

Technical Assistance

TAR: REG 38075

# Proposed Technical Assistance for Enhancing the Development Effectiveness of the Greater Mekong Subregion Economic Cooperation Program

September 2005

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
CEP	–	core environment program
CSP	–	country strategy and program
GMS	–	Greater Mekong Subregion
MDF	–	Mekong Development Forum
MfDR	–	managing for development results
MIS	–	management information system
MKOC	–	Operations Coordination Division, Mekong Department
MKRD	–	Mekong Department
MM	–	ministerial meeting
PRC	–	People's Republic of China
RCSP	–	regional cooperation strategy and program
RCSPU	–	regional cooperation strategy and program update
SOM	–	senior officials meeting
TA	–	technical assistance

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	General intervention
<b>Sector</b>	–	Multisector
<b>Theme</b>	–	Regional cooperation
		Sustainable economic growth
<b>Subtheme</b>	–	Fostering physical infrastructure development
	–	Promoting economic efficiency and enabling markets

## NOTE

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

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## I. INTRODUCTION

1. At the Second Greater Mekong Subregion (GMS) Summit Meeting in July 2005, the prime ministers of the six GMS countries, Cambodia, People's Republic of China (PRC), Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam, reaffirmed their commitment to the shared vision of an integrated, harmonious, and prosperous subregion. They acknowledged the success in achieving a more integrated, focused, and policy-oriented cooperation process; the stronger partnership among member countries and other stakeholders; and improvements resulting from a wide range of specific projects and activities. While recognizing the substantial progress of the GMS Economic Cooperation Program (the GMS Program) over the last 13 years, the leaders noted that increasingly complex challenges confronted the GMS, including environmental degradation, communicable diseases, and the growing threats of cross-border crimes, such as human trafficking and drug smuggling.<sup>1</sup> Effectively addressing these challenges will require a greater focus on actions and results on the ground, strengthening the collaboration efforts among the GMS countries, and establishing mechanisms that engender well-coordinated responses to issues.

2. The GMS heads of governments cited the Asian Development Bank's (ADB) unique role as lead coordinator, facilitator, and catalyst of the GMS Program. Recognizing the enormity of the tasks ahead, the leaders urged ADB to play an even larger role in bringing GMS to the center stage of economic integration in Asia by mobilizing higher levels of resource and knowledge transfers. This technical assistance (TA) will enable ADB to support expanded regional cooperation and integration initiatives and activities, including accelerating the implementation of the strategies and work programs of the various subregional working groups and forums. To this end, ADB will introduce stronger and more effective results-based management into the GMS Program and adopt a coherent approach to measuring and monitoring development results. The TA framework is in Appendix 1.

## II. ISSUES

3. GMS is one of the world's fastest growing and Asia's most rapidly integrating subregions. In 2004, despite prolonged droughts, escalating oil prices, and the threat of avian influenza, real gross domestic product grew at over 6% in each of the six GMS countries. Growth has been broad-based, complemented by market-oriented reforms that have led to rapidly expanding trade. Over the last 13 years, total exports of GMS countries increased by more than 16% per annum, while intraregional exports expanded at over 22% per annum.

4. Despite the clear gains in trade and investment and rapid economic growth, in absolute terms poverty remains pervasive in the subregion, with large numbers still living in severe poverty.<sup>2</sup> At the 13<sup>th</sup> GMS Ministerial Meeting (13<sup>th</sup> MM) in December 2004, the ministers agreed that, to accelerate poverty reduction and further stimulate growth, GMS needs to step up the momentum of the GMS Program. The ministers therefore asked ADB and the GMS Program's stakeholders to optimize the use of limited resources, aim for greater impact, and accelerate the attainment of the GMS Program's goals. The ministers also adopted a GMS plan of action, which was also circulated in early 2005 as part of the Board information paper on the 13<sup>th</sup> MM.<sup>3</sup>

<sup>1</sup> The Board Information Paper on the Second GMS Summit (IN.204-05) was circulated on 9 August 2005.

<sup>2</sup> Poverty prevalence (based on national poverty lines) has fallen significantly in most countries: Lao People's Democratic Republic (Lao PDR), from 46% in 1993 to 32.7% in 2003; Thailand, from 23.2% in 1992 to 9.8% in 2002; People's Republic of China (PRC), from 9.4% in 1990 to 2.8% in 2004; and Viet Nam, from 58% in 1993 to 29% in 2002. However, about 18 million people still lived on \$1 a day in 2002 in Cambodia, Lao PDR, Thailand, and Viet Nam; in the PRC, the number was 203 million in 2002 (similar data are not available for Yunnan and Guangxi provinces of the PRC or for Myanmar).

<sup>3</sup> The Board Information Paper on the 13<sup>th</sup> MM (IN.31-05) was circulated on 9 February 2005.

A similar effort to present the GMS Program's results framework has likewise been included as an appendix to the GMS regional cooperation strategy and program update (2006–2008).<sup>4</sup>

5. At the GMS Summit in 2002, the GMS Program was endorsed at the highest political level, thus adding impetus to the implementation of regional development projects and activities. Since then, the GMS countries have been assuming increased ownership and strategic leadership in the GMS Program, as reflected, for instance, in the increasing willingness of the more developed members to fund development activities beyond their own borders. The Second GMS Summit (Kunming, PRC, 4–5 July 2005) created an even stronger demand for greater dynamism in the GMS Program, not only to ensure its sustained momentum but also the equitable distribution of its benefits. There is therefore a need to adopt a more proactive approach in defining and implementing the GMS Program, using a clear and analytic framework that can determine and measure results. Such a framework will also allow better design and focusing of interventions and more efficient allocation of resources.<sup>5</sup>

6. The development needs of GMS are growing more quickly than the resources to respond to them. To bridge the resource gap, over the past 2 years ADB has succeeded in encouraging a larger number of development partners to increase their engagement as active stakeholders in the GMS. However, these development partnerships are mostly in the public sector. The crucial role of the private sector in achieving the shared vision of the GMS and in leveraging investment flows into the subregion was emphasized at both the 13<sup>th</sup> MM and at the Second GMS Summit. Therefore, the focus now needs to be on the potential resources that the private sector can provide. Strengthening public–private sector partnerships needs to be undertaken concurrently with improving the policy and regulatory framework for private sector investments. As part of this effort, the GMS countries will need to address the private sector's perception of the risks associated with investing in the emerging markets of the GMS. The GMS Business Forum will also continue to play an important role in this regard.

7. The increasing number of development partners in the GMS Program, particularly since the first Development Partners Meeting held in tandem with the 12<sup>th</sup> Ministerial Conference in 2003, is a welcome trend. However, this also brings to the fore the issue of the convergence of their assistance strategies with the GMS Program's strategic thrusts. Initial analysis shows that there is substantial room improving the balance of development partners' efforts for maximum impact. ADB, as the GMS Program's lead development partner, will need to coordinate its partners' work more effectively.

8. The need for a timely response to emerging issues with a substantial subregional or transboundary impact is increasing, particularly in light of the thrust of the second GMS Summit to deepen subregional cooperation in infrastructure, trade and investment, and social development. Given the increasing importance of threats from transboundary issues, such as communicable human and animal diseases, natural disasters, illegal trafficking of people, and other transnational crimes, there is a continuing need for GMS to be able to assess emerging problems rapidly and propose timely solutions.

9. The growing complexity of the issues addressed under the GMS cooperation program requires broader participation by the different sector agencies that manage national and subregional responses to them. However, the institutional capacity within GMS countries is not yet adequate. Continued ADB assistance is needed to strengthen national and subregional

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<sup>4</sup> The GMS RCSPU (2006–2008) (Sec.M61-05) was circulated to the Board on 9 August 2005.

<sup>5</sup> Although the impact evaluation study conducted in 1999–2000 provides a good start for this effort, steps are required to develop a more comprehensive and systematic approach to managing for development results.

coordination mechanisms, taking into consideration individual country capacities and circumstances.

10. To mobilize the larger number of stakeholders in the GMS high-quality information needs to be disseminated more efficiently. This will become more complicated as the type and level of activities in GMS increases, generating more complex and larger volumes of information for a more diversified audience. A more structured effort will be required in the preparation, target definition and dissemination of information, as well as in obtaining feedback from stakeholders.

11. Recognizing the new challenges that need to be overcome to realize the subregion's vast potential, the Second GMS Summit identified the following key areas: (i) reinforcing cross-border infrastructure, (ii) improving the trade and investment environment, (iii) strengthening the social and environmental infrastructure, and (iv) mobilizing resources and deepening partnerships. Critical milestones in each area have been set to ensure that, by the time of the Third GMS Summit in 2008, sound progress toward the long-term goals has been made. Considerable work is required over the next 3 years to ensure that actions are coordinated and focused on intended results. Programming of ADB assistance, including this GMS management support TA, needs to coincide with this critical period.

### **III. THE PROPOSED TECHNICAL ASSISTANCE**

#### **A. Impact and Outcome**

12. The intended impact of the TA is to sustain and accelerate the realization of benefits from subregional projects and initiatives. The envisaged outcome of the TA is an improvement in the results orientation of the GMS Program through a strengthening of results management in its institutions and mechanisms and timely provision of assistance in terms of resources and knowledge inputs for the expanding regional cooperation and integration initiative. The TA outcome will be achieved through the delivery of the following outputs: (i) establishment of a formal and quantitative impact evaluation and monitoring framework for the GMS Program, (ii) preparation of work programs for GMS Program institutional structures that are focused on a clear and manageable set of priorities, (iii) strengthened capacity for rapid assessment and timely response to emerging subregional developments and issues, (iv) identification of projects in key sectors with potential for private sector investment, (v) stronger mobilization and coordination of development partners to support the GMS Program, (vi) enhanced coordination capacity of the GMS national secretariats, and (vii) an improved and well-managed information dissemination services system.

#### **B. Methodology and Key Activities**

13. **Increasing Focus on Results.** The work programs of the various GMS subregional working groups will be reviewed, in order to enhance their results focus. To guide the review, an impact monitoring and evaluation framework for activities and initiatives will be formulated. Part of this framework will be the establishment of specific and quantifiable performance indicators to allow for the effective monitoring of progress of the GMS flagship programs. The framework will improve the development effectiveness of the GMS Program, enabling a rational reprioritization and sharper focusing of its activities so that greater and earlier impacts are achieved. Extensive consultations with the countries and other stakeholders will be carried out during the formulation of the framework and the review of the subregional working group work programs. These efforts will be guided by some of the basic principles on GMS cooperation set by the Second GMS Summit, particularly the principles of equality and mutual respect among the GMS members, of

inclusiveness and consensus building, and of pragmatism and an outward looking orientation, focusing on action and results.

14. **Strengthening Public–Private Partnerships.** The growing development needs of the GMS and the limited resources of the governments and official development agencies necessitate more active participation by the private sector in GMS activities. Good progress has been made in engaging the private sector in the GMS Program through the GMS Business Forum. However, more needs to be done to draw private financial resources to GMS initiatives and to replicate the successful public–private partnerships already achieved in the energy sector. In this respect, as a result of the Mekong Development Forum (MDF) held in Tokyo in July 2005, a study will be undertaken to (i) identify sectors where public–private partnerships will be most beneficial, (ii) identify key issues and risks associated with private sector investments in GMS, and (iii) formulate measures to induce private sector participation in identified projects. ADB will help the GMS countries to identify a priority list of potentially commercially viable projects with subregional dimensions to jump-start the process. The study will complement the activities of the GMS Business Forum and the subregional working groups concerned with promoting investments in the GMS.

15. **Increasing Coordination.** Public sector development partners of GMS provide the bulk of development assistance to GMS countries. Coordination of these activities has improved significantly recently. The donor coordination by the GMS working group on environment of the core environment program (CEP) is a good example. The CEP components have been grouped into manageable technical assistance subprojects in which development partners can participate, depending on their respective priorities, resources, and comparative advantage. ADB's monitoring of development partner activities will be enhanced and updated and it will use a database by ADB to identify more effectively the sectors of interest of the development partners, and the scope, extent, and specific nature of their assistance. The GMS development matrix will be reviewed, updated, and upgraded. Areas for increased coordination and collaboration with other cooperation initiatives in the region, e.g., Ayeyawaddy - Chao Phraya Economic Cooperation Strategy (ACMECS), Association of Southeast Asian Countries (ASEAN), Bay of Bengal Initiative for Multi-sector Technical and Economic Cooperation (BIMSTEC), will be sought and developed.

16. **Enhancing Responsiveness.** Because of the rapid growth of the individual GMS economies and the success of the GMS Program, the social and economic landscape is changing quickly. To remain effective, the GMS Program must be able to respond to these changes and to provide issue-specific and results-oriented recommendations in a timely manner. The TA therefore provides for the engagement of experts to assess a given situation and propose a coordinated response in consultation with relevant stakeholders in the GMS.

17. **Building the Capacity of the GMS National Secretariats.** As the GMS Program grows in breadth and depth, development issues affecting the subregion are becoming more complex and often require cross-sectoral responses, beginning at the national level. The secretariats of the GMS national coordinators need to evolve if they are to remain relevant and effective. Under the TA, it is therefore proposed that ADB provide assistance to the national coordinators and line agencies to identify and implement effective in-country coordination mechanisms, taking into consideration national circumstances. Capacity-building plans will be prepared. ADB will begin preparing modules to address anticipated common training needs, e.g., principles of regional cooperation in the GMS; program coordination, implementation, and monitoring skills; and sectoral cooperation strategies.

18. **Strengthening Information Dissemination and Awareness.** The MDF in Paris in June 2004 demonstrated that effective information dissemination and awareness campaigns could have very beneficial flow-on effects in the GMS. As a result of the MDF, more European development partners are now involved in the Greater Mekong countries and in the GMS Program. The GMS Program will continue to organize MDFs and to conduct systematic information dissemination via the web and other media, thereby improving the effectiveness of its outreach activities to civil society. It will also tap into new networks of subregional interaction, such as the GMS Youth Forum, to enhance awareness of the GMS Program and its activities and form closer links with GMS partners.

### **C. Cost and Financing**

19. The TA is estimated to cost \$3,125,000 equivalent, comprising \$2,500,000 to be financed on a grant basis by ADB's TA funding program and \$625,000 equivalent in kind, to be provided by the participating GMS governments, including contributions for hosting MMs, senior officials meetings (SOMs), and working group meetings. The cost estimates and financing plan for the TA are in Appendix 2.

### **D. Implementation Arrangements**

20. ADB will be the Executing Agency responsible for implementing and monitoring the TA in consultation with the GMS governments. GMS national secretariats will be focal points for coordinating subregional activities in each member country.

21. The TA will finance about 214 person-months of consultant services—87 international and 127 domestic. A core group of consultants will provide advisory, technical, and administrative support services to assist in the overall management of the GMS Program. Consultants for private sector development, and for communications and media affairs, as well as short-term consultants to conduct special studies will also be engaged. The consultants will be hired as individuals. They will be engaged by ADB in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. The consultants' outline terms of reference are in Appendix 3.

22. The TA will be implemented over 28 months, from October 2005 to January 2008.

## **IV. THE PRESIDENT'S RECOMMENDATION**

23. The President recommends that the Board approve the provision of technical assistance not exceeding the equivalent of \$2,500,000 on a grant basis for Enhancing the Development Effectiveness of the Greater Mekong Subregion Economic Cooperation Program.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b></p> <p>Realization of benefits from subregional projects and initiatives accelerated</p>	<p>Increased number and measured impact of GMS projects and initiatives in the next 5 years compared with those in the previous 5 years</p>	<ul style="list-style-type: none"> <li>• Progress reports to the MM annually and to the SOM at least twice yearly</li> <li>• Contents of joint ministerial statements and joint summit declarations</li> </ul>	<p><b>Assumption</b></p> <p>Political stability and mutual trust will continue to exist among GMS member countries</p>
<p><b>Outcome</b></p> <p>Results-orientation of the GMS Program institutions and mechanisms enhanced</p>	<ul style="list-style-type: none"> <li>• Plans and work programs of GMS institutions (MM, SOM, working groups/forums) that are clear and consistent with the MfDR framework</li> <li>• Absence of or low negative variances between actual performance and such plans and work programs' targets and timelines</li> </ul>	<ul style="list-style-type: none"> <li>• Plans and work programs produced by the GMS institutions annually</li> <li>• Plan and program monitoring reports; progress reports to the SOM at least twice yearly</li> </ul>	<p><b>Risk</b></p> <p>Certain GMS working groups and member country governments may find it difficult to give up certain projects, even if these are found to be inconsistent or irrelevant to intended results of the GMS Program</p>
<p><b>Outputs</b></p> <p>1. A formal and quantitative impact evaluation and monitoring framework for the GMS Program established</p>	<p>A set of clear, relatively simple, and mostly quantifiable indicators of benefits and impacts of GMS Program at the project, sectoral and macroeconomic levels; framework and indicators to be established within 12 months from start of TA implementation and actual monitoring to be undertaken annually thereafter</p>	<p>Impact evaluation study results (see activities 1.1–1.3); reports of consultants</p>	<p><b>Risk</b></p> <p>It may be difficult to find or generate some of the data required for the evaluation, in sufficient amounts and in a consistent format</p>
<p>2. Work programs of GMS Program institutional structures focused on a clear and manageable set of priorities.</p>	<ul style="list-style-type: none"> <li>• Clear statements of intended impacts/results in GMS plans and work programs</li> <li>• Logical, clearly prioritized, and monitorable actions in such work programs that will lead to the intended results</li> </ul>	<p>Plans and work programs produced by the GMS institutions annually</p>	<p><b>Risk</b></p> <p>The movement toward results-focused planning and management may take time for certain sector working groups because of varying levels of institutional and human resource capacities among sectors</p>

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Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
3. GMS Program capacity for rapid assessment and timely response to emerging and unforeseeable subregional developments and issues strengthened	<ul style="list-style-type: none"> <li>Promptness in providing issue-specific and results-oriented recommendations to respond to unforeseen events (measured by time elapsed from time the issue was brought up to the time the study and recommendations are submitted)</li> <li>Actions and practical measures based on the recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Records of proceedings of working groups and forums that take place at least annually, official communications from requesting parties, and reports of engaged experts and consultants</li> </ul>	<p><b>Risk</b> Sufficiency of funds under the RETA for this purpose relative to the number and magnitude of needs that may emerge</p>
4. Sectors projects with greatest potential for private sector investment identified and major constraints to such investment identified and approaches to addressing them proposed	<ul style="list-style-type: none"> <li>Number and status of major GMS projects for which a development partner and/or prospective private investor have committed or expressed interest in financing/co-financing</li> <li>Increased effectiveness of development partner meetings and other special forums in terms of increased number of participants, number and results of one-on-one meetings, and number of expressions of interest generated</li> </ul>	<ul style="list-style-type: none"> <li>Reports on proceedings and results of meetings with development partners and the private sector after each meeting</li> <li>Back-to-office reports of cofinancing missions</li> <li>RCSP/RCSPU, CSP/CSPUs</li> </ul>	<p><b>Risks</b> Major development partner economies suffer a downturn, reducing availability of ODA and private sector funds.</p> <p>Capacity of GMS countries to undertake policy reforms needed to attract potential private investors may vary across countries</p>
5. Initiatives of development partners to support the GMS Program mobilized and coordinated effectively	<ul style="list-style-type: none"> <li>Optimized distribution of development partners' involvement and assistance among the various sectors and priority activities</li> <li>A more efficient, updated, accessible/ user-friendly, and focused GMS development matrix, which will be made available within 12 months from start of TA implementation</li> </ul>	<ul style="list-style-type: none"> <li>Development Partner Strategies Matrix (see activity 6.2)</li> <li>Revised GMS development matrix</li> </ul>	<p>Some development partners may retain their tendency to go it alone with regard to certain projects</p>
6. Coordination capacity of the GMS national secretariats enhanced	<ul style="list-style-type: none"> <li>Increased speed in obtaining and level of substantive content of cross-agency views, decisions, and other inputs from GMS governments</li> </ul>	<ul style="list-style-type: none"> <li>Records of activities and proceedings of meetings of various sector working groups and forums after each meeting</li> <li>Communications received from the national secretariats and GMS government agencies</li> </ul>	

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Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
7. Information dissemination services system improved and well managed	<ul style="list-style-type: none"> <li>Number, quality, and reach of information materials produced</li> <li>Promptness with which key information on the GMS Program and its initiatives can be accessed</li> </ul>	<ul style="list-style-type: none"> <li>The information materials produced and records on their dissemination</li> <li>Feedback from stakeholders and the general public (mechanism for obtaining this to be built into the system)</li> </ul>	

Activities with Milestones	Inputs
<p>1.1 Design and establish a formal quantitative impact evaluation framework for the GMS Program that covers project, sectoral, and macroeconomic level impacts. This includes reviewing, clearly identifying, and explicitly stating the key results or objectives of the GMS Program against which actual or prospective results of various initiatives will be evaluated</p> <p>1.2 Implement the framework, including building the required database on GMS-specific information (e.g., cross-border trade, tourist traffic) and initial impact evaluation exercise (thereafter, regular evaluation and updating of impact measurement will be done)</p>	<p>Services of a team of core and short-term consultants, who will provide knowledge and technical advisory services in the design of the various frameworks and conduct evaluation and other studies, as well as logistical and support services for GMS meetings</p>
<p>2.1 Establish criteria and processes for the review and prioritization of GMS Program initiatives, projects, activities, including work programs and plans of action of different subregional forums that are consistent with the impact evaluation framework, the completed sector strategy studies, and the general management for development results (MfDR) framework</p> <p>2.2 Conduct extensive consultations with all GMS stakeholders to build a consensus on the impact evaluation framework, the results-oriented approach to planning and implementation of priority projects, and to reorient the current work programs and plans of action to the criteria established in 2.1 above</p> <p>2.3 Prepare a paper that will define the process for monitoring, evaluation, and updating of GMS plans of action (POA)</p> <p>2.4 Obtain endorsement of the system at the GMS SOM and MM</p> <p>2.5 Implement the process for monitoring progress under the first GMS plan of action adopted by the 13<sup>th</sup> MM and other plans of action by subsequent MMs</p>	<p>International consultants: 87 person-months Domestic consultants: 127 person-months</p> <p>Cost: \$1.328 million</p> <p>Financing for subregional conferences, meetings, and consultations: about 5 major meetings and 30 regular meetings (SOMs, TF meetings, workshops, and working group meetings)</p> <p>Cost: \$0.90 million</p>
<p>3.1 Consult periodically with GMS countries and sector working groups about emerging and unforeseen subregional issues that need to be addressed immediately</p> <p>3.2 Establish a procedure and allocate funds for the short-term engagement of experts to conduct analysis and prepare immediate recommendations on such issues</p>	<p>Financing for equipment Cost: \$8,000</p> <p>Financing for information materials, administrative expenses, and contingencies Cost: \$ 0.264 million</p> <p>Government contributions \$0.625 million (in kind)</p>

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<p>4.1 Conduct a study that will:</p> <ol style="list-style-type: none"> <li>a. identify the major GMS sectors with greatest potential and opportunities for private investor participation;</li> <li>b. review lessons learned from previous studies and experiences of promoting private sector participation in these sectors;</li> <li>c. select specific projects in the GMS development matrix that may be offered to such investors;</li> <li>d. consult with private investors and business practitioners, government officials, and other development partners to identify: <ul style="list-style-type: none"> <li>• major constraints in the investment environment in the region and possible suggested approaches in addressing them; and</li> <li>• major issues/ constraints to mobilizing private financing for the selected projects;</li> </ul> </li> <li>e. undertake analysis of the constraints and propose approaches toward their resolution, within the context of specific projects selected</li> </ol> <p>4.2 Recommend that the proposed approaches and reforms resulting from the above analysis be included in the work programs of the appropriate GMS working groups and forums</p> <p>4.3 Mobilize the GMS Business Forum and/or identify specific private business leaders who can help to refine and advocate the proposed reforms and to promote the selected projects for private participation</p> <p>4.4 Organize roadshows and forums that will allow close interaction between GMS governments, development partners, and the private sector</p> <p>4.5 Study and implement lessons from regional development programs in other parts of the world (e.g., COMESA in Eastern Africa, Mercosur in South America) and their modalities of implementation, particularly as regards trade, investment, and private sector participation in regional development projects; develop links with these other regional programs and provide GMS national coordinators, secretariats and working groups with useful knowledge and guidance in this regard</p> <p>4.6 Gather regular feedback from the regional and international private sector on their awareness of GMS projects and these projects' responsiveness to private sector demand and interests; provide GMS working groups and forums with this information</p> <p>5.1 Improve the GMS development matrix (in addition to refocusing and reprioritizing it under 2.2 above) to make it more user-friendly, relevant, and accessible to development partners and prospective private investors</p> <p>5.2 Develop other tools and information bases to help to focus development partner and private sector marketing, e.g., the development partner strategies matrix and its periodic updating</p> <p>5.3 Conduct regular coordination meetings with GMS governments and major development partners on matters relating to subregional cooperation development</p> <p>5.4 Develop areas for collaboration and coordination with other cooperation initiatives in the region/subregion, e.g., ACMECS, ASEAN, BIMSTEC</p>	
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<p>6.1 Help the GMS national secretariats in reviewing, conducting inventories and identifying gaps in their existing resources and capabilities for coordination work</p> <p>6.2 Based on the foregoing, help the GMS national secretariats in developing and implementing in-country coordination mechanisms, including the formulation of a capacity-building plan</p> <p>6.3 Initiate the preparation of modules to address anticipated common training needs, e.g., principles of regional cooperation in the GMS; program coordination, implementation, and monitoring skills; and sectoral cooperation strategies</p>	
<p>7.1 Assess the sufficiency and relevance of existing GMS-related databases and define the information needed to enhance the relevance, timeliness, and effectiveness of web-related information, keeping in mind the information needs of the external audience of the GMS and the ADB sector divisions</p> <p>7.2 Prepare and implement an information and awareness campaign strategy for the GMS using a tri-media approach that targeting the international audience of development partners</p> <p>7.3 Assess information gaps in the current website and identify how content can be improved and how the overall impact and relevance of the website in relation to the target audience Can be improved</p> <p>7.5 Prepare and package communications materials, prepare templates for economic development reporting, marketing in government, and social marketing</p> <p>7.6 Build a database on GMS history, achievements, activities, and socioeconomic and other statistics for wide dissemination; improve and regularly update the GMS website</p>	

ACMECS= Ayeyawaddy - Chao Phraya Economic Cooperation Strategy; ADB=Asian Development Bank; ASEAN= Association of Southeast Asian Countries; BIMSTEC= Bay of Bengal Initiative for Multi-sector Technical and Economic Cooperation; COMESA=Common Market for Eastern and Southern Africa; CSP=Country Strategy and Program; CSPU= Country Strategy and Program Update; DM=Development Matrix; GMS=Greater Mekong Subregion; MfDR=Management for Development Results; MM=ministerial meeting; ODA=official development assistance; POA=plan of action; RCSP=regional Strategy and Program; RCSPU=regional Strategy and Program Update.

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**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	842.00
ii. Domestic Consultants <sup>b</sup>	351.00
b. International and Local Travel <sup>c</sup>	135.00
2. Equipment <sup>d</sup>	8.00
3. Ministerial and Working Group Meetings, Workshops, and Training and Other Seminars	900.00
4. Information and Communication Materials	10.00
5. Miscellaneous Administration and Support Costs	30.00
6. Contingencies	224.00
<b>Subtotal (A)</b>	<b>2,500.00</b>
<b>B. Government Financing<sup>e</sup></b>	
1. Office Accommodation and Transport	375.00
2. Others	250.00
<b>Subtotal (B)</b>	<b>625.00</b>
<b>Total</b>	<b>3,125.00</b>

<sup>a</sup> Financed by the Asian Development Bank's (ADB) technical assistance (TA) funding program.

<sup>b</sup> Domestic consultants include four core group consultants (two regional development economists and two project analysts) and five resource persons/issue experts to be engaged on a needs basis.

<sup>c</sup> Includes international travel of the ADB headquarters-based domestic consultants.

<sup>d</sup> This will be in the form of basic office equipment (e.g., microcomputers, servers) and will be procured in accordance with ADB's *Guidelines for Procurement*. The equipment will be turned over to ADB as ADB property upon completion of the TA project.

<sup>e</sup> Financed by the Greater Mekong Subregion governments.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A team of individual consultants will be engaged to provide advice and technical assistance (TA). A total of 87 person-months of international consulting services and 127 person-months of domestic consulting services will be required. The consultants will report to the Asian Development Bank (ADB) task manager for the Project. The indicative person-month allocation and terms of reference are set out below.

### A. Core Group Consultants

#### 1. Regional Cooperation Economist (international, 28 person-months)

2. The responsibilities will include the following:

- (i) review, identify, and recommend explicit restatements of the key results or objectives of the Greater Mekong Subregion (GMS) Program in order to formulate a formal impact evaluation framework for the GMS Program and its flagship initiatives;
- (ii) implement the formal impact evaluation framework regularly, including the preparation and presentation of the recommendations to appropriate GMS forums;
- (iii) prepare analytical criteria and a process for the review of GMS Program initiatives, projects, and activities based on, among others, the impact evaluation framework, the completed sector strategy studies, and the management for development results (MfDR) framework adopted by ADB;
- (iv) review and make recommendations on the possible reprioritization of the initiatives/projects under the 11 flagship programs based on the proposed criteria and process;
- (v) assist in defining and implementing the process for the preparation, review, monitoring, evaluation, and updating of GMS plans of action;
- (vi) provide inputs to the formulation of the GMS regional cooperation strategy and program (RCSP) and its updates;
- (vii) help counterpart national secretariats prepare resource papers, in consultation with ADB divisions concerned, for GMS ministerial conferences, meetings of GMS forums and/or working groups, and other GMS-related events;
- (viii) provide the required documentation for preparations for various GMS working groups and other activities for easy future reference by counterpart GMS national secretariats and ADB staff concerned;
- (ix) participate in consultation and monitoring missions to the GMS countries as required; and
- (x) oversee improvements in the style and content of the GMS website, provide inputs to it, and help formulate and implement the GMS publications and information program.

#### 2. Private Sector Development Expert (international, 28 person-months)

3. The responsibilities will include the following:

- (i) identify opportunities and support activities to promote private sector participation in the GMS flagship programs, including (a) identifying the major GMS sectors in which there is greatest potential and opportunities for private investor

- participation, and (b) selecting specific projects in the GMS development matrix that may be suitable for such investors;
- (ii) consult with private investors and business practitioners, government officials, and other development partners to identify major constraints in the subregional investment environment, particularly those impeding the generation of private financing for the selected projects, and possible approaches to addressing them; propose approaches that will resolve the constraints, within the context of specific projects selected;
  - (iii) develop a system for obtaining information on private sector entities with an interest in specific GMS flagship programs, and compile and organize the information into a database;
  - (iv) help organize roadshows and consultation meetings with the private sector, including meetings of the GMS Business Forum and the public–private consultation meeting, in coordination with, among others, ADB’s Governance, Finance and Trade Division (MKGF), Mekong Department and the Private Sector Operations Department (PSOD);
  - (v) undertake a study of regional development programs in other parts of the world and their methods of implementation, particularly as regards trade, investment, and private sector participation in regional development projects; develop links with these regional programs and provide GMS national coordinators and secretariats and working groups with knowledge and guidance in this regard;
  - (vi) gather regular feedback from the regional and international private sector on their awareness of GMS projects and the projects’ responsiveness to private sector demands and interests; provide GMS working groups and forums with this information;
  - (vii) help counterpart national secretariats prepare resource papers, in consultation with ADB divisions concerned, for GMS ministerial conferences, meetings of GMS forums and/or working groups, and other GMS-related events;
  - (viii) provide documentation for substantive preparations for various GMS working groups and other activities for easy future reference by counterpart GMS national secretariats and ADB staff concerned;
  - (ix) coordinate closely with ADB’s PSOD to gain understanding of PSOD’s operations and products, explain ADB’s potential role in financing private sector projects, and refer potential projects to PSOD staff;
  - (x) participate in ADB missions and in activities of the GMS Business Forum, in coordination with MKGF.

**2. Regional Development Economists** (2 domestic, 56 person-months combined)

4. The responsibilities will include the following:

- (i) assist regularly in the implementation of the formal impact evaluation framework and in the preparation and presentation of recommendations to appropriate GMS forums;
- (ii) help in the review and make recommendations on the possible reprioritization of the initiatives and projects under the 11 flagship programs, in accordance with particular sectoral responsibilities;
- (iii) help counterpart national secretariats prepare resource papers, in consultation with ADB sector divisions concerned, for GMS ministerial conferences, meetings of GMS forums, and/or working groups and other GMS-related events (e.g., nongovernment organization dialogues);

- (iv) provide the required documentation for substantive preparations for various GMS working groups and other activities for easy future reference by counterpart GMS national secretariats and ADB staff concerned;
- (v) backstop the conduct of quick reaction, problem-specific and issue-focused studies for the GMS;
- (vi) provide inputs to the formulation of the GMS RCSP and its updates;
- (vii) provide inputs to improve the GMS website and to formulate and implement the GMS publications and information program;
- (viii) help to build the database on GMS-specific information for impact evaluation; build database on GMS history, achievements, activities, and socioeconomic and other statistics; improve and regularly update the GMS website;
- (ix) participate in consultation and monitoring missions to the GMS countries as required; and
- (x) monitor the development matrix and help update it, together with ADB sector divisions concerned, and recommend improvements in its use for planning and programming and resource mobilization for the GMS Program.

### **3. Project Analysts** (2 domestic, 56 person-months combined)

#### 5. The responsibilities will include the following:

- (i) assist in (a) maintaining the database on GMS-specific information for impact evaluation; and (b) building and maintaining a database on GMS history, achievements, activities, and socioeconomic as well as other statistics for wide dissemination;
- (ii) assist in maintaining the GMS website and in implementing the GMS publications and information program;
- (iii) help organize GMS meetings, including preparing draft correspondence and budget estimates, identifying conference venues, and providing overall logistical support;
- (iv) help in the overall TA administration by monitoring and recommending use of the TA budget, and help in contracting of consultancy services;
- (v) ensure the smooth flow of documents and communications for GMS activities at the Operations Coordination Division, Mekong Department;
- (vi) coordinate with ADB staff with regard to equipment, printing, and other physical requirements of the GMS Program;
- (vii) enhance the dissemination of information on the GMS Program by helping to produce and distribute GMS publications, updating GMS mailing lists, and regularly updating the GMS website;
- (viii) provide systematic and adequate documentation on procedures and logistics of organizing GMS working groups and other activities for easy future reference by counterpart GMS national secretariats; and
- (ix) participate in ADB missions as required.

## **B. Short-Term Experts**

### **1. Regional Cooperation Expert** (international, 8 person-months)

#### 6. The responsibilities will include the following:

- (i) prepare the paper that will define the process for the preparation, review, monitoring, evaluation, and updating of GMS plans of action;

- (ii) recommend improvements in the institutional arrangements of the GMS Program, including enhancing the role of the GMS ministerial meetings, senior officials meetings, and working groups in implementing GMS flagship programs;
- (iii) help prepare resource papers for GMS ministerial conferences, and high-profile GMS events, meetings with development partners, and high-level public–private sector consultation meetings;
- (iv) participate in consultation and monitoring missions to the GMS countries as required; and
- (v) advise on strengthening GMS Program linkages with other regional cooperation initiatives.

**2. Quantitative Economic Modeling Specialist** (international, 3 person-months)

7. The responsibilities will include the following:

- (i) undertake a study to produce a formal quantitative evaluation framework (e.g., an econometric model) that will allow the identification, measurement, and analysis of the sectoral and socioeconomic impacts of the GMS Program and its component projects and activities;
- (ii) review the relevant literature and set up the model and identification of the estimation techniques and software;
- (iii) design and provide directions for the establishment of the required database, including identification of the statistics and indicators to be used, guidance on their possible sources, and/or methodologies for generating them;
- (iv) implement the initial run of the model using a representative component of the GMS Program, such as one of the economic corridors with its subset of projects activities, and prepare preliminary findings/recommendations.

**3. Information and Awareness Campaign Specialist** (domestic, 6 person-months)

8. The responsibilities will include the following:

- (i) prepare and help implement an information and awareness campaign strategy for the GMS, using various media of communication in targeting the international audience of development partners, including official development agencies, nongovernment organizations, and private sector transnational investors;
- (ii) assist in assessing the information gaps in the current GMS website and in identifying enhancements to the content and overall impact and relevance of the website considering the target audience;
- (iii) assist in preparing (a) communication materials, (b) templates for economic development reporting, marketing in government, and social marketing, and (c) standard one-liners and key messages on GMS; and
- (iv) prepare publications and reports related to high profile GMS meetings and events.

**4. Resource Persons/Issue Experts** (5 international, 20 person-months combined)

9. The responsibilities will include the following:

- (i) prepare quick, pragmatic and results-focused studies to address emerging issues and problems, in consultation with countries or raised by them during TA implementation;
- (ii) prepare recommended actions to address the issues and problems quickly and practically;
- (iii) facilitate the discussion, endorsement, and adoption of the studies' results and recommendations by the countries; and
- (iv) document and synthesize findings for useful and easy reference.

**5. Management Information Systems (MIS) Specialist** (domestic, 6 person-months)

10. The responsibilities will include the following:

- (i) evaluate the existing website and GMS-related databases and define the strategic information requirements to enhance the relevance, timeliness, and effectiveness of the web-related information dissemination activity;
- (ii) coordinate with sector divisions and other consultants on their management information (MIS) needs in their respective areas of activity; and
- (iii) assist in the design and implementation of a web-based information structure for the GMS, taking into consideration the results of the above assessment and consultations.

**6. Website Designer** (domestic, 3 person-months)

11. The responsibilities will include the following:

- (i) evaluate the existing website in terms of creativity, accessibility, and navigability, particularly taking into account private sector and civil society audiences; and
- (ii) in consultation with the information and awareness campaign and the MIS specialists, propose enhancements to the Web site.