh-Ho Chi Minh City
Vung Tau Road Improvement Project
- R2 Thailand-Lao PDR-Viet Nam East-West
Corridor (Northern, Central, Southern)
- R3 Chiang Rai-Kunming Road Improvement
Project Via Myanmar and Lao PDR
- R4 Kunming-Lashio Road System
Improvement Project
- R5 Kunming-Hanoi-Haiphong Road
Improvement Project
- R6 Southern Lao PDR-Sihanoukville
Road Project
- R7 Lashio-Loilem-Kengtung Road
Improvement Project
- R8 Southern Yunnan Province-Northern
Thailand-Northern Lao PDR-Northern
Viet Nam Road Improvement Project
- R9 Northeastern Thailand-Southern
Lao PDR Northeastern Cambodia-
Central Viet Nam Corridor Project
- R10 Southern Coastal Corridor Project



North-South

East-West

Southern

- National Capital
- City/Town
- Major National Road
- Proposed Subregional Road
- River
- Provincial Boundary
- International Boundary

Boundaries are not necessarily authoritative.

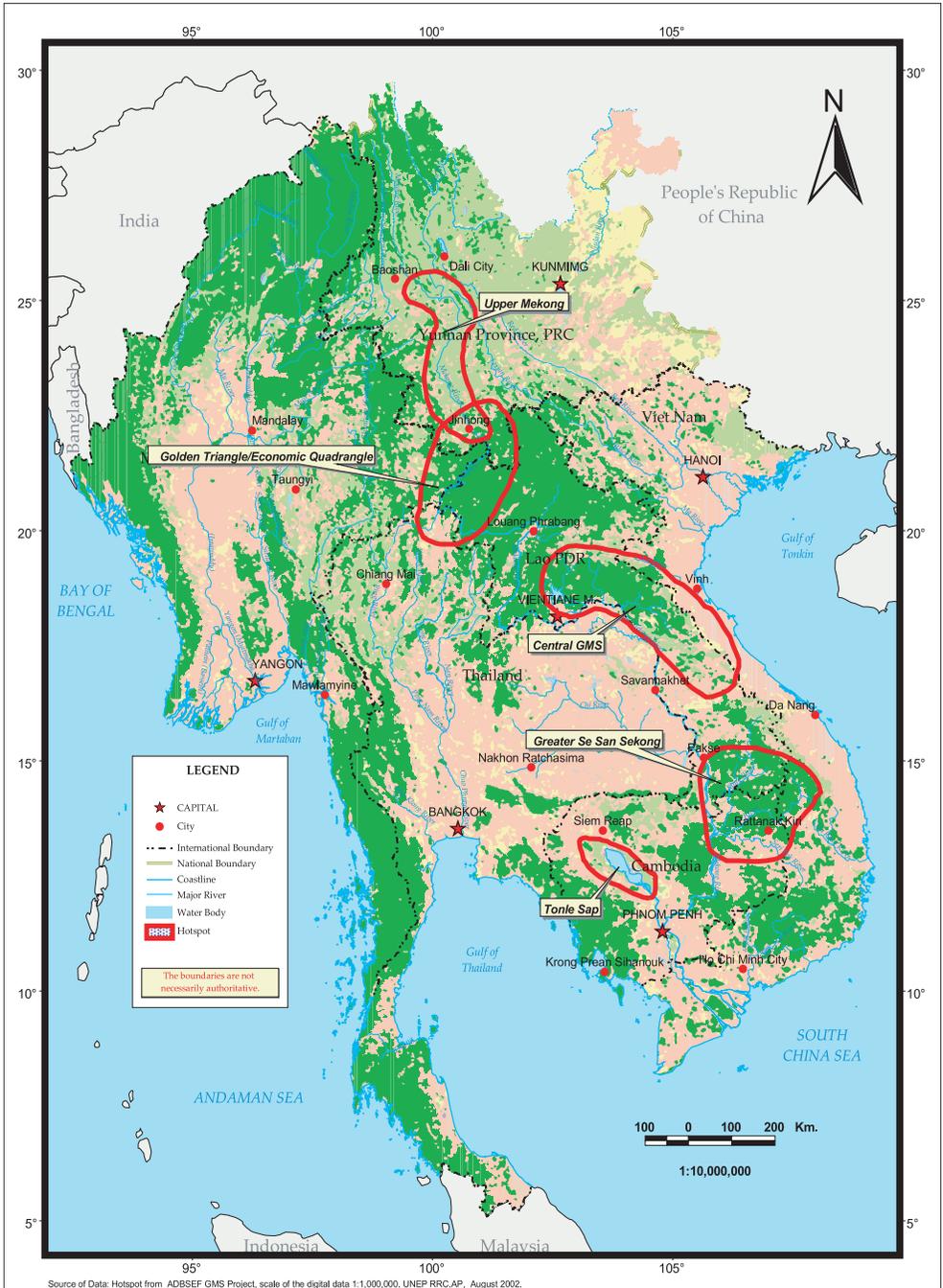
98°00'E

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GREATER MEKONG SUBREGION STRATEGIC ENVIRONMENT FRAMEWORK



Appendix 2

FLAGSHIP PROGRAMS

North-South Economic Corridor Development

Objectives:

- i. To serve as an “initializing project” for subregional economic cooperation which could serve as a “locomotive” for economic development along the north-south axis of the GMS;
- ii. To facilitate trade and development between and among the participating GMS members, namely, Lao PDR, Myanmar, Thailand, Viet Nam, and Yunnan Province of the PRC;
- iii. To reduce transport costs in the project influence area, and increase the efficiency of the movement of goods and passengers; and
- iv. To reduce poverty, support development of rural and border areas, increase the earnings of low-income groups, provide employment opportunities for women, and promote tourism in the project influence area.

Components:

- i. Update of the feasibility study and cumulative impact assessment of the Chiang Rai-Kunming via Lao PDR Road Improvement Project;
- ii. Feasibility study and cumulative impact assessment of the Kunming-Hanoi-Haiphong Multimodal Transport Corridor Project;
- iii. Civil works for the Chiang Rai-Kunming via Lao PDR Road Improvement Project and the Kunming-Hanoi-Haiphong Multimodal Transport Corridor;
- iv. Preinvestment study for the North-South Economic Corridor;

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- v. Accession by the PRC to the Framework Agreement for the Facilitation of the Cross-Border Movement of Goods and People (Framework Agreement); and
- vi. Finalization and implementation of the Framework Agreement, including the annexes and protocols.

East-West Economic (EWEC) Development

Objectives:

- i. To further strengthen economic cooperation between and among the participating GMS members, namely, Lao PDR, Myanmar, Thailand and Viet Nam;
- ii. To facilitate trade and development between and among the participating GMS members;
- iii. To reduce transport costs in the project influence area, and increase the efficiency of the movement of goods and passengers; and
- iv. To reduce poverty, support development of rural and border areas, increase the earnings of low-income groups, provide employment opportunities for women, and promote tourism in the project influence area.

Components:

- i. Completion of the East-West Transport Corridor involving Lao PDR and Viet Nam, including the second international bridge crossing the Mekong River between Lao PDR and Thailand;
- ii. Feasibility study and cumulative impact assessment of the western portion of the EWEC in Myanmar;
- iii. Civil works for the western portion of the EWEC, specifically the rehabilitation of road links from Myawaddy to Mawlamyine and upgrading of the Myanmar port;

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- iv. Finalization and implementation of the Framework Agreement for the Facilitation of the Cross-Border Movement of Goods and People, including the annexes and protocols;
- v. Implementation of trade facilitation arrangements through customs cooperation;
- vi. Industry-specific enterprise development and investment promotion; and
- vii. Tourism promotion and infrastructure development.

Southern Economic Corridor

Objectives:

- i. To promote regional cooperation, foster economic and social integration, support increased trade and investment, and facilitate exchange and development along the east-west axis between and among Thailand, Cambodia and Viet Nam; and
- ii. To facilitate the development of economic corridors encompassing major cities in Thailand, Cambodia and Viet Nam through the provision of road and rail infrastructure linking the said cities.

Components:

- i) Bangkok-Phnom Penh-Ho Chi Minh City (HCMC)-Vung Tau Road Improvement, now ongoing in the Phnom Penh-HCMC road under financing by an ADB loan. Expected completion is 2004.
- ii) Pilot testing of customs facilitation arrangements at the Bavet-Moc Bai border crossing;
- iii) Thailand-Cambodia Road Corridor (Poipet-Siem Reap). This is first in line in the Cambodian Government's priority investment program in the road sector. It would involve upgrading the 154-km road section from Poipet to Siem Reap. The project would enhance the development

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

of tourism in Siem Reap, where employment and income-generating opportunities of rural people would also be improved.

- iv) **Cambodia-Thailand-Viet Nam Railway Development.** This will involve the reconstruction of the 48-km railway track from Poipet to Sisophon in Cambodia. It covers the provision of ballast, sleepers, rails, fastenings and other track materials, bridge repairs, and other upgrading works. The project will also involve emergency repairs and restoration of the 330-km existing railway line from Sisophon to Phnom Penh to make rail operations efficient and safe by appropriate standards.
- v) **Extension of the railway line from Phnom Penh to the Cambodian/Vietnamese border.** A feasibility study of the sections of the planned rail connection from Sisophon to Phnom Penh in Cambodia (about 337 km), and from Phnom Penh to Ho Chi Minh City in Viet Nam (about 190 km) will be prepared.
- vi) **Southern Coastal Corridor.** This will link Trat Province in Thailand, Koh Kong and Kampot in Cambodia, and Ha Tien in Viet Nam. The specific scope of the project will be determined by the project preparatory technical assistance scheduled for 2003. In Cambodia, the required improvements include sections of routes 48, 4, 3, and 33. Alternative alignments could be considered, including the possible extension of the project eastward to Can Tho, a Mekong River port city in southern Viet Nam.

Telecommunications Backbone Project

Objectives:

- i) To expand the telecommunications network in the sub-region and make it more efficient by providing access to voice and data services (including the Internet) at affordable commercial rates;

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- ii) To reduce the incidence of the “digital divide” in the GMS;
- iii) To improve the backbone telecommunications infrastructure in order to attract private investment in national telecommunications networks; and
- iv) To allow the interconnection of the national telecommunications networks of the six GMS countries.

Components:

- i) ADB regional technical assistance (RETA) for the Telecommunications Sector Policy Reforms Study in Cambodia, Lao PDR and Viet Nam;
- ii) ADB-assisted investment project to construct the Phase I telecommunications backbone;
- iii) Telecommunications sector policy reforms in Cambodia, Lao PDR and Viet Nam as recommended by the ADB RETA, including provision of ADB assistance to mitigate fiscal burdens arising from the sector reforms;
- iv) Feasibility study of Phase II backbone telecommunications project;
- v) Telecommunications Sector Policy Reforms Study for the countries involved in the Phase II project;
- vi) Investment project to construct the Phase II telecommunications backbone;
- vii) Telecommunications sector policy reforms in the countries involved in the Phase II telecommunications backbone project; and
- viii) Study and implementation of proposed harmonization and integration of the technical aspects of the GMS telecommunications networks. This would include network synchronization, common channel signaling number 7, telecommunications management network, numbering, and tariffs and tariffs policy.

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

Regional Power Interconnection and Trading Arrangements

Objectives:

- i) To promote the development of the regional power trade in the GMS through agreement on, and implementation of, the regional power protocol and regional power trade operating agreement;
- ii) To finance the construction of transmission lines that would interconnect the various GMS power systems, initially of Lao PDR, Thailand and Viet Nam. The project will also include the associated switching stations and substations;
- iii) To encourage mobilization of private sector investments in the power market; and
- iv) To promote the development of a corps of engineers and technical personnel for integrated GMS power system operation and management.

Components:

- i) Analysis of required GMS power systems operations, including the management structure of the power market enterprises/operators at the national/subregional levels;
- ii) Establishment of procedures and processes for reliable operations under the market operating agreement, including: plans for technology transfer; development of transmission pricing methodology; and mechanics for ancillary services;
- iii) Extension of the committed interconnections in the GMS, including the identification of right of way, and determination of alternative project configurations and cost estimates;
- iv) Conduct of power system study for the merged systems, with verification of load flow and dynamic conditions;

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- v) Securing financing for interconnection projects, and exploring alternative financing schemes such as joint ventures between government power entities;
- vi) Examining the impact of power interconnections on forestry and fisheries, and other resources along the routes of transmission projects;
- vii) Upgrading the capability of training institutions on power technology education, including provision of IT and related equipment; and
- viii) Undertaking training needs analysis, and conducting actual training for staff of GMS power market systems.

Facilitating Cross-Border Trade and Investment

Objectives:

- (i) To promote the competitiveness of the subregion by facilitating cross-border trade and investment in the GMS;
- (ii) To address information inadequacies for trade and investment in order to facilitate and stimulate business expansion in the GMS border areas;
- (iii) To develop a system of support to small and medium enterprises as the primary beneficiary of cross-border trade and investment facilitation measures; and
- (iv) To implement trade facilitation measures initially focusing on single-stop customs inspection procedures.

Components:

- (i) Development and maintenance of a cross-border trade and investment information system which is responsive to the needs of the private business sector. This would include the establishment of public-private partnership mechanisms at the local level to maintain this information system. Specific activities will include:

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- collection of detailed information on cross-border and transit trade for specific product categories (including volume and value traded, tariff and non-tariff measures, and factor costs of production), industrial facilities (e.g., export processing zones), investment incentives, business-related services (e.g., banking, insurance, shipping and travel), and existing and potential business opportunities;
 - construction of data bases for trade and market access conditions, data base management, design and implementation of an Internet-based searchable data base application; and
 - training components for systems development.
- (ii) Development of products and services to support SMEs. These include:
- guides for business planning and development; investment guides; organization of trade and investment missions; and a directory of SME enterprises, among others;
 - market encounters to promote matching of business opportunities among SMEs in the subregion; and
 - assistance in the formulation of business development plans.
- (iii) Implementation, on a pilot basis, of single-stop customs inspection at selected border crossings in Poipet and Bavet (Cambodia), Savannakhet and Dansavanh (Lao PDR), Aranyapathet and Mukdahan (Thailand), Lao Bao and Moc Bai (Viet Nam), with possible replication of the pilot scheme to other cross-border sites based on experience gained and lessons learned;
- (iv) Expansion of customs facilitation measures to other areas, namely: single-window inspection, coordination of hours of business operations; transparency of customs procedures; and automation of customs procedures;
- (v) Reduction of barriers to trade in agricultural products; and

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- (vi) Coordination of policies and regulations on trade-related financial services.

Enhancing Private Sector Participation and Competitiveness

Objectives:

- i) To strengthen the microeconomic foundations of competitiveness in the GMS by focusing on support to SMEs;
- ii) To strengthen the indigenous private sectors in the GMS countries, especially in the transition economies;
- iii) To develop a network of private institutions in the GMS to promote business, trade and investment opportunities in the region;
- iv) To strengthen and expand mechanisms for private sector participation in the GMS; and
- v) To encourage private sector participation in financing sub-regional projects.

Components:

- i) Assistance in managerial, entrepreneurship and skills training, business development, production and marketing, and access to working capital specifically targeted at SMEs and indigenous private sector organizations;
- ii) Capacity building assistance to the GMS Business Forum (BF) to enable it to expand its membership base and provide services to its members. These services include, among others: (a) business advisory and inquiry services; (b) investment guides; (c) export promotion programs; and (d) organization of investment missions;
- iii) Preparation of a comprehensive work plan to guide the GMS BF Secretariat in providing products or services to its members;

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- iv) Development of public-private sector mechanisms at the local level, taking into account unique local conditions and resources;
- v) Establishment of a GMS Business Support Center, a web-based facility that will provide up-to-date marketing, investment and other relevant information on the GMS;
- vi) Establishment of a private sector networking mechanism in the GMS, with special focus on mechanisms at the local level; and
- vii) Studies on the establishment of risk mitigation mechanisms for private sector participation in project financing in the GMS (e.g., feasibility studies fund, guarantee facility).

Developing Human Resources and Skills Competencies

Objectives:

- i) To address the lack of transparency and comparability in skills testing and certification by further strengthening the labor market information exchange network (SLIN);
- ii) To set up and support systems for harmonizing training standards and skills certification systems;
- iii) To build a system for accrediting training institutions;
- iv) To undertake capacity building for technical and vocational training (TVET) institutions and other centers of excellence;
- v) To identify issues related to cross-border migration, including related health and other social issues, and undertake studies to address said issues; and
- vi) To implement cooperative arrangements for addressing health and other social issues related to cross-border migration.

Appendix 2 FLAGSHIP PROGRAMS *(cont'd.)***Components:**

- (i) Inventory and analysis of technical studies on labor markets/migration, vocational standards, and certification and accreditation of centers of excellence;
- (ii) Upgrading of the capacity of SLIN through staff training and provision of equipment;
- (iii) Capacity building for labor planning, policy formulation, legal frameworks and institutional development;
- (iv) Support for forging subregional agreements on skills certification and institution accreditation systems;
- (v) Assistance to certification and testing centers and TVET accreditation bodies through staff training, equipment upgrading and formulation of technical procedures and guidelines;
- (vi) Capacity building of TVETs and centers of excellence through faculty training, equipment upgrading and curriculum development;
- (vii) HIV/AIDS assessment and conduct of prevention and control activities for mobile populations in the GMS;
- (viii) Improvement of health and other social services delivery to ethnic minorities in border areas of the GMS;
- (ix) Prevention and control of malaria for border areas in the GMS; and
- (x) Integration of drug control aspects in GMS activities, including analysis of success factors and design and implementation of drug control projects (with alternative development and demand reduction elements).

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

Strategic Environment Framework

Objectives:

- i) To establish the technical and procedural requirements of the strategic environment framework in the GMS countries;
- ii) To strengthen the subregional environmental information and monitoring system and ensure its comprehensive coverage;
- iii) To support the GMS countries in building effective institutions for better governance of their natural resources;
- iv) To foster broad, community-based stakeholder participation in decisions concerning the sustainable use and development of natural resources;
- v) To formulate and implement mutually consistent policies, strategies and projects to address the severe degradation of watersheds and wetlands. The ultimate goal is to maintain the beneficial uses of the wetlands and watersheds over the long term, improve the welfare of local riparian communities, and increase government capabilities in resource management.

Components:

- i) Pilot testing of the recommended multi-disciplinary approaches in responding to environmental threats in critical sectors or hotspots;
- ii) Further strengthening of environmental performance monitoring through improvements in design and collection of data for environmental quality indicators (EQIs) and the early warning information system (EWIS);
- iii) Conduct of training programs and capacity building activities to improve GMS countries' capacity to manage strategic environment framework (SEF) processes such as the

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

EIA, EWIS, EQIs, hotspots analysis and the Geographic Information Systems (GIS);

- iv) Provision of a program loan to assist the GMS governments in building effective institutions for better governance of the natural resource sector;
- v) Building the capacity of GMS governments to perform analytical, participatory and policy-oriented processes under SEF, to better guide GMS investment decisions in transport, water and other infrastructure sectors;
- vi) Implementation of programs to strengthen the public consultation/ participation aspects of the aforementioned SEF processes;
- vii) Undertaking ancillary investments in community organization to build the collective capacities of affected groups for making collective decisions, monitoring, and rights protection. These investments will also turn environmental protection activities into income-generating opportunities for local communities (tree farming, eco-tourism, environmental patrolling, etc.);
- viii) Implementation of several subprojects to reduce rural poverty and improve natural resource management in remote watershed areas through intervention strategies such as community development, rural infrastructure, livelihood systems development and reforestation, among others; and
- ix) Support for activities that promote sustainable resource use and enhance livelihood of poor communities in wetland areas.

This includes setting up water inventory and monitoring systems, alternative livelihood development, and rehabilitation of multi-purpose harbors, among others.

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

Flood Control and Water Resource Management

Objectives:

- i) To strengthen land use planning in GMS countries to ensure that people and vulnerable activities are kept out of hazardous floodplain areas;
- ii) To strengthen structural measures (development and building controls) to reduce flood damage to structures in urban/settlement areas;
- iii) To strengthen institutional capacities for flood preparedness and emergency management; and
- iv) To finance the construction of flood mitigation dams, embankments, flood detention basins, and other structures that minimize the damage caused by regional flood events on people and settlements.

Components:

- i) Development/analysis of regional flood maps that show flood hazard and flood damage risk areas;
- ii) Conduct of research on transboundary impacts of land use changes on flooding;
- iii) Developing guidelines for an integrated land use plan for flood hazard/ catchment areas, and devising an implementation plan for this;
- iv) Providing technical assistance, training, tools/software and public education on best practices for land use planning in flood-prone/ catchment areas;
- v) Analysis of flood patterns/frequency and flood inundation maps in relation to existing and planned infrastructure in the lower Mekong basin, and the risk factors of structures;
- vi) Development of guidelines on flood proofing (building and development control) and compilation of current and best practices in the GMS in this area;

Appendix 2 **FLAGSHIP PROGRAMS** *(cont'd.)*

- vii) Establishment of an effective flood forecasting and warning system in the GMS through technical and financial support for a Regional Flood Information Center (RFIC). The center will undertake flood mapping, field data collection, remote sensing, GIS analysis, improved weather forecasting, and formulation of guidelines for flood preparedness;
- viii) Setting up of timely and accessible flood data for emergency operations. Data will include information on safe havens/evacuation channels in real-time emergencies;
- ix) Preparing common standards for reporting damage assessment; and
- x) Providing training and capacity building support for emergency managers of GMS countries. Training should incorporate new technologies and latest scientific findings.

GMS Tourism Development

Objectives:

- i) To promote and strengthen subregional cooperation and tourism development in the GMS countries; and
- ii) To promote increased tourism in the GMS in order to augment hard currency earnings, reduce poverty, mitigate environmental degradation from unplanned and unsustainable development, and develop human resources in the GMS.

Components:

- i) Promoting the GMS as a single tourist destination;
- ii) Developing tourism-related infrastructure
- iii) Improving human resources in the tourism sector;
- iv) Promoting pro-poor community-based sustainable tourism;

Appendix 2 FLAGSHIP PROGRAMS *(cont'd.)*

- v) Encouraging private sector participation in the GMS tourism sector; and
- vi) Facilitating the movement of tourists to and with the GMS.