

Evolution of Economic Corridors: Transport and Trade Facilitation

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Scope

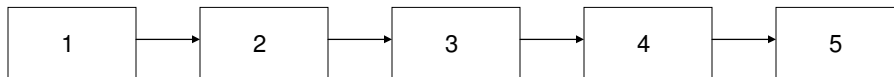
- Background
- Evolution from transport to economic corridors
- Moving toward transport and trade facilitation corridors
 - Key elements
 - Institutional arrangements: results of national consultations
 - Action plan
 - Resource requirements
 - Monitoring

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Background

- 3rd GMS Summit directive: Transform transport corridor into economic corridors
- 15th GMS Ministerial Meeting: Accelerate transport and trade facilitation (TTF) – 1st step to economic corridor transformation
- ADB-assisted diagnostic assessment of TTF: need to examine national and subregional institutions for effective TTF

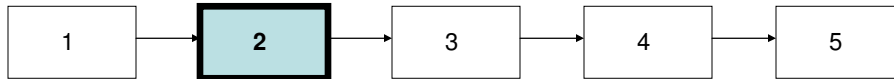
Evolution of Transport Corridors into Economic Corridors



1. Transport Corridor – Physical Infrastructure
2. TTF Corridor – Cross-border transport operations and efficient border formalities
3. Logistics Corridor – Broader trade facilitation (behind-the-border) and developed cross-border logistics services
4. Urban Development Corridor – Improved economic infrastructure and enhanced capacities of corridor towns for public-private partnerships
5. Economic Corridor – Increased private investment, well-developed production chains

* In all stages, negative environmental and social externalities will be mitigated.

TTF Corridor



TTF Corridor – Cross-border transport operations and efficient border formalities (by 2011)

- CBTA implementation led by National Transport Facilitation Committees (NTFCs) to focus on enabling cross-border transport and transit operations
 - Border infrastructure provided by transport ministries
 - Enhanced border-crossing formalities primarily through single window led by a Customs-coordinated working group/committee
- * In place by 2011 for 5 pilot sites (Aranyaprathet-Poipet, Bavet-Moc Bai, Mukdahan-Savannakhet, Dansavanh-Lao Bao, Hekou-Lao Cai) – test bed for related ASEAN TTF agreements

Logistics Corridor



Logistics Corridor – Broader trade facilitation (behind-the-border) and developed cross-border logistics services (by 2014)

- Broader trade facilitation (behind-the-border) coordinated by commerce ministries
- Investments in national SPS capacities
- Private investments in cross-border logistics services based on national logistics action plans
- Improved mobility of business people and tourists along corridors

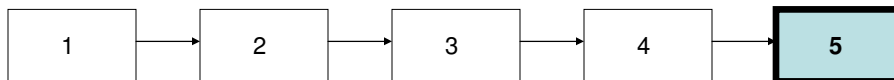
Urban Development Corridor



Urban Development Corridor – Improved economic infrastructure and enhanced capacities of corridor towns for public-private partnerships (by 2016)

1. Economic infrastructure investment, e.g., border infra, local urban access roads (and bridges), water and sanitation, drainage/flood control, solid waste management, and guided land development and land management
2. Improved capacities of local authorities and private sector investors in the development of regulatory frameworks and operational guidelines for sector reforms, including for public-private partnerships
3. Investments in special cross-border economic zones

Economic Corridor



Economic Corridor – Increased private investment, well-developed production chains (by 2018)

1. Corridor investments facilitated by the Subregional Investment Working Group
2. Established cross-border special economic zones
3. Corridor production chains involving SMEs that form part of regional and global value chains

Moving toward TTF Corridors

Key elements

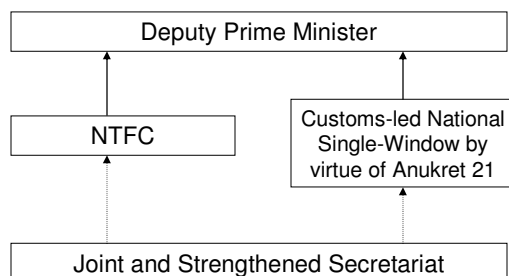
- Accelerate CBTA implementation
 - Improve border infrastructure
 - Enable cross-border transport and transit operations
- Streamline, simplify, and harmonize border-crossing formalities
 - Single-window
 - Single-stop (if feasible)

Institutional Arrangements for TTF

- Country-tailored (not “one size-fits all”) for national arrangements
- Accountability to rest with relevant ministry/agency
- Need for strong secretariat arrangements
- Corresponding subregional networking arrangements

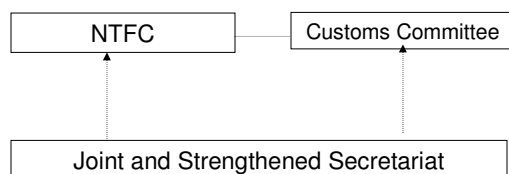
Institutional Arrangements for TTF

Cambodia

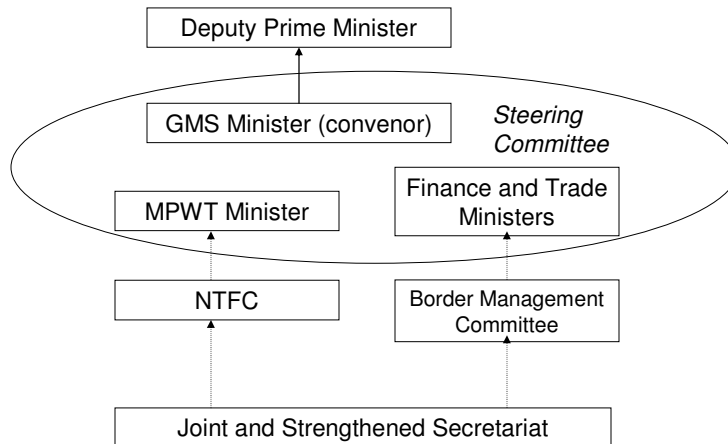


Institutional Arrangements for TTF

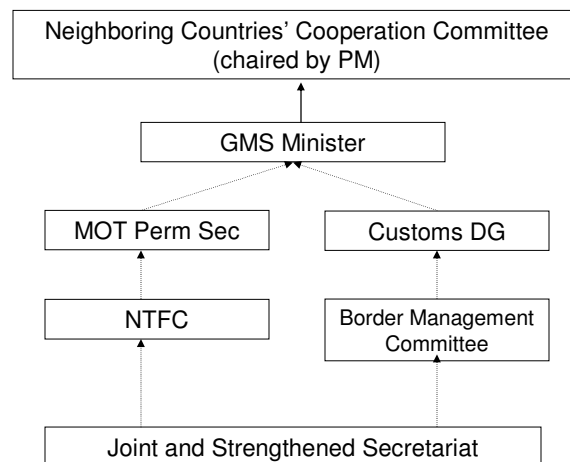
People's Republic of China



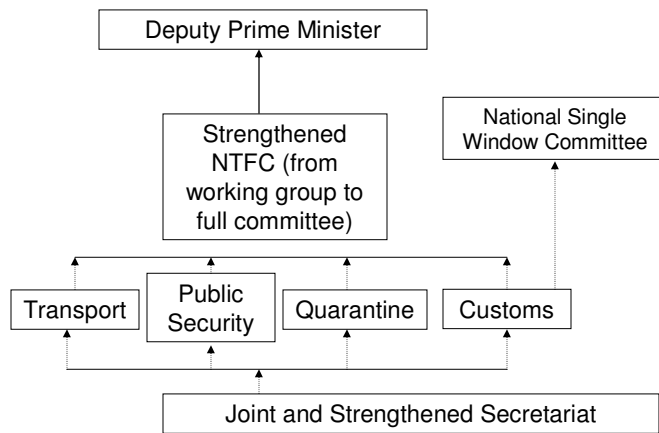
Institutional Arrangements for TTF Lao PDR



Institutional Arrangements for TTF Thailand



Institutional Arrangements for TTF Viet Nam



Subregional Networking Arrangements for TTF

- CBTA Joint Committee (Heads of NTFCs)
 - Heads of Customs Meeting
- Both supported by a subregional secretariat to be provided initially by ADB

TTF Action Plan (2009Q4-2011Q1)

By 16th GMS Ministerial Conference, Mar 2010:

- 3rd CBTA Joint Committee and 1st Heads of Customs meetings convened
- ADB TA support for joint and strengthened national secretariats and subregional secretariat approved

By 2011 (4th GMS Summit):

- Bilateral and multilateral exchange of traffic rights in place along 3 corridors
- Facilitated border formalities through national single window at five pilot sites

TTF Resourcing

Overall Administration

A. Goswami, RCIG and J.P. Verbiest supported by P. Srivastava, RCIG, ADB HQ

CBTA Cluster:

NFTCs and Joint Committee Support

Y.S. Feng, RCIG, ADB TRM
(for NSEC and SEC traffic rights)
R. Luanglatbandith, ADB TRM
(for EWEC traffic rights)

Border Management Cluster:

Support for national single window groups and Heads of Customs DG (with P. Srivastava)

L. Ding, ADB TRM
(all pilot sites)

Overall Administration: A. Goswami, J.P. Verbiest
supported by P. Srivastava

- Administering existing TTF TAs for continuing support: RETA 6307, 6450, and 6307 supplementary
- Processing of multi-year TA for approval by March 2010
- TA Administration, Review and Monitoring of TTF Activities
 - Monthly reports to HQ from TRM TTF team
 - Quarterly review missions with TRM TTF team
- Strengthening of national and subregional institutional arrangements, establishment of national secretariats, and subregional secretariat support (including clearinghouse of information)
- Organization of GMS Heads of Customs Meetings

CBTA Cluster (1)

- SEC and NSEC exchange of traffic rights' (XTR)*: Yushu Feng
 - Operationalize CAM-THA, CAM-VIE BRTAs
 - Expand PRC-VIE BRTA to cover Kunming-Hanoi and Nanning-Hanoi
 - Implement 3-country XTR for PRC-LAO-THA
 - Implement 3-country XTR for CAM-THA-VIE
 - Identify and mobilize resources for required transport and border infrastructure for NSEC and SEC border checkpoints
 - Organize annual CBTA Joint Committee Meeting

*includes customs transit system

CBTA Cluster (2)

- EWEC XTR*: Rattanatay Luanglatbandith**
 - Improve implementation of 3-country XTR for LAO-THA-VIE along EWEC, including expanding geographic scope
 - Identify and mobilize resources for required transport and border infrastructure for EWEC border checkpoints
 - Help organize annual CBTA Joint Committee Meeting

*includes customs transit system

** will work on the Subregional Investment Working Group and the EWEC value chains TA; identify and organize training courses for HQ and TRM staff on TTF; 20% of time for participating in regional meetings for TRM

Border Management Cluster

- Single-window inspection: Lingling Ding*
 - Facilitation of frontier crossing formalities based on CBTA's Annex 4 and ASEAN national single window procedures at 5 pilot sites
 - Identify and mobilize resources for equipment/ICT requirements at border checkpoints at five pilot sites
 - Help HQ organize GMS Heads of Customs meetings

* supported by AusAID secondee; will also process SPS PPTA and investments; 20% of time for participating in regional meetings for TRM

TTF Monitoring and Reporting

- Monthly reporting to ADB HQ by VC
- Quarterly reviews by ADB HQ and TRM staff and quarterly report to AusAID and other DPs
- Semi-annual time-release studies for border formalities, time-cost distance model measurements for cross-border transport operations along corridors, traffic counts, and intra-corridor trade
- Annual reporting to CBTA Joint Committee, Heads of Customs Meetings, and GMS Ministerial Meeting