



# Regional Cooperation Strategy and Program Update

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August 2006

## The Greater Mekong Subregion— Beyond Borders (2007–2009)



## ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AFD	–	Agence Française de Développement
ASEAN	–	Association of Southeast Asian Nations
CASP	–	Core Agriculture Sector Program
CBTA	–	Cross-Border Transport Agreement
CEP	–	Core Environment Program
CSP	–	country strategy and program
EWEC	–	East-West Economic Corridor
FDI	–	foreign direct investment
GDP	–	gross domestic product
GMS	–	Greater Mekong Subregion
HIV/AIDS	–	human immunodeficiency virus/acquired immunodeficiency syndrome
JBIC	–	Japan Bank for International Cooperation
JSF	–	Japan Special Fund
Lao PDR	–	Lao People's Democratic Republic
MDF	–	Mekong Development Forum
MDG	–	Millennium Development Goal
MTS II	–	Medium-Term Strategy II
NGO	–	nongovernment organization
NLPS	–	nonlending products and services
NSEC	–	North-South Economic Corridor
PPP	–	Phnom Penh Plan for Development Management
PRC	–	People's Republic of China
RCI	–	regional cooperation and integration
RCSP	–	regional cooperation strategy and program
RETA	–	regional technical assistance
SEC	–	Southern Economic Corridor
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund
TSSS	–	Transport Sector Strategy Study
WGE	–	Working Group on the Environment

## NOTE

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

Vice President	C. Lawrence Greenwood, Jr., Operations Group 2
Director General	R. M. Nag, Southeast Asia Department (SERD)
Director	P. Turner, Operations Coordination Division, SERD
Team leader	R. Butiong, Programs Economist, SERD
Team members	H. Kasahara, Regional Cooperation Specialist, SERD
	M. Manaligod, Associate Programs Analyst, SERD
	L. De Leon, Associate Programs Analyst, SERD

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## **I. CURRENT DEVELOPMENT TRENDS AND ISSUES**

1. The Regional Cooperation Strategy and Program (RCSP) for the Greater Mekong Subregion (GMS) aims to help achieve the GMS vision of a prosperous, integrated, and harmonious subregion through the pursuit of four strategic pillars, namely: (i) strengthening connectivity and facilitating cross-border movement and tourism; (ii) integrating national markets to promote economic efficiency and private sector development; (iii) addressing health and other social, economic, and capacity building issues associated with subregional linkages; and (iv) managing the environment and shared natural resources to help ensure sustainable development and conservation of natural resources. This annual update of the RCSP was prepared to ensure that the RCSP's strategic pillars and rolling program remain relevant in light of the rapidly changing global and regional context, as well as key developments in the GMS Economic Cooperation Program. This update summarizes significant achievements since the RCSP update (2006–2008) was approved in August 2005.

### **A. Recent Global and Regional Developments**

2. Three key developments dominated the global setting in the past year and a half: (i) continuing high energy prices with fading expectation for a price decline in the near future due to rising demand from emerging economies and continuing volatility in the Middle East, (ii) the emerging prospect of an avian flu pandemic, and (iii) growing international payments imbalances. Each of these trends, together with a possible slowdown in demand from major developed countries' markets, could pose a threat to the continued strong performance of the Asian and Pacific economies, as well as to the global economy.

3. On the regional front, regional cooperation and integration (RCI) initiatives continued to gain considerable ground. The first-ever East Asia Summit was held in Kuala Lumpur in December 2005, with participation by heads of state from the 10 Association of Southeast Asian Nations (ASEAN) countries, Australia, the People's Republic of China (PRC), India, Japan, the Republic of Korea, and New Zealand. The Summit addressed such major issues as regional security, the problem of infectious diseases, and energy cooperation. Meanwhile, ASEAN countries are accelerating formation of the ASEAN Economic Community by moving to integrate their economies into a single market and production base by 2015, instead of the earlier agreed date of 2020.

### **B. Economic Assessment and Outlook**

4. Economic growth<sup>1</sup> in the GMS remained robust at almost 8% in 2005. Three GMS economies expanded faster in 2005 than in the previous year despite high oil prices, the increased threat of avian flu, and protectionist tendencies in key export markets (Appendix 1).<sup>2</sup> For Cambodia, the Lao People's Democratic Republic (Lao PDR), and Viet Nam, growth was the highest recorded since the start of the decade. This resulted from a confluence of robust agricultural sector performance, strong export growth (especially in Cambodia where clothing exports performed much better than previously expected), and a rise in investments. As anticipated, the PRC saw slightly decelerating growth largely as a result of macroeconomic adjustment measures to arrest an incipient overheating of the economy, but investments and

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<sup>1</sup> Figures for Yunnan, PRC and Guangxi Zhuang Autonomous Region, PRC were used in calculating the average GDP growth figures instead of the entire PRC.

<sup>2</sup> A comprehensive assessment of macroeconomic performance, and a description and analysis of trends and patterns, and economic impact of foreign direct investment in the GMS are discussed in the SERD publication: *The Mekong Region: Foreign Direct Investment* (2006).

exports continued to be buoyant. Thailand also experienced a slowdown due to a severe drought and rising oil prices. Initial indicators show that GDP growth in most GMS countries has slowed in the first few months of 2006.

5. The ratio of investment to gross domestic product (GDP) has increased significantly for most of the GMS countries in the last five years, largely as a result of robust private capital formation. Foreign direct investment (FDI) flows into the subregion have also been on the rise, with substantial increases in 2005, and particularly for Cambodia, Lao PDR, and Thailand. The PRC continued to be a magnet for FDI, approximately maintaining its substantial share of global FDI flows in the previous year. As a result of greater openness of the GMS countries, total merchandise exports grew by more than 300% from 1992 to 2005. Intraregional trade increased even more dramatically—in 2004, it was 11 times more than the 1992 level. Annual tourist arrivals to the subregion doubled from 10 million in 1995 to an estimated 20 million in 2005.

6. Robust investments in and exports from GMS countries are expected to continue due to the improving investment climate resulting from such recent legal and policy reforms as the passage of unified laws on enterprise and investment in Viet Nam, as well as anti-corruption laws in Lao PDR and Viet Nam. While a projected expansion in the major industrial economies and continued growth in global trade bode well for the subregion's growth prospects for the next couple of years, persistent global payments imbalances are a concern. Other threats to the strong performance of the Asian and Pacific economies mentioned earlier—high and rising oil prices and the possible emergence of an avian flu pandemic—remain significant risks to the subregion's growth prospects.

### **C. Recent Social and Political Developments**

7. With nominal per capita GDP (in US dollar terms) growing at 10–14% annual rates during 2005 in most GMS countries, poverty in the subregion is expected to have continued to decline in line with the trend over the past 12 years. Available poverty indicators (Table 1) show that the incidence of poverty as measured against national poverty lines has declined substantially, with the reductions most pronounced in Thailand and Viet Nam. Recent poverty assessments of some GMS countries indicate, however, that (i) there remain vast numbers of poor and near-poor people and income inequality has increased in most GMS countries, and (ii) access to vital social services remains severely limited and unequal.

8. The GMS governments have greater awareness of the need to address social and human development problems, if economic development is to be sustained and poverty significantly reduced. For instance, in its recently formulated Sixth National Socioeconomic Development Plan, the Government of Lao PDR accorded highest priority to human resource development and stressed the need to strengthen the positive linkages between economic growth and social development. Similarly, the overriding goal of Viet Nam's latest Socioeconomic Development Plan is to reduce poverty incidence as measured against the national poverty line from 28.9% in 2002 to 15–16% by 2010. The poverty reduction strategies of Mekong countries argue for pro-poor growth (with major emphasis on transport and agriculture), social development (particularly focusing on health and on indigenous people), and natural resources development as major sector areas for poverty reduction. They also reflect the important role of regional linkages in the efforts to achieve poverty reduction, such as regional trade, movements across borders, tourism, and natural resources management.

9. Governance reform is high on the agenda of GMS governments, particularly reforming economic governance to create a more conducive enabling environment for business. In Viet

Nam, the National Assembly passed in 2005 three landmark pieces of legislation: a unified Law on Enterprise, a unified Law on Investment, and a Law on Fighting Corruption. The Government of Viet Nam is also actively pursuing reform of state-owned enterprises as well as financial sector and capital markets reform. In Lao PDR, the Government is also undertaking the restructuring and reform of state-owned enterprises, and it is preparing the legal framework for developing a real estate market. In Cambodia, the Government is pursuing a so-called “Rectangular Strategy” to enhance economic growth, employment, equity, and social justice. At the strategy’s core is good governance focusing on anticorruption, law and the judiciary, public administration and decentralization, and armed forces demobilization.

**Table 1: Income Poverty and Distribution Indicators for GMS Countries**

Country	Per Capita GDP (current, \$)		Poverty Incidence						Gini Coefficient <sup>a</sup>	
			Based on National Poverty Line (in %)		\$1-a-day					
					Head Count Ratio (in %)		Magnitude (in million)			
	1992	2005	1992/1993	Latest <sup>b</sup>	1990	2003	1990	2003	Earliest <sup>c</sup>	Latest <sup>d</sup>
Cambodia	220	393	39.0 <sup>e</sup>	34.7 <sup>f</sup>	46.0	33.8	4.0	4.5	0.37	0.45
PRC	293 <sup>g</sup>	842 <sup>g,h</sup>	7.8/23.8 <sup>i</sup>	3.4/7.9 <sup>j</sup>	33.0	13.4	377.0	173.1	0.31	0.35
Lao PDR	271	491	46.0	32.7	52.7	28.8	2.2	1.6	0.29	0.37
Myanmar	—	176 <sup>j</sup>	—	26.6 <sup>k</sup>	—	—	—	—	—	—
Thailand	1,945	2,727	23.2	9.8	10.1	0.7	5.7	0.4	0.54	0.50
Viet Nam	144	622	58.1	19.5	50.7	9.7	33.4	7.9	0.18 <sup>l</sup>	0.22 <sup>l</sup>

— = not available, GDP = gross domestic product, GMS = Greater Mekong Subregion, Lao PDR = Lao People’s Democratic Republic, PRC = People’s Republic of China.

<sup>a</sup> Gini coefficient is a measure of income inequality. If income distribution were exactly equal, this value would be 0. If one person had all the income, it would be equal to 1.

<sup>b</sup> Cambodia and Viet Nam, 2004; Guangxi Zhuang Autonomous Region, Yunnan Province and Myanmar, 2001; Lao PDR, 2002–2003; Thailand, 2002.

<sup>c</sup> Cambodia, 1994; PRC and Thailand, 1992; Lao PDR and Viet Nam, 1993.

<sup>d</sup> Cambodia and Viet Nam, 1999; PRC, 2000; Lao PDR, 1997–1998; Thailand, 2001.

<sup>e</sup> Data for 1993/94.

<sup>f</sup> Based on 2004 Cambodia Socioeconomic Survey. 1993/94 and 2004 data are not comparable since the 1993/94 Socioeconomic Survey covered only 65% of households. 2004 poverty rate comparable with 1993/94 (39%) is 28%.

<sup>g</sup> Covering Guangxi Zhuang Autonomous Region and Yunnan Province, PRC.

<sup>h</sup> Data for 2004.

<sup>i</sup> 7.8% and 3.4% refer to Guangxi Zhuang Autonomous Region while 23.8% and 7.9% refer to Yunnan Province.

<sup>j</sup> Data for fiscal year 2002 (April 2002–March 2003).

<sup>k</sup> Based on the results of the Household Income and Expenditure Survey in 2001 with a sample size of 30,000 households from 75 sample townships.

<sup>l</sup> Based on Theil L Index, a measure of inequality based on information/probability theory.

Sources: ADB. 2006. *Asian Development Outlook 2006*. Manila; ADB. 2006. *Country Briefing Papers for the 39th Annual Meeting*. Manila; ADB. 2006. *Country Strategy and Program (2007–2010): Viet Nam*. Manila; ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao PDR*. Manila; ADB. 2005. *Key Indicators*. Manila; International Monetary Fund. 2004. *Article IV Consultation Meeting*. Washington, D.C.; Ministry of National Planning and Economic Development of the Government of Union of Myanmar. 2005. *Millennium Development Goals Report of Myanmar*. Yangon. Available: <http://www.undg.org>; National Bureau of Statistics of China. *China Statistical Yearbook, various issues*. China Statistics Press; National Statistical Office of Thailand. 2003. *Thailand Development Indicators*. Available: <http://www.nso.go.th>; Office of the National Economic and Social Development Board and United Nations Country Team in Thailand. *Thailand Millennium Development Goals Report 2004*. Bangkok.

## D. Implications for the GMS RCSP

10. Key developments since the RCSP update (2006–2008) was approved in August 2005 point to the importance of trade and investment in sustaining pro-poor and rapid economic

growth in the GMS. Likewise, given the transborder nature of major social and environmental concerns affecting the Mekong countries, the importance of a regional approach in addressing such concerns cannot be overemphasized. GMS leaders at their Second Summit in Kunming, PRC in July 2005 highlighted the need for regional initiatives to be directed toward achieving the Millennium Development Goals (MDGs). All these reinforce the continued relevance of the RCSP's strategic pillars.

11. In its Medium-Term Strategy II (MTS II),<sup>3</sup> approved in March 2006, the Asian Development Bank (ADB) identified regional cooperation and integration as one of its five strategic priorities for achieving ADB's overarching goal of poverty reduction. ADB subsequently endorsed in July 2006 the RCI Strategy,<sup>4</sup> in which ADB's support for the GMS program was cited as a showcase example of ADB's involvement in promoting subregional cooperation among its developing member countries (see Box). The MTS II and RCI Strategy, particularly the latter's pillars I, II, and IV, provide the overall framework for and further impetus to the RCSP's own strategic pillars discussed in the next section, which are increasingly being reflected in ADB's country strategies and programs (CSPs) in the Mekong countries. These CSPs emphasize the importance of achieving greater synergy between ADB's regional and country operations.

**Box: ADB Strategy for Regional Economic Cooperation and Integration**

ADB's support for regional economic cooperation and integration (RCI) stems from ADB's Charter, which cites the promotion of economic cooperation as a means for achieving a more efficient use of regional resources, making economies more complementary, and promoting the orderly expansion of foreign trade. In July 2006, the Board endorsed ADB's strategy for RCI. The strategy focuses on four pillars: (i) regional and subregional economic cooperation programs for cross-border infrastructure and software, (ii) trade and investment cooperation and integration, (iii) monetary and financial cooperation and integration, and (iv) cooperation in regional public goods. Through regional collective action, these four pillars aim to generate greater physical connectivity; expansion of trade and investment; macroeconomic and financial stability and development of financial systems; and improved environmental, health, and social conditions. The four pillars are closely intertwined and mutually reinforcing for the purpose of achieving ADB's overall goal of poverty reduction.

## **II. IMPLEMENTATION OF THE REGIONAL COOPERATION STRATEGY AND PROGRAM**

### **A. Progress in the Regional Cooperation Strategy and Program Strategic Pillars**

12. Since August 2005, progress has been made in implementing the RCSP's four strategic pillars (para. 1), which provide the backbone of ADB's assistance toward enhancing connectivity, improving competitiveness, and engendering a greater sense of community in the GMS. The RCSP is results-based and a framework has been developed for monitoring and evaluating the outputs and outcome of ongoing and future assistance (Appendix 2).<sup>5</sup> Key outputs and work in progress to date under each of the RCSP's strategic pillars are set out below. Overall, significant progress has been made in achieving the time-bound milestones specified in the RCSP's results framework.

<sup>3</sup> ADB. 2006. *Medium-Term Strategy II 2006-2008*. Manila.

<sup>4</sup> ADB. 2006. *ADB's Strategy for Regional Cooperation and Integration*. Manila.

<sup>5</sup> Appendix 2 shows a refined RCSP results framework, which better reflects the mandate of GMS leaders for regional cooperation initiatives to be geared toward helping GMS countries achieve the MDGs.

## **Strategic Pillar 1: Strengthening connectivity and facilitating cross-border movement and tourism**

13. Upgrading of key road sections in the North-South, Southern and East-West economic corridors (NSEC, SEC and EWEC, respectively) has been completed or is about to be completed (Appendix 3). The ADB-assisted Guangxi Roads Development,<sup>6</sup> which links Nanning, the capital of Guangxi Zhuang Autonomous Region (Guangxi) in the PRC, to the border with Viet Nam and forms part of the eastern leg of the NSEC, was completed in December 2005. The ADB-assisted Ho Chi Minh City–Phnom Penh Highway Improvement Project in the SEC was officially opened in December 2005.<sup>7</sup> The transport infrastructure components of the eastern section of the EWEC from northeastern Thailand to Da Nang (Viet Nam) will be fully in place by the end of the year, with the scheduled completion of the Japan Bank for International Cooperation (JBIC)-assisted Second Mekong International Bridge linking Mukdahan (Thailand) and Savannakhet (Lao PDR) in December 2006. Work is proceeding well with the rehabilitation of the Lao PDR section of the NSEC, which is jointly assisted by ADB and the governments of the PRC and Thailand; expected completion is in 2008. With the assistance of ADB, the governments of PRC, Lao PDR, and Thailand are examining possible financial arrangements for constructing a bridge along the NSEC between Chiang Khong (Thailand) and Houayxay (Lao PDR).

14. The GMS countries will lay the groundwork for full implementation of transport and trade facilitation measures in the GMS when the remaining four of 20 annexes and protocols to the GMS Cross-Border Transport Agreement (CBTA) are signed at the Second Meeting of the Joint Committee in Beijing later this year. The CBTA Joint Committee, which consists of ministers and vice ministers of the six GMS countries who chair their respective national transport facilitation committees, is expected to work toward expeditious ratification of all the annexes and protocols as well as the full implementation of the CBTA, which is targeted to start in 2008. In the meantime, implementation of the CBTA at key border crossings along GMS economic corridors, on a pilot basis, started on 30 June 2005 at the Dansavanh (Lao PDR)–Lao Bao (Viet Nam) border crossing in the EWEC, and on 1 January 2007, it will commence at Bavet (Cambodia)–Moc Bai (Viet Nam) border crossing in the SEC, to be followed by others<sup>8</sup> over the next year. Improvements in border crossing clearance times have already been observed at the border checkpoints at Dansavanh and Lao Bao, where customs officials of Lao PDR and Viet Nam jointly and simultaneously conduct physical inspection at the country of entry's checkpoint. Bilateral road transport arrangements between Cambodia and Thailand, Myanmar and Thailand, and Cambodia and Viet Nam have also been finalized to provide interim measures for the exchange of traffic rights, which will allow vehicles of one country to operate in the territory of the neighboring country until the relevant annexes and protocols to the CBTA enter into force.

15. A GMS Transport Sector Strategy Study (TSSS) is scheduled to be finalized by the GMS countries this year. In line with directives of the Second GMS Summit, the TSSS recommended providing seamless transport services on a fully connected and integrated GMS transport

<sup>6</sup> Loan 1851 (ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the PRC for the Guangxi Roads Development Project*. Manila.), approved on 9 October 2001 for \$150 million.

<sup>7</sup> Loans 1659 and 1660 (ADB. 1998. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Kingdom of Cambodia and the Socialist Republic of Viet Nam for the Ho Chi Minh City–Phnom Penh Highway Improvement Project*. Manila.), approved on 15 December 1998 for \$40 million and \$100 million, respectively.

<sup>8</sup> These include Aranyaprathet (Thailand)–Poipet (Cambodia) along the SEC, Mae Sot (Thailand)–Myawaddy (Myanmar) and Mukdahan–Savannakhet along the EWEC, and Hekou (PRC)–Lao Cai (Viet Nam) along the NSEC.

network. Its key thrusts include (i) exploiting synergies in the GMS transport system, (ii) moving toward an open market for transport services, (iii) facilitating economic efficiency to reduce transport costs, (iv) completing the GMS network and improving links with South Asia, and (v) encouraging multimodalism. The TSSS identified more than 150 investment projects in all modes—road, rail, air, inland waterway, and seaports—needed to complete the GMS transport network and about 40 technical assistance projects that would improve efficiency of transport services in the subregion.

16. GMS countries have taken greater ownership of subregional cooperation in the telecommunications sector as they pursue development of the Information Superhighway Network, for which a memorandum of understanding was signed at the Second GMS Summit. A steering group was established in December 2005, which provides the institutional arrangements to coordinate the construction and operation of the network.

17. In tourism, a regional technical assistance (RETA) that was approved in December 2005<sup>9</sup> is now under way to prepare a sustainable tourism development project in Cambodia, Lao PDR,<sup>10</sup> and Viet Nam. A GMS country has been designated as lead country for each of the 29 priority tourism programs recommended by the 2005 GMS Tourism Sector Strategy.<sup>11</sup> In addition, key institutional arrangements to help promote the GMS as a single tourist destination have been put in place, including the establishment of the Mekong Tourism Coordinating Office in Bangkok in February 2006 to provide a sustained organizational capacity to address tourism issues in the GMS. Furthermore, annual tourism investment forums will be convened to attract investments from the private sector and to assess mechanisms—including partnerships between the public and private sectors and communities—to promote sustainable tourism development at the subregional level. Cambodia and Thailand are expected to commence the issuance, on a pilot basis, of a single visa mutually recognized by both countries by the end of 2006. This may eventually be adopted by the other GMS countries.

## **Strategic Pillar 2: Integrating national markets to promote economic efficiency and private sector development**

18. Ongoing and planned improvements in physical connectivity are expected to facilitate integration of national markets and private sector development in the GMS. Complementary initiatives aimed at facilitating trade—including to address key nontariff barriers—and promoting private investments are also being implemented with the support of ADB RETA projects. The RETA on the CBTA<sup>12</sup> is helping streamline border formalities and harmonize transport regulations to facilitate cross-border trade (para. 14). The RETA to support trade facilitation and capacity building in the GMS<sup>13</sup> is helping the GMS countries to formulate a coherent set of actions at the national and subregional levels, as well as to strengthen capacities to coordinate and implement trade facilitation initiatives in four priority areas: customs procedures, inspection and quarantine, trade logistics, and business mobility. These initiatives are being undertaken in response to private sector investor requests for further action to promote trade and investment in the GMS. With the support of ADB and the United Nations Economic and Social Commission

<sup>9</sup> RETA 6279 (ADB. 2005. *Preparing the Sustainable Tourism Development Project*. Manila.), approved on 8 December 2005 for \$900,000.

<sup>10</sup> To be confirmed by the Government of Lao PDR.

<sup>11</sup> ADB. 2005. *The Greater Mekong Subregion Tourism Sector Strategy*. Manila.

<sup>12</sup> RETA 6307 (ADB. 2006. *Technical Assistance for Implementing the GMS Agreement on Facilitation of Cross-Border Transport of Goods and People*. Manila.), approved on 6 March 2006 for \$800,000.

<sup>13</sup> RETA 6328 (ADB. 2006. *Support to Trade Facilitation and Capacity Building in the Greater Mekong Subregion*. Manila.), approved on 19 July 2006 for \$1.3 million.

for Asia and the Pacific, the GMS Business Forum<sup>14</sup> has successfully organized major events to promote private sector investments in the Mekong countries. These include a small and medium-sized enterprise conference in Bangkok in February 2006, which discussed ways to address issues related to funding such enterprises, and an EWEC conference in March 2006 in Ho Chi Minh City, which involved focused discussions between the public and private sectors on ways to accelerate transformation of the East-West Corridor into a full-fledged economic corridor. A development study for the NSEC is under way to promote partnerships between the public and private sector.

19. GMS countries are gaining headway in developing a regional power market to address the growing need for reliable and efficient energy supply in the subregion. With ADB and the World Bank support, the GMS countries have made significant progress in finalizing key elements of the Regional Power Trade Operating Agreement. To date, related institutional arrangements for power trade have been agreed, and priority activities are being implemented by the lead countries. A RETA for GMS power trade coordination and development, approved in January 2006<sup>15</sup> and financed by the Agence Française de Développement (AFD), is promoting development of the institutional framework for regional power trading. A RETA to formulate a new GMS energy sector strategy was approved in January 2006<sup>16</sup> and will: (i) articulate the vision for GMS energy cooperation; (ii) prepare an action plan for 2006–2020; (iii) identify priority investment projects, including private sector financing to enhance energy trade and investment; and (iv) prepare an outline of institutional and other arrangements to enhance regional energy security. Meanwhile, implementation of the Nam Theun 2 Hydropower Project in Lao PDR and associated power interconnection with Thailand is well under way, as is the GMS Cambodia Transmission Project, which will install a 220 kV transmission line to link the energy supply in Viet Nam to Phnom Penh.

20. In line with the directive of the Second GMS Summit to accelerate cooperation in the agriculture sector, the Third Meeting of the GMS Working Group on Agriculture held in Hue, Viet Nam in February 2006 finalized a strategic framework for GMS cooperation in agriculture for consideration and endorsement by the GMS agriculture ministers in their meeting in early 2007. The strategic framework has identified five core areas upon which ongoing and future initiatives could be focused. These are cross-border agricultural trade, a GMS knowledge network, capacity building in agriculture, emergency response for agricultural crises, and institutional linkages. ADB RETA projects, with support from other development partners, in the areas of advanced agricultural science and technology, transboundary animal diseases prevention and control, and establishment of an agriculture information network<sup>17</sup> are in line with the Core Agriculture Sector Program (CASP). A RETA on the expansion of subregional cooperation in agriculture was approved in June 2006<sup>18</sup> to provide further assistance in implementing the strategic framework and CASP.

<sup>14</sup> For further details, visit GMS Business Forum's website at <http://www.gmsbizforum.com/>.

<sup>15</sup> RETA 6304 (ADB. 2006. *Greater Mekong Subregion: Regional Power Trade Coordination and Development*. Manila.), approved on 16 January 2006 for \$1.2 million.

<sup>16</sup> RETA 6301 (ADB. 2006. *Developing the Greater Mekong Subregion Energy Sector Strategy*. Manila.), approved on 3 January 2006 for \$900,000.

<sup>17</sup> Including the ADB-administered Regional Cooperation and Poverty Reduction Fund established by the Government of the PRC, which has assisted numerous GMS RETAs.

<sup>18</sup> RETA 6324 (ADB. 2006. *Expansion of Subregional Cooperation in Agriculture in the Greater Mekong Subregion*. Manila.), approved on 23 June 2006 for \$1 million.

### **Strategic Pillar 3: Addressing health and other social, economic, and capacity building issues associated with subregional linkages**

21. A communicable diseases control project for Cambodia, Lao PDR, and Viet Nam, financed by a subregional Asian Development Fund (ADF) grant, was approved by ADB in November 2005 in the amount of \$30 million.<sup>19</sup> The project, which will provide support in the areas of surveillance and response for emerging diseases, communicable diseases control, and regional collaboration, will assist to contain the spread of epidemic diseases at the local level and reduce the burden of common endemic diseases in the three countries. A RETA for strengthening malaria control for ethnic minorities<sup>20</sup> is being carried out to build the capacity of national malaria institutions to develop acceptable, affordable, and effective strategies for malaria control for ethnic minorities; scale up malaria control efforts for target populations through national malaria control programs; and promote regional collaboration for malaria control. A RETA project<sup>21</sup> that aims to reduce the vulnerability to, and risk of, HIV/AIDS<sup>22</sup> among selected ethnic minority groups in Cambodia, PRC, Lao PDR, and Thailand through communication strategies, is developing and broadcasting radio dramas in ethnic languages in cross-border areas.

22. An ongoing RETA on preventing trafficking of women and children and promoting safe migration<sup>23</sup> is helping to address key social issues associated with increased connectivity. It is expected to result in (i) pilot programs to promote safe migration and minimize risks of trafficking along two ADB-assisted loan projects (i.e., the GMS Northern Economic Corridor and Mekong Tourism Development projects), (ii) a subregional program to provide training on anti-trafficking programs in collaboration with the United Nations Inter-Agency Project on Human Trafficking in the GMS and in conjunction with the Coordinated Mekong Ministerial Initiative Against Trafficking, (iii) increased country-level awareness through advocacy and policy dialogue, and (iv) guidelines for incorporation of trafficking issues in ADB-assisted GMS projects. Another ongoing RETA entitled Reviewing the Poverty Impact of Regional Economic Integration<sup>24</sup> is examining how increased connectivity between the GMS countries through infrastructure and communications development may be managed to ensure that the economic and social status of the poor will be enhanced. The ADB-administered Poverty Reduction Cooperation Fund has helped to finance these key human resource development activities.

23. The Phnom Penh Plan for Development Management (PPP) continues to deliver high-quality learning programs in the GMS. In 2005, 287 middle- and senior-level officials were trained in 14 key areas and nine fellows were sent to prestigious higher educational institutions. With support from ADB, and the governments of the PRC, France and New Zealand, Phase II of the PPP is targeting another batch of about 300 trainees in 2006 through 16 learning and special programs, such as the PPP Fellowship Program, Top Development Management

<sup>19</sup> Grants 0025, 0026, and 0027 (ADB. 2005. *GMS: Report and Recommendation of the President to the Board of Directors on a Proposed Grant to the Kingdom of Cambodia, the Lao People's Democratic Republic, and the Socialist Republic of Viet Nam for the Greater Mekong Subregion Regional Communicable Diseases Control Project*. Manila.), approved on 22 November 2005 for \$9 million, \$6 million, and \$15 million, respectively.

<sup>20</sup> RETA 6243 (ADB. 2005. *Technical Assistance for Strengthening Malaria Control Strategies for Ethnic Minorities*. Manila.), approved on 23 May 2005 for \$850,000.

<sup>21</sup> RETA 6247 (ADB. 2005. *Technical Assistance for HIV/AIDS Vulnerability and Risk Reduction among Ethnic Minority Groups through Communication Strategies*. Manila.), approved on 1 July 2005 for \$700,000.

<sup>22</sup> Human immunodeficiency virus/acquired immunodeficiency syndrome.

<sup>23</sup> RETA 6190 (ADB. 2004. *Technical Assistance for Preventing the Trafficking of Women and Children and Promoting Safe Migration in the GMS*. Manila.), approved on 4 October 2004 for \$700,000.

<sup>24</sup> RETA 6171 (ADB. 2004. *Technical Assistance for Reviewing the Poverty Impact of Regional Economic Integration in the GMS*. Manila.), approved on 6 May 2004 for \$750,000.

Program, Alumni Program, Distinguished Speaker Series, and the GMS Development Management Dialogue. Efforts are continuing to enhance service offerings of the PPP Learning Resource Center in Phnom Penh and to expand the network of research and training institutions. In addition, capacity development activities for GMS national secretariats were carried out under ADB RETA<sup>25</sup> and helped to increase awareness of and support from ministries and agencies concerned with GMS activities.

#### **Strategic Pillar 4: Managing the environment and shared natural resources**

24. The GMS Core Environment Program (CEP) and its flagship component, the Biodiversity Conservation Corridors Initiative, which were recommended by the GMS Working Group on the Environment (WGE) and endorsed by the Second GMS Summit in 2005, is the central program to address the environmental challenges to sustainable growth and development in the GMS. The CEP is supported by a \$26 million multiyear RETA approved in December 2005 and financed by grants from ADB, the ADB-administered Poverty Reduction Cooperation Fund, the governments of the Netherlands and Sweden, nongovernment organizations (NGOs), and other development partners. It focuses on program development and project implementation through (i) assessments of environmental sustainability for GMS sector strategies and economic corridor development, (ii) implementation of biodiversity corridor activities in at least five selected pilot sites, and (iii) institutionalization of environmental performance assessment procedures and systems.<sup>26</sup>

25. The CEP will formulate an assistance program focusing on (i) environmental governance and institutional development, (ii) priority biodiversity conservation corridors and high value landscapes, and (iii) decision support systems for environmental management and sustainable development planning. The GMS Environment Operations Center was established in Bangkok, Thailand, in April 2006 to coordinate implementation of the CEP, and to serve as the secretariat of the WGE. At the 12th Meeting of the WGE in Bangkok in April 2006, GMS countries and development partners involved in the CEP agreed on coordination arrangements for implementing the CEP and Biodiversity Conservation Corridors Initiative. Special emphasis was placed on building the capacities of national support units for implementing and/or finalizing the country work plans, and accelerating provision of staff for the Environment Operations Center. A technical advisory panel was created to serve as the CEP's peer review body.

#### **B. Highlights in Coordination of External Funding and Partnership Arrangements**

26. Since August 2005, ADB has carried out a concerted agenda of activities with development partners for the GMS program. Following successful Mekong Development Forums (MDFs) held in Paris in June 2004 and Tokyo in July 2005, MDFs were organized in New Delhi, Singapore, and Stockholm in November 2005, March 2006, and April 2006, respectively. These MDFs, which were attended by high-level representatives of the host countries, the GMS governments, and ADB, have provided a venue for effectively engaging development partners, civil society and the private sector on specific areas of interest in the GMS program. They have helped raise awareness about the purpose and progress of the GMS and specific investment and partnership opportunities in priority subregional projects. A number of representatives of external aid/funding agencies, as well as private sector organizations, who

<sup>25</sup> RETA 6017 (ADB. 2001. *Technical Assistance for Capacity Building for National Institutions Involved in the Greater Mekong Subregion Economic Cooperation Program*. Manila.), approved on 21 December 2001 for \$500,000.

<sup>26</sup> In addition, a RETA is to be prepared in 2006 to identify the development potential of the Se Kong, Se San, and Sre Pok basins in Lao PDR, Viet Nam, and Cambodia, respectively, as a follow-on to ongoing collaborative work between ADB and the World Bank on a joint Mekong water resources assistance strategy.

attended the MDFs have made follow-up visits to ADB to discuss possible involvement in key GMS initiatives.

27. ADB has also conducted individual consultations with major development partners having assistance programs in GMS countries. In January 2006, the first AFD-ADB retreat was held to enhance the cooperation and effectiveness of cofinanced programs of the two organizations in the Mekong. The retreat reviewed achievements and examined prospects for future cofinancing. It also resulted in agreement on a common strategic approach for supporting GMS projects and strengthening the impact of cofinanced projects. In March 2006, a PRC delegation visited ADB to review progress on follow-up actions from the Second GMS Summit and to discuss the ADB-administered PRC Regional Cooperation and Poverty Reduction Fund, and, in particular, talk about support for GMS RETA projects. ADB has also had discussions with the Australian Agency for International Development concerning the latter's planned enhanced engagement in the Mekong region, including in the GMS program. In July 2006, a delegation from the Government of Japan visited ADB for consultations on strategies to support, harmonize, and strengthen the GMS program. The discussions also considered potential areas for future assistance by the Government of Japan for the Mekong's regional development.

28. ADB has continued to coordinate actively with other cooperation programs in the Mekong. These include the Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS); the Bay of Bengal Multi-Sectoral Technical and Economic Cooperation (BIMSTEC); the ASEAN-Mekong Basin Development Cooperation (AMBDC); the Working Group on West-East Corridor Development under the ASEAN Economic Ministers-Japan Ministry of Economy, Trade, and Industry Economic and Industrial Cooperation Committee (AMEICC); and related programs of the United Nations Economic and Social Commission for Asia and the Pacific.

29. With respect to ADB's cooperation with civil society in the GMS, the key activity in 2005 was the implementation of the RETA on the framework for cooperation between ADB, the GMS governments, and NGOs.<sup>27</sup> In October 2005, ADB held discussions with representatives of civil society organizations in Cambodia, Lao PDR, Thailand, and Viet Nam, which focused on how to advance tripartite cooperation arrangements, particularly in facilitating civil society inputs into the preparation process for the GMS RCSP and related country strategies and programs. A focus group meeting was subsequently held in December 2005 to review the outcome and recommendations for future cooperation. That meeting concluded that wider involvement of key stakeholders at the upstream stage (i.e., in regional and country strategy formulation and programming) can promote enhanced quality of ADB-assisted activities, improve understanding of the ADB's core operational strategies, strengthen partnerships with stakeholders, and foster involvement and commitment among stakeholders. Other significant outputs of the tripartite framework included (i) identification of opportunities to enhance communication and trust between participating parties; (ii) recognition of the value of a positive, forward-looking focus in consultations; (iii) recognition of the benefits of embracing a wide range of perspectives in consultations; and (iv) recognition of the benefits of structured and regular engagement of civil society in developing ADB's strategy and program in the GMS.

30. In line with its overall coordinating role for the GMS program, ADB has intensified its information dissemination campaign for GMS projects and activities with a view to generating greater support from key stakeholders. A quarterly electronic newsletter that summarizes major

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<sup>27</sup> ADB. 2003. *ADB-Government-NGO Cooperation: A Framework for Action, 2003–2005*. Manila. Development and implementation of the framework was supported by RETA 6118 (ADB. 2003. *Technical Assistance for Promoting NGO Support for Poverty Reduction in the Greater Mekong Subregion*. Manila.).

GMS events and activities was launched in July 2006. The GMS web page (<http://www.adb.org/gms>) on ADB's website has been simplified to facilitate access to basic information on the GMS program. The GMS development matrix<sup>28</sup> has been upgraded to take into account the outcome of recently completed GMS sector strategy studies and streamlined to make it simpler and more user-friendly. The ongoing RETA on enhancing development effectiveness of the GMS program<sup>29</sup> is supporting these activities as well as key analytical and coordination work for the GMS program. The latter includes a mid-term review of the 10-year GMS strategic framework<sup>30</sup> and preparations for both the 14th GMS Ministerial Conference in 2007 and the 2008 Third Leaders' Summit.

### III. PORTFOLIO MANAGEMENT ISSUES

#### A. Portfolio Performance

31. **GMS Lending Portfolio.** As of June 2006, ADB had extended loans totaling \$1.8 billion (\$1.25 billion from ordinary capital resource and \$567 million from the ADF) for 26 investment projects<sup>31</sup> with a total project cost of \$6.5 billion. These projects are in transportation (16 projects), energy (4), health (3), and tourism (3). GMS governments and development partners have provided about \$2.1 billion and \$2.6 billion, respectively, for these 26 projects. Since 30 June 2005,<sup>32</sup> ADB has also extended \$36 million in public sector lending and grants.<sup>33</sup> As of June 2006, cumulative commitments and contracts for the 26 projects amounted to \$1.3 billion (of the total ADB net loans of about \$1.82 billion), with \$1 billion already disbursed for key project activities.

32. **GMS Nonlending Portfolio.** As of June 2006, 125 technical assistance (TA) projects with a total cost of about \$148 million had been completed or were under way. ADB's TA resources financed nearly half of this amount, or about \$69 million. The other resources were provided by development partners. The nonlending portfolio consisted of (i) 79 advisory TAs for the conduct of economic, thematic, and sector work to address issues in the nine sectors of GMS cooperation; (ii) 35 project preparation studies for priority GMS projects; and (iii) 11 TAs to support coordination of the GMS program, including the sector working groups and other related events. Since 30 June 2005, ADB has approved 21 TA projects with a total cost of \$41.9 million, out of which ADB provided \$8.8 million, and development partners and GMS governments provided \$33.1 million. These TAs are supporting the preparation of subregional investment projects, development of social infrastructure, implementation of the CEP, implementation of trade and transport facilitation measures, and formulation of a new GMS energy sector strategy.

<sup>28</sup> The GMS development matrix is a compilation of subregional projects that are discussed by the GMS working groups and other cooperation initiatives involving the Mekong countries. It is intended to (i) provide a unified source of information on GMS projects, (ii) promote coordinated planning of GMS projects and minimize duplication of efforts by various development partners involved in the GMS, and (iii) serve as a tool for mobilizing resources for GMS projects.

<sup>29</sup> RETA 6262 (ADB. 2005. *Technical Assistance for Enhancing the Development Effectiveness of the Greater Mekong Subregion Economic Cooperation Program*. Manila.), approved on 11 October 2005 for \$2.5 million.

<sup>30</sup> ADB. 2002. *Building on Success: A Strategic Framework for the Next Ten Years of the Greater Mekong Subregion Economic Cooperation Program*. Manila.

<sup>31</sup> Including projects involving Guangxi undertaken prior to formal inclusion in the GMS program.

<sup>32</sup> The RCSP update (2006–2008) approved on 30 August 2005 covered the period from March 2004 to June 2005.

<sup>33</sup> Of this amount, \$30 million is accounted for by the subregional grant projects to Cambodia, Lao PDR, and Viet Nam, i.e., grants 0025, 0026, and 0027 (ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Grant to the Kingdom of Cambodia, the Lao People's Democratic Republic, and the Socialist Republic of Viet Nam for the Greater Mekong Subregion Regional Communicable Diseases Control Project*. Manila.).

## **B. Performance Monitoring and Evaluation**

33. As of end-June 2006, there were 19 ongoing GMS loan projects. Seven projects have been completed and two other projects are expected to be completed by the end of 2006. The remaining portfolio has completion dates in 2007 and beyond. Of the seven completed projects, four were post evaluated and all were found to be successful. Meanwhile, of the 19 ongoing projects, 16 are rated as satisfactory while the remaining 3 are yet to be assessed. All of the 16 projects obtained satisfactory ratings both in terms of implementation progress and of meeting their development objectives. ADB also monitors the GMS Plan of Action that was endorsed by the Second GMS Summit.<sup>34</sup> Overall, the progress has been found to be very satisfactory.

## **IV. LEVEL OF ASSISTANCE PROPOSED AND CHANGES TO LENDING AND NONLENDING PROGRAMS**

### **A. Level of Assistance Proposed**

34. The proposed lending and nonlending products and services (NLPS) in the RCSP update have taken into consideration guidance provided by the leaders at the Second GMS Summit—including to accelerate progress in GMS regional cooperation by mobilizing more resources, facilitating increased knowledge transfer, reinforcing the development of subregional infrastructure, and giving more attention to other priority areas identified by the Summit. They also take into account ADB's priorities under MTS II (2006–2008) and the RCI Strategy. The proposed loans and NLPS are in line with the two RCI pillars of subregional cooperation and provision of regional public goods, as they will focus on establishing physical infrastructure and associated “software” elements having the characteristics of public goods. The proposed loans and NLPS will also address mitigation of shared concerns and such regional public “bads” as communicable diseases and transboundary environmental issues. They, too, will help to achieve the RCI target under MTS II of increased coverage and scale of RCI activities.

35. ADF allocation for subregional loan projects ADB-wide has been set at \$165 million for the two-year period, 2007–2008 to be shared by all ADB-supported subregional cooperation programs. The ADF requirements for priority GMS projects included for this period far exceed the anticipated GMS share. National ADF allocations will, to the extent possible, be used to augment financing for subregional projects,<sup>35</sup> while ordinary capital resources funding is also planned for some GMS projects. In the meantime, efforts will be further intensified to mobilize additional resources from other development partners, including the private sector. The proposed indicative lending program for 2007–2009, which is subject to resource availability, is in Appendix 6 (Table A6.1). The ADF assistance program for 2009 is tentative, with actual ADF assistance levels subject to the results of the 2007 country performance assessment and the outcome of discussions on the next ADF replenishment.

36. The indicative program for NLPS during 2007–2009 consists of 19 projects, of which 10 are for project preparation and nine will support capacity development; economic, thematic and sector work; and overall coordination for the GMS program. It reflects greater linkage with proposed GMS lending operations. ADB, through its Technical Assistance Special Fund (TASF) and Japan Special Fund (JSF) is expected to contribute about \$16.2 million, while about \$7.7 million will come from other sources. The average ADB financing for these projects is about

<sup>34</sup> The plan of action matrix is on ADB's GMS webpage (<http://www.adb.org/gms>).

<sup>35</sup> Given scarce ADF allocations, the CSPs for the Mekong countries and the RCSP for the GMS program are closely aligned in order to maximize their synergy and complementarity.

\$5.4 million per year. This average figure is well within historical (2002–2005) allocations of ADB resources for GMS NLPS. The proposed indicative nonlending program is in Appendix 6 (Table A6.2).

## **B. Summary of Changes to Lending and Nonlending Programs**

37. Key changes to the RCSP lending program reflected in this update are as follows: (i) inclusion of a proposed power interconnection project between Viet Nam and PRC for 2008, which is part of the GMS Regional Indicative Master Plan on Power Interconnection; (ii) inclusion of an expressway project in Guangxi, PRC for 2008 to complete the Kunming–Nanning–Hanoi leg of the NSEC; and (iii) inclusion of proposed 2009 projects comprising construction of a power transmission network in Lao PDR to support NSEC development, road rehabilitation in Lao PDR and Viet Nam along a proposed second east-west alignment located north of the existing EWEC, grant projects for capacity building for HIV/AIDS prevention in Cambodia, Lao PDR, and Viet Nam, and flood management and mitigation initiatives for Cambodia and Viet Nam.<sup>36</sup>

38. The NLPS program has been streamlined to ensure quality and manageability of project processing and implementation. Through a program approach, proposed consolidated initiatives have been included to (i) support implementation of the GMS CASP, (ii) provide continuing assistance for trade and transport facilitation measures, (iii) implement high-priority subregional HRD initiatives, including those associated with increased connectivity, and (iv) provide a project preparation facility for priority GMS infrastructure projects. The proposed 2009 NLPS program comprises (i) project and program preparatory technical assistance for a transport corridor between Guangxi, PRC and Viet Nam, a biodiversity conservation project, and a second GMS communicable diseases control project for Cambodia, Lao PDR and Viet Nam and (ii) continuing assistance to the PPP.

39. For reference, the respective 2006 assistance programs for lending and nonlending products and services are in Appendix 7.

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<sup>36</sup> Rescheduled from 2008 reflecting revised timing of project preparation. Participation of Lao PDR is contingent on the availability of grant funds.

## SOCIOECONOMIC AND ENVIRONMENT INDICATORS

**Explanatory Note:** Tables A1.1a and A1.1b show the progress made by the GMS countries with respect to the Millennium Development Goals (MDGs) by presenting the values of the various indicators under each of the specific targets under the goals as of 1990 (the benchmark year for the MDGs, or the earliest year for which data is available) (Table A1.1a) and as of the latest year for which data are available (Table A1.1b).

**Table A1.1a: Millennium Development Goals of GMS Countries**  
(Values of Indicators for Component Targets as of Benchmark or Earliest Year)

Goal/Target/Indicator	Earliest/Benchmark					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
<b>Goal 1. Eradicate extreme poverty and hunger</b>						
<b>Target 1. Halve, between 1990 and 2015, the proportion of people whose incomes are less than \$1 per day</b>						
<u>Indicator 1.</u> Proportion of population below the national poverty line (percent)	39.0 (1993)	31.3 <sup>a</sup> (1990)	48.0 (1990)	—	27.2 (1990)	58.1 <sup>a</sup> (1993)
<u>Indicator 2.</u> Poverty gap ratio (percent) <sup>b</sup>	9.2 (1993)	0.4 (1990)	12.0 (1990)	—	8.0 (1990)	18.5 (1993)
<u>Indicator 3.</u> Share of poorest quintile in national consumption (percent)	7.4 (1993)	—	9.3 (1992)	—	4.2 (1990)	8.4 (1993)
<b>Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger</b>						
<u>Indicator 4.</u> Prevalence of underweight children under 5 years (percent)	45.2 (2000)	17.4 (1990)	34.0 (1990)	38.6 (1997)	18.6 (1990)	58.0 (1991)
<u>Indicator 5.</u> Proportion of population below minimum dietary energy consumption (percent)	20.0 <sup>c</sup> (1993)	17.0 (1990)	31.0 (1990)	30.8 (1997)	6.9 <sup>c</sup> (1990)	>30 (1990)
<b>Goal 2. Achieve universal primary education</b>						
<b>Target 3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</b>						
<u>Indicator 6.</u> Net enrolment ratio in primary education (percent)	87.0 (2001)	97.4 (1990)	63.0 (1991)	65.7 (1990)	70.1 (1992)	86.0 (1990)
<u>Indicator 7.</u> Proportion of pupils reaching grade 5 (percent)	58.0 (2001)	86.0 (1990)	47.7 (1991)	24.5 (1990)	—	40.0 <sup>d</sup> (1990)
<u>Indicator 8.</u> Youth literacy rate (percent)	82.0 (1999)	95.3 (1990)	78.5 (1991)	80.9 (1990)	98.2 (1990)	94.1 (1990)
<b>Goal 3. Promote gender equality and empower women</b>						
<b>Target 4. Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015</b>						
<u>Indicator 9.</u> Ratio of girls to boys (percent)						
a. In primary education	87.0 (2001)	86.0 (1990)	77.3 (1991)	92.8 (1990)	95.0 (1991)	92.3 (1997)

Goal/Target/Indicator	Earliest/Benchmark									
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand	
b. In secondary education	63.0 <sup>e</sup>	(2001)	—		66.0 <sup>e</sup>	(1991)	93.6	(1990)	97.0	(1991)
c. In tertiary education	37.8	(2001)	52.0	(1990)	49.0	(1991)	150.6	(1990)	100.0	(1991)
Indicator 10. Ratio of literate females to males, aged 15–24 (percent)	87.0	(1998)	95.3	(1990)	76.0	(1990)	—		89.0	(1990)
Indicator 11. Share of women in wage employment in the nonagricultural sector (percent)	43.7 <sup>f</sup>	(1998)	37.7	(1990)	37.5	(1995)	40.5	(1990)	45.1	(1990)
Indicator 12. Percentage of seats held by women in national parliament	12.0	(2003)	21.0	(1990)	6.3	(1990)	—		2.2	(1990)
<b>Goal 4. Reduce child mortality</b>										
<b>Target 5. Reduce by two thirds, between 1990 and 2015, the under-five mortality rate</b>										
Indicator 13. Under-five mortality rate (per 1,000 live births)	124.0	(1998)	49.0	(1991)	170.0	(1990)	130.0	(1990)	12.8	(1990)
Indicator 14. Infant mortality rate (per 1,000 live births)	95.0	(1998)	38.0	(1990)	120.0	(1990)	98.0	(1990)	34.5	(1991)
Indicator 15. Proportion of 1 year old children immunized against measles (percent)	41.4	(2000)	98.0	(1990)	61.5	(1996)	67.7	(1990)	78.0	(1990)
<b>Goal 5. Improve maternal health</b>										
<b>Target 6. Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio</b>										
Indicator 16. Maternal mortality ratio (per 100,000 live births)	437.0	(1997)	88.9	(1990)	650.0	(1990)	100.0	(1990, urban)	36.2	(1990)
							190.0	(1990, rural)	249.0	(1990)
Indicator 17. Proportion of births attended by skilled health personnel (percent)	32.0	(2000)	50.3	(1990)	14.0	(1994)	50.8	(1990)	90.8	(1990)
<b>Goal 6. Combat HIV/AIDS, malaria and other diseases</b>										
<b>Target 7. Have halted by 2015 and begun to reverse the spread of HIV/AIDS</b>										
Indicator 18. HIV prevalence among pregnant women aged 15–24 years attending antenatal care (percent)	2.5	(1998)	—		—		2.7	(1992)	0.0	(1990)
Indicator 19. Condom use as a percentage of those using contraception (percent) <sup>9</sup>	91.0	(2002)	2.0	(1992)	1.0	(1993)	16.8	(1991)	3.0	(1993)
									8.0	(1997)

Goal/Target/Indicator	Earliest/Benchmark											
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
Target 8. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases												
Indicator 21. Prevalence and deaths associated with malaria												
a. Malaria incidence rate (per 100,000 people)	—		—		—		24.4 (1990)		518.0 (1990)		30.0 (1991)	
b. Malaria death rate (per 100,000 people)	0.4	(2000)	—		9.0 (1990)		12.6 (1990)		1.4 (1995)		—	
Indicator 23. Prevalence and death rates associated with tuberculosis												
a. Tuberculosis prevalence rate (per 100,000 people)	428.0	(1997)	134.0	(1990)	144.0	(1990)	103.0	(1994)	35.3	(1992)	563.0	(1990)
b. Tuberculosis death rate (per 100,000 people)	90.0	(1997)	24.0	(1990)	37.0	(1990)	32.6	(1990, Urban)	6.8	(1990)	42.0	(1990)
Indicator 24. Proportion of tuberculosis cases detected and cured under directly observed treatment, short course												
a. Detection rate (percent)	57.0	(2002)	15.0	(1995)	24.0	(1996)	38.0	(1990)	5.0	(1997)	30.0	(1995)
b. Treatment success rate (percent)	89.0	(2002)	94.0	(1994)	72.0	(1996)	78.0	(1994)	78.0	(1996)	91.0	(1994)
Goal 7. Ensure environmental sustainability												
Target 9. Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources												
Indicator 25. Proportion of land area covered by forest (percent)	60.0	(1992–2002)	13.0	(1990)	47.0	(1990)	56.0	(1990)	28.0	(1990)	27.0	(1990)
Indicator 26. Ratio of area protected to surface area (percent)	17.0	(1994)	8.0	(1994)	11.9	(1993)	1.1	(1990)	12.4	(1990)	6.7	(2001)
Indicator 27. GDP/unit of energy use (PPP\$/kg oil equivalent)	—		485	(1990)	—		—		176	(1990)	303	(1990)
Indicator 28. CO <sub>2</sub> emissions and consumption of ozone-depleting CFCs												
a. CO <sub>2</sub> emission per capita (metric tons per capita)	0.0	(1990)	2.1	(1990)	0.1	(1990)	0.1	(1990)	1.8	(1990)	0.3	(1990)
b. Consumption of ozone depleting CFCs (ODP tons)	—		41,829	(1990)	4	(1992)	16	(1992)	6,660	(1990)	303	(1991)
Indicator 29. Proportion of population using solid fuels (percent)	92.0	(1993)	—		97.1	(1995)	—		65.5	(1990)	—	

Goal/Target/Indicator	Earliest/Benchmark					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
<b>Target 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation</b>						
<u>Indicator 30.</u> Percent of population with sustainable access to safe drinking water			39.0 (1990)	32.0 (1990)		48.0 (1990)
a. Urban	60.0 (1998)	87.0 (1990)		38.0 (1990)	96.5 (1990)	
b. Rural	24.0 (1998)	31.0 (1990)		30.0 (1990)	76.4 (1990)	
<u>Indicator 31.</u> Percent of population with access to improved sanitation				36.0 (1990)		29.0 (1990)
a. Urban	49.0 (1998)	56.0 (1990)	11.0 (1990)	40.0 (1990)	99.0 (1990)	
b. Rural	8.6 (1998)	8.0 (1993)		35.0 (1990)	83.1 (1990)	
<b>Target 11. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>						
<u>Indicator 32.</u> Percent of households with access to secure tenure	15.0 (2000)	—	—	—		36.5 <sup>h</sup> (1993)
a. Urban					87.8 (1990)	
b. Rural					96.0 (1990)	
<b>Goal 8. Develop a global partnership for development</b>						
<b>Target 15. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</b>						
<u>Indicator 36.</u> ODA received in landlocked developing countries as a percent of their GNIs			17.4 (1990)			
<u>Indicator 44.</u> Debt service as a percent of exports of goods and services	4.0 (1992)	11.7 (1990)	8.7 (1990)	18.4 (1990)	16.9 (1990)	4.1 (1995)
<b>Target 16. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</b>						
<u>Indicator 45.</u> Youth unemployment rate (percent)	—	2.5 (1990)	—	—	4.3 (1990)	—
<b>Target 18. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies</b>						
<u>Indicator 47.</u> Telephone lines and cellular subscribers per 100 population	0.04 (1990)	0.59 (1990)	0.16 (1990)	0.17 (1990)	2.54 (1990)	0.15 (1990)
<u>Indicator 48.</u> Personal computers and internet users per 100 population						
a. Personal computers	0.05 (1995)	0.04 (1990)	0.11 (1996)	0.11 (1999)	0.42 (1990)	0.01 (1992)
b. Internet users	0.01 (1997)	0.01 (1996)	0.01 (1998)	0.01 (2000)	0.05 (1994)	0.01 (1998)

— = not available, CFC = chlorofluorocarbon, CO<sub>2</sub> = carbon dioxide, GDP = gross domestic product, GMS = Greater Mekong Subregion, GNI = gross national income, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome, kg = kilogram, Lao PDR = Lao People's Democratic Republic, ODA = official development assistance, ODP = ozone-depleting potential, PPP = purchasing power parity.

- <sup>a</sup> Figure for PRC refers to rural population below \$1 per day while figure for Viet Nam is an internationally comparable measure of the percentage of the population that cannot afford a threshold consumption basket which includes food (2,100 calories/day/family member) and non-food items.
- <sup>b</sup> Refers to the mean distance separating the population from the poverty line (with the non-poor being given a distance of zero), expressed as a percentage of the poverty line).
- <sup>c</sup> Refers to proportion of population below the food poverty line.
- <sup>d</sup> Refers to completion rate of primary education.
- <sup>e</sup> For lower secondary education.
- <sup>f</sup> Covering wage employment in industry (secondary sector).
- <sup>g</sup> Refers to the number of women ages 15-49 in marital or consensual unions who are practicing contraception by using condoms as a percent of all women of the same age group in consensual unions who are practicing, or whose sexual partners are practicing, any form of contraception.
- <sup>h</sup> Refers to the percentage of households living in temporary households.

Sources: **Cambodia:** ADB. *Key Indicators 2004*. Manila; ADB. *Key Indicators 2005*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; Ministry of Planning of Cambodia with funding from UNDP and SIDA. 2003. *Cambodia Millennium Development Goals Report 2003*; United Nations Statistics Division. 20 May 2005. *Millennium Indicators Database*. Available at: [http://millenniumindicators.un.org/unsd/mi/mi\\_goals.asp](http://millenniumindicators.un.org/unsd/mi/mi_goals.asp); **PRC:** ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. 2004. *Country Strategy and Program Update (2005–2007): People's Republic of China*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): People's Republic of China*. Manila; National Bureau of Statistics of China. 2004. *China Statistical Yearbook*. Beijing: China Statistics Press; National Bureau of Statistics of China. 2004. *Poverty Statistics in China*. Paper presented at the International Conference on Official Poverty Statistics: Methodology and Comparability, Manila, 4–6 October 2004. Available at: <http://www.nscb.gov.ph/poverty/conference/papers/default.asp>; United Nations Statistics Division. 20 May 2005. *Millennium Indicators Database*. Available at: [http://millenniumindicators.un.org/unsd/mi/mi\\_goals.asp](http://millenniumindicators.un.org/unsd/mi/mi_goals.asp); UN Resident Coordinator in China. 2004. *Millennium Development Goals. China's Progress 2003*. Beijing. **Lao PDR:** ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. 2004. *Country Strategy and Program Update (2005–2006): Lao People's Democratic Republic*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao People's Democratic Republic*. Manila; Government of the Lao PDR and the United Nations. January 2004. *Millennium Development Goals Progress Report Lao PDR*. Vientiane; United Nations Statistics Division. 20 May 2005. *Millennium Indicators Database*. Available at: [http://millenniumindicators.un.org/unsd/mi/mi\\_goals.asp](http://millenniumindicators.un.org/unsd/mi/mi_goals.asp). **Myanmar:** ADB. *Asian Development Outlook 2005*. Manila; ADB. *Key Indicators 2004*. Manila; ADB. December 2001. *Country Economic Report: Myanmar*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; Department of Labour of Myanmar and UNFPA. 1998. *Handbook on Human Resources Development Indicators*, 1998. Yangon; Central Statistical Organization. 2002. *Statistical Yearbook 2002*. Yangon; United Nations Statistics Division. 20 May 2005. *Millennium Indicators Database*. Available at: [http://millenniumindicators.un.org/unsd/mi/mi\\_goals.asp](http://millenniumindicators.un.org/unsd/mi/mi_goals.asp). **Thailand:** ADB. *Key Indicators 2004*. Manila; National Statistical Office of Thailand. 2003. *Development Indicators*. Bangkok; Office of the National Economic and Social Development Board and United Nations Country Team in Thailand. 2004. *Thailand Millennium Development Goals Report 2004*. Bangkok; United Nations Statistics Division. 20 May 2005. *Millennium Indicators Database*. Available at: [http://millenniumindicators.un.org/unsd/mi/mi\\_goals.asp](http://millenniumindicators.un.org/unsd/mi/mi_goals.asp). **Viet Nam:** ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Viet Nam*. Manila; United Nations in Viet Nam. November 2002. *Millennium Development Goals: Bringing MDGs Closer to the People*. Hanoi; United Nations in Viet Nam. 2003. *Millennium Development Goals Progress Report: Closing the Millennium Gaps*. Hanoi; United Nations Statistics Division. 20 May 2005. *Millennium Indicators Database*. Available at: [http://millenniumindicators.un.org/unsd/mi/mi\\_goals.asp](http://millenniumindicators.un.org/unsd/mi/mi_goals.asp).

**Table A1.1b: Millennium Development Goals of GMS Countries**  
(Values of Indicators for Component Targets as of Latest Year)

Goal/Target/Indicator	Latest											
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
Goal 1. Eradicate extreme poverty and hunger												
Target 1. Halve, between 1990 and 2015, the proportion of people whose incomes are less than \$1 per day												
Indicator 1. Proportion of population below the national poverty line	34.7	(2004)	16.6 <sup>a</sup>	(2001)	32.7	(2003)	26.6	(2001)	9.8	(2002)	24.1 <sup>a</sup>	(2004)
Indicator 2. Poverty gap ratio (percent) <sup>b</sup>	6.5	(1999)	0.7	(1998)	8.0	(2002)	6.8	(2001)	2.4	(2002)	4.7	(2004)
Indicator 3. Share of poorest quintile in national consumption (percent)	7.0	(2005)	4.7	(2001)	8.5	(2002)	—		4.2	(2002)	7.8	(2002)
Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger												
Indicator 4. Prevalence of underweight children under 5 years (percent)	—		14.3	(2002)	30.0	(2005)	31.8	(2003)	8.6	(2002)	26.6	(2004)
Indicator 5. Proportion of population below minimum dietary energy consumption (percent)	19.7 <sup>c</sup>	(2004)	11.0	(2000)	29.0	(1998)	—		2.2 <sup>c</sup>	(2002)	7.8	(2004)
Goal 2. Achieve universal primary education												
Target 3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling												
Indicator 6. Net enrolment ratio in primary education (percent)	91.9	(2005)	98.7	(2003)	81.8	(2003)	84.5	(2005)	80.4	(1998)	97.5	(2005)
Indicator 7. Proportion of pupils reaching grade 5 (percent)	59.2	(2005)	98.0	(2000)	62.0	(2001)	74.5	(2005)	—		99.8 <sup>d</sup>	(2004)
Indicator 8. Youth literacy rate (percent)	83.4	(2005)	97.9	(2001)	78.5	(2001)	96.5	(2005)	98.0	(2000)	94.5	(2002)
Goal 3. Promote gender equality and empower women												
Target 4. Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015												
Indicator 9. Ratio of girls to boys (percent)												
a. In primary education	89.5	(2005)	89.0	(2003)	84.9	(2003)	98.4	(2004)	93.0	(2000)	90.8	(2004)
b. In secondary education	77.0 <sup>e</sup>	(2005)	88.0	(2003)	76.0 <sup>e</sup>	(2003)	95.8	(2004)	101.0	(2000)	91.6 <sup>e</sup>	(2004)
c. In tertiary education	45.6	(2005)	—		62.0	(2003)	151.6	(2004)	115.0	(2001)	98.0	(2004)
Indicator 10. Ratio of literate females to males, aged 15–24 (percent)	90.0	(2005)	99.0	(2000–2004)	85.0	(2002)	101.4	(2004)	100.0	(2000–04)	99.0	(2002)

Goal/Target/Indicator	Latest											
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
Indicator 11. Share of women in wage employment in the nonagricultural sector (percent)	53.5 <sup>f</sup>	(2005)	39.4	(2002)	—		—		46.9	(2003)	51.8	(2003)
Indicator 12. Percentage of seats held by women in national parliament	17.1	(2005)	20.0	(2005)	23.1	(2005)	—		9.6	(2001)	27.3	(2005)
Goal 4. Reduce child mortality												
Target 5. Reduce by two thirds, between 1990 and 2015, the under-five mortality rate												
Indicator 13. Under-five mortality rate (per 1,000 live births)	82.0	(2005)	25.0	(2004)	106.9	(2000)	66.6	(2003)	16.9	(1998)	31.5	(2004)
Indicator 14. Infant mortality rate (per 1,000 live births)	66.0	(2005)	31.0	(2002)	70.0	(2005)	49.7	(2003)	22.0	(2002)	18.0	(2004)
Indicator 15. Proportion of 1 year old children immunized against measles (percent)	80.0	(2005)	84.0	(2003)	41.8	(2000)	87.0	(1998)	94.0	(2002)	93.2	(2003)
Goal 5. Improve maternal health												
Target 6. Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio												
Indicator 16. Maternal mortality ratio (per 100,000 live births)	—		51.3	(2003)	405.0	(2005)	100.0	(2001, urban)	24.0	(2002)	85.0	(2004)
							180.0	(2001, rural)				
Indicator 17. Proportion of births attended by skilled health personnel (percent)	—		79.4	(2003)	19.0	(2001)	67.5	(2003)	98.0	(2001)	85.0	(2002)
Goal 6. Combat HIV/AIDS, malaria and other diseases												
Target 7. Have halted by 2015 and begun to reverse the spread of HIV/AIDS												
Indicator 18. HIV prevalence among pregnant women aged 15–24 years attending antenatal care (percent)	2.1	(2005)	0.06-0.11	(2000)	0.06	(2005)	1.20	(2003)	1.39	(2002)	0.28 <sup>g</sup>	(2002)
Indicator 19. Condom use as a percentage of those using contraception (percent) <sup>h</sup>	96.7	(2005)	5.0	(2001)	2.0	(2000)	37.0	(2001)	3.0	(1997)	7.0	(2002)

Goal/Target/Indicator	Latest											
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
Target 8. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases												
Indicator 21. Prevalence and deaths associated with malaria												
a. Malaria incidence rate (per 100,000 people)	—		6.5	(2004)	—		13.5	(2003)	117.0	(2001)	95.0	(2000)
b. Malaria death rate (per 100,000 people)	0.4	(2005)			3.5	(2002)	4.7	(2003)	0.7	(2001)	9.0	(2000)
Indicator 23. Prevalence and death rates associated with tuberculosis												
a. Tuberculosis prevalence rate (per 100,000 people)	—		107.0	(2001)	144.0	(1994)	155.0	(2003)	48.4	(2001)	238.0	(2003)
b. Tuberculosis death rate (per 100,000 people)	—		18.0	(2003)	—		18.0	(2003)	5.6	(1999)	22.0	(2003)
Indicator 24. Proportion of tuberculosis cases detected and cured under directly observed treatment, short course												
a. Detection rate (percent)	61.0	(2005)	43.0	(2003)	54.0	(2004)	83.0	(2003)	72.0	(2003)	86.0	(2003)
b. Treatment success rate (percent)	—		93.0	(2003)	79.0	(2003)	82.0	(2003)	74.0	(2003)	92.0	(2003)
Goal 7. Ensure environmental sustainability												
Target 9. Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources												
Indicator 25. Proportion of land area covered by forest covered by forest (percent)												
	—		18.2	(2004)	41.5	(2002)	52.1	(2000)	33.4	(2000)	37.0	(2004)
Indicator 26. Ratio of area protected to surface area (percent)												
	—		14.8	(2004)	16.0	(2004)	3.8	(2005)	17.6	(2001)	8.0	(2004)
Indicator 27. GDP/unit of energy use (PPP\$/kg oil equivalent)												
	—		219	(2002)	—		—		201	(2002)	239	(2002)
Indicator 28. CO <sub>2</sub> emissions and consumption of ozone-depleting CFCs												
a. CO <sub>2</sub> emission per capita (metric tons per capita)	0.0	(2002)	2.7	(2002)	0.2	(2002)	0.2	(2002)	3.7	(2002)	0.8	(2002)
b. Consumption of ozone depleting CFCs (ODP tons)	86.7	(2003)	22,809	(2003)	35.3	(2003)	43.5	(2002)	1,857	(2002)	244	(2003)
Indicator 29. Proportion of population using solid fuels (percent)												
	83.9	(2005)	80.0	(1996)	95.7	(2000)	95.0	(2004)	30.5	(2002)	70.0	(2003)

Goal/Target/Indicator	Latest											
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
<b>Target 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation</b>												
Indicator 30. Percent of population with sustainable access to safe drinking water					67.0	(2005)	72.0	(2000)			58.7	(2004)
a. Urban	75.8	(2005)	88.8	(2004)			89.2	(2000)	97.0	(2000)		
b. Rural	41.6	(2005)	58.0	(2003)			65.8	(2000)	91.0	(2000)		
Indicator 31. Percent of population with access to improved sanitation					48.3	(2005)	83.0	(2000)			52.6	(2004)
a. Urban	55.0	(2005)	69.0	(2000)			87.0	(2000)	99.5	(2000)		
b. Rural	16.4	(2005)	51.0	(2003)			82.0	(2000)	97.0	(2000)		
<b>Target 11. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>												
Indicator 32. Percent of households with access to secure tenure	—		37.8	(2001)			98.1	(2001)			25.0 <sup>i</sup>	(2005)
a. Urban					90.7	(1995)			91.2	(2000)		
b. Rural									94.8	(2000)		
<b>Goal 8. Develop a global partnership for development</b>												
<b>Target 15. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</b>												
Indicator 36. ODA received in landlocked developing countries as a percent of their GNIs					16.1	(2003)						
Indicator 44. Debt service as a percent of exports of goods and services	1.9	(2005)			12.0	(2005)			9.8	(2005)	5.2	(2005)
<b>Target 16. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</b>												
Indicator 45. Youth unemployment rate (percent)	3.0	(2001)	3.1	(2000)	3.1	(1995)	—		6.6	(2001)	—	
<b>Target 18. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies</b>												
Indicator 47. Telephone lines and cellular subscribers per 100 population	3.78	(2003)	49.74	(2004)	4.82	(2004)	0.96	(2004)	55.15	(1994)	18.29	(2004)
Indicator 48. Personal computers and internet users per 100 population												
a. Personal computers	0.26	(2004)	4.08	(2004)	0.38	(2004)	0.60	(2004)	6.00	(2004)	1.27	(2004)
b. Internet users	0.28	(2004)	7.23	(2004)	0.36	(2004)	0.12	(2004)	11.25	(2004)	7.12	(2004)

— = not available, CFC = chlorofluorocarbon, CO<sub>2</sub> = carbon dioxide, GDP = gross domestic product, GMS = Greater Mekong Subregion, GNI = gross national income, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome, kg = kilogram, Lao PDR = Lao People's Democratic Republic, ODA = official development assistance, ODP = ozone-depleting potential, PPP = purchasing power parity.

<sup>a</sup> Figure for PRC refers to rural population below \$1 per day while figure for Viet Nam is an internationally comparable measure of the percentage of the population that cannot afford a threshold consumption basket which includes food (2,100 calories/day/family member) and non-food items.

<sup>b</sup> Refers to the mean distance separating the population from the poverty line (with the non-poor being given a distance of zero), expressed as a percentage of the poverty line).

<sup>c</sup> Refers to proportion of population below the food poverty line.

<sup>d</sup> Refers to completion rate of primary education.

<sup>e</sup> For lower secondary education.

<sup>f</sup> Covering wage employment in industry (secondary sector).

<sup>g</sup> Covering adults, 15-49 years old.

<sup>h</sup> Refers to the number of women ages 15-49 in marital or consensual unions who are practicing contraception by using condoms as a percent of all women of the same age group in consensual unions who are practicing, or whose sexual partners are practicing, any form of contraception.

<sup>i</sup> Refers to the percentage of households living in temporary households.

Sources: ADB. 2006. *Country Strategy and Program (2007-2010): Lao PDR*. Manila; ADB. 2006. *Country Strategy and Program (2007-2010): Viet Nam*. Manila; ADB. 2006. *Basic Statistics 2006*. Manila; ADB. 2006. *Asian Development Outlook 2006*. Manila; ADB. 2005. *Country Strategy and Program Update (2006-2008): People's Republic of China*. Manila; ADB. *Key Indicators 2005*. Manila; ADB. 2005. *Country Strategy and Program (2005-2009): Cambodia*. Manila; Ministry of Foreign Affairs of the People's Republic of China and United Nations System in China. 2005. *China's Progress Towards the Millennium Development Goals 2005*. Beijing; Ministry of National Planning and Economic Development. The Government of the Union of Myanmar. 2005. *Millennium Development Goals Report of Myanmar*; National Statistical Centre. 2005. LaoInfo Common Indicators Database System; Office of the National Economic and Social Development Board and United Nations Country Team in Thailand. 2004. *Thailand Millennium Development Goals Report*. Bangkok; Socialist Republic of Viet Nam. August 2005. Viet Nam Achieving The Millennium Development Goals; Royal Government of Cambodia. Ministry of Planning. 2005. *Achieving the Cambodia Millennium Development Goals. 2005 Update*. Phnom Penh; United Nations Statistics Division. *Millennium Development Goal Indicators Database*. Available at: [http://unstats.un.org/unsd/mi/mi\\_goals.asp](http://unstats.un.org/unsd/mi/mi_goals.asp); The World Bank Group. *World Development Indicators*. Available at: <http://devdata.worldbank.org>.

**Table A1.2: Selected Key Macroeconomic and Social Indicators of GMS Countries**  
1992, 2000–2005

Item	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
GDP Per Capita (current, \$)						
1992	220	415	271	—	1,945	144
2000	288	946	332	—	1,964	402
2001	293	1,038	322	—	1,834	415
2002	310	1,132	331	176	1,997	440
2003	324	1,270	372	—	2,230	484
2004	357	1,486	439	—	2,481	553
2005	393	1,697	491	—	2,727	622
GDP Growth (%)						
1992	7.0	14.2	7.0	9.7	8.1	8.7
2000	8.4	13.3	5.8	13.7	4.8	6.1
2001	5.5	8.3	5.8	11.3	2.2	6.9
2002	5.2	9.1	5.9	12.0	5.3	7.1
2003	7.0	10.0	5.8	13.8	7.0	7.3
2004	7.7	10.1	6.9	13.6	6.2	7.8
2005	8.4	9.9	7.2	12.2	4.5	8.4
Consumer Price Inflation (% annual change)						
1992	96.1	6.4	9.9	21.9	4.2	—
2000	(0.9)	0.4	8.4	(0.2)	1.6	(1.7)
2001	0.3	0.7	7.8	21.2	1.6	(0.4)
2002	3.3	(0.8)	10.7	57.0	0.6	3.8
2003	1.2	1.2	15.5	36.6	1.8	3.1
2004	3.9	3.9	10.5	—	2.8	7.8
2005	5.8	1.8	7.2	—	4.5	8.3
Merchandise Exports (% annual growth)						
1992	24.5	18.1	37.3	114.1	13.8	21.2
2000	24.1	27.9	9.6	33.8	19.5	25.2
2001	12.1	6.8	(3.3)	43.0	(7.1)	6.5
2002	11.7	22.4	(5.9)	(3.9)	4.8	7.4
2003	15.5	34.6	7.2	12.6	18.2	20.4
2004	22.1	35.4	12.7	8.2	21.6	30.3
2005	9.3	28.4	48.6	—	15.0	20.5
Openness Ratio <sup>a</sup> (%)						
1992	35.8	27.7	33.8	2.8	64.9	50.8
2000	91.4	38.7	49.9	0.9	106.4	91.5
2001	96.8	37.6	47.3	0.9	107.2	92.7
2002	99.7	41.8	40.9	0.6	102.1	98.0
2003	105.4	50.7	36.8	—	106.7	113.3
2004	116.1	58.4	42.0	—	116.8	125.3
2005	118.4	62.5	48.2	—	128.5	127.6
Current Account (as % of GDP)						
1992	(1.3)	1.3	(4.4)	(0.3)	(5.5)	(0.1)
2000	(11.4)	1.7	(7.3)	(0.0)	7.6	1.6

Item	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
2001	(9.1)	1.3	(5.3)	(0.0)	5.4	1.5
2002	(8.8)	2.4	(2.1)	(0.0)	5.5	(2.7)
2003	(10.1)	2.8	(2.6)	(0.0)	5.6	(6.4)
2004	(9.9)	3.6	(8.6)	—	4.3	(5.4)
2005	(10.2)	7.0	(8.1)	—	(2.1)	(3.6)
Foreign Direct Investments (\$million)						
1992	33	11,008	8	149	2,151	474
2000	149	40,715	34	208	3,350	1,289
2001	149	46,878	24	192	3,886	1,300
2002	145	52,743	25	191	947	1,200
2003	84	53,505	19	291	1,952	1,450
2004	131	60,630	17	556	1,064	1,610
2005	216	60,325	27	—	3,289	1,914
Gross Domestic Investment (as % of GDP)						
1992	11.3	36.2	—	1.3	40.0	—
2000	16.9	32.8	—	12.4	22.8	29.6
2001	18.7	34.2	—	11.6	24.1	31.2
2002	20.1	35.2	—	10.1	23.8	33.2
2003	25.1	38.0	—	11.0	24.9	35.4
2004	25.8	39.3	—	—	27.1	35.5
2005	26.4	43.5	—	—	31.6	35.4
Tourist Arrivals <sup>b</sup>						
1995	219,680	1,015,442	346,460	120,205	6,951,566	1,351,296
2000	466,365	2,230,241	737,208	260,616	9,578,826	2,140,100
2001	604,919	2,398,503	673,823	295,354	10,132,509	2,330,050
2002	786,524	2,666,950	735,662	301,024	10,872,976	2,627,988
2003	701,014	1,650,301	636,361	269,205	10,082,109	2,428,735
2004	1,055,202	2,276,800	894,806	241,938	11,737,413	2,927,873
2005	1,421,615	2,996,272	1,109,833	232,873	11,018,968	3,467,758
Human Development Index <sup>c</sup>						
1990	—	0.627	0.450	—	0.714	0.617
1995	0.533	0.683	0.487	—	0.749	0.660
2000	0.541	—	0.522	—	—	0.695
2003	0.571	0.755	0.545	0.578	0.778	0.704

— = not available, GDP = gross domestic product, GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic.

<sup>a</sup> Openness ratio is defined as the ratio of total trade to GDP at current market prices.

<sup>b</sup> Data under PRC include only tourist arrivals for Guangxi Zhuang Autonomous Region and Yunnan Province.

<sup>c</sup> Human development index (HDI) is a composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living.

Sources: ADB. *Asian Development Outlook 2006*. Manila; ADB. *Key Indicators 2005*. Manila; Agency for Coordinating Mekong Tourism Activities; Association of Southeast Asian Nations. ASEAN Tourism Arrival Statistics. Available at: <http://www.aseansec.org>; National Bureau of Statistics of China. *China Statistical Yearbook 1993, 2001-2005 Issues*. China Statistics Press; United Nations Conference on Trade and Development. *World Investment Report*. Available at: <http://www.unctad.org>; United Nations Development Programme. *Human Development Report 2005*. New York.

## GREATER MEKONG SUBREGION RCSP RESULTS FRAMEWORK (2007-2009)

Long-Term Joint Development Goals of GMS Countries (MDGs) <sup>a</sup>	Key Constraints to Achieving Strategic Goals <sup>b</sup>	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions <sup>c</sup>	Milestones/Tracking Indicators to Assess RCSP Implementation <sup>d</sup>		
Goal 1: Eradicate extreme poverty and hunger					
Pillar 1: Strengthening Connectivity and Facilitating Cross-border Movement and Tourism					
	<ul style="list-style-type: none"><li>• Lack of access to markets due to physical and nonphysical barriers to cross-border movement and tourism</li><li>• Lack of access to health and education services</li></ul>	<ul style="list-style-type: none"><li>• Increased exports of goods and services<ul style="list-style-type: none"><li>– Baseline value of \$152 billion for 2005</li><li>– Baseline value for total receipts from international tourism: estimated 2004 figure of \$14.8 billion (excludes figure for Guangxi)</li></ul></li><li>• Improved access to health and education services, particularly for those living in remote and isolated areas<ul style="list-style-type: none"><li>– Baseline values from health and social indicators in the MDGs</li></ul></li></ul>	<ul style="list-style-type: none"><li>• North–South Economic Corridor – Kunming–Bangkok leg: Boten–Houayxay section in LAO completed by 2008</li><li>• Southern Economic Corridor: upgrading of Poipet–Sisophon–Siem Reap section completed by 2007</li><li>• Transport infrastructure components of the Mekong Tourism Development Project completed by 2008</li><li>• CBTA pilot implementation under way at all 7 pilot sites by early 2007, and target border crossing clearance times achieved as agreed</li><li>• All CBTA annexes and protocols ratified by 2007 and full implementation started by 2007/2008 by countries that have ratified</li><li>• Single GMS visa adopted by at least three countries by 2007</li></ul>	<ul style="list-style-type: none"><li>• North-South Economic Corridor: Kunming–Haiphong expressway and rail links in VIE, and Yunnan and Guangxi expressways</li><li>• Southern Economic Corridor: Rail link in CAM, and coastal road in CAM and VIE</li><li>• New GMS Corridor: Northern GMS Transport Network in LAO and VIE</li><li>• Sustainable tourism infrastructure development, including Luang Prabang airport upgrading</li><li>• Implementation of CBTA and Trade Facilitation Action Plan</li></ul>	<ul style="list-style-type: none"><li>• ACMECS</li><li>• AFD</li><li>• ASEAN Secretariat</li><li>• PRC</li><li>• EIB</li><li>• France</li><li>• Germany</li><li>• Japan</li><li>• NDF</li><li>• OPEC Fund</li><li>• UNESCAP</li><li>• World Bank</li></ul>
Pillar 2: Improving Competitiveness – Integrating National Markets to Promote Economic Efficiency and Private Sector Development					
	<ul style="list-style-type: none"><li>• High production and distribution costs</li><li>• Weaknesses in the legal and regulatory frameworks that would enable markets to function</li></ul>	<ul style="list-style-type: none"><li>• Increased availability of efficient and less-costly energy supply through energy trade</li><li>• Improved transport and trade logistics systems</li><li>• Enhanced agricultural trade, food security, and sustainable</li></ul>	<ul style="list-style-type: none"><li>• Major elements of GMS Power Trade Operating Agreement finalized, signed, and implemented (2006–2008)</li><li>• GMS Energy Sector Strategy Study adopted by 2007</li><li>• CBTA's annexes and protocols</li></ul>	<ul style="list-style-type: none"><li>• VIE-PRC and LAO-VIE Power Interconnection Projects</li><li>• Hydropower Development Projects in LAO for Power Exports</li></ul>	<ul style="list-style-type: none"><li>• Australia</li><li>• PRC</li><li>• FAO</li><li>• France</li><li>• IMF</li><li>• international agricultural</li></ul>

Long-Term Joint Development Goals of GMS Countries (MDGs) <sup>a</sup>	Key Constraints to Achieving Strategic Goals <sup>b</sup>	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions <sup>c</sup>	Milestones/Tracking Indicators to Assess RCSP Implementation <sup>d</sup>		
	<ul style="list-style-type: none"> <li>and encourage private sector participation</li> <li>• Weak government institutions and information systems to support business</li> </ul>	<ul style="list-style-type: none"> <li>livelihoods</li> <li>• Improved public administration and institutional capacity for promoting regional economic cooperation</li> </ul>	<ul style="list-style-type: none"> <li>related to transport logistics commenced implementation by 2008</li> <li>• SFA-TFI operational by 2007</li> <li>• Appropriate agriculture technology for improved crop production transferred to farmers during 2006–2008</li> <li>• MOU signed in 2005 on regional cooperation for preventing animal epidemics</li> <li>• Additional 300 middle- and senior-level GMS officials trained annually under the PPP (2006–2008)</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of CBTA and Trade Facilitation Action Plan</li> <li>• Agriculture Information Network</li> <li>• Advanced Agricultural Science and Technology</li> <li>• Transboundary Animal Disease Control</li> <li>• Phnom Penh Plan for Development Management</li> </ul>	<ul style="list-style-type: none"> <li>research centers</li> <li>• Japan</li> <li>• New Zealand</li> <li>• Thailand</li> <li>• UNEP</li> <li>• World Bank</li> <li>• WTO</li> </ul>
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases; and Goal 7: Ensure environmental sustainability</b>					
<b>Pillars 3 and 4: Engendering a Sense of Community – Addressing Health and other Social, Economic, and Capacity Building Issues Associated with Subregional Linkages and Managing the Environment and Shared Natural Resources</b>					
	<ul style="list-style-type: none"> <li>• Susceptibility to spread of infectious diseases</li> <li>• Limited access to education services and/or facilities</li> <li>• Limited capacity for conservation, sustainable management of shared resources and social issues, and integrating environmental and social safeguards in development</li> </ul>	<ul style="list-style-type: none"> <li>• Improved capacity for addressing shared social and environmental issues, including those associated with increased connectivity <ul style="list-style-type: none"> <li>– Decreased number of girls and women trafficked across GMS border crossing points (e.g., through anecdotal evidence)</li> <li>– Increased forest cover baseline indicators</li> <li>– Increase in protected area and in area covered by biodiversity conservation corridor</li> </ul> </li> <li>• Reduced risk and burden of communicable diseases, particularly among vulnerable populations <ul style="list-style-type: none"> <li>– Decreased incidence of</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives for promoting safe migration for women and prevention of trafficking of girls and women in the GMS operational by 2007</li> <li>• EOC established / commenced operations by 2006</li> <li>• BCI: pilot activities completed (2008), lessons used for BCI redesign and implementation of scaled-up activities in priority landscapes, by 2008</li> <li>• Funding for conservation and environmental sustainability efforts secured under new mechanisms by 2006–2007</li> <li>• Environmental frameworks, safeguards, and best practices for select sectors and economic</li> </ul>	<ul style="list-style-type: none"> <li>• Core Environment Program</li> <li>• Flood Management and Mitigation</li> <li>• GMS Communicable Diseases Control Project</li> <li>• Promoting Safe Migration for Women and Prevention of Trafficking of Girls and Women in the GMS</li> <li>• Strengthening Malaria Control for Ethnic Minorities in the GMS</li> <li>• Reviewing the Poverty Impact of Regional Economic Integration</li> </ul>	<ul style="list-style-type: none"> <li>• Belgium</li> <li>• Denmark</li> <li>• Finland</li> <li>• GEF</li> <li>• GMSARN</li> <li>• ILO</li> <li>• IOM</li> <li>• IUCN</li> <li>• Mekong Institute</li> <li>• Mekong River Commission</li> <li>• Netherlands</li> <li>• Rockefeller Foundation</li> <li>• Sweden</li> <li>• UK</li> <li>• UNEP</li> </ul>

Long-Term Joint Development Goals of GMS Countries (MDGs) <sup>a</sup>	Key Constraints to Achieving Strategic Goals <sup>b</sup>	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions <sup>c</sup>	Milestones/Tracking Indicators to Assess RCSP Implementation <sup>d</sup>		
		HIV/AIDS, malaria, and other communicable diseases	corridors operational by 2007 • Scaled-up/scaled-out broadcasts of radio dramas on HIV/AIDS preventive education to include new ethnic groups (THA, LAO, CAM, PRC) by 2007; • GIS vulnerability mapping for HIV/AIDS (LAO, CAM) operational by 2007 • ICT applications for development and services delivery	• HIV/AIDS Vulnerability and Risk Reduction among Ethnic Minority Groups through Communication Strategies • ICT as a theme within sectors of GMS cooperation (health, education, environment, agriculture)	• UNESCO • UNIAP • United States • WB • WHO • World Wildlife Fund

ACMECS = Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy, ADB = Asian Development Bank, AFD = Agence Française de Développement, ASEAN = Association of Southeast Asian Nations, BCI = Biodiversity Conservation Corridor Initiative, CAM = Cambodia, CBTA = GMS Cross-Border Transport Agreement, EIB = European Investment Bank, EOC = Environment Operations Center, FAO = Food and Agriculture Organization, GEF = Global Environment Facility, GIS = geographic information system, GMS = Greater Mekong Subregion, GMSARN = Greater Mekong Subregion Academic and Research Network, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, ICT = information and communications technology, ILO = International Labour Organization, IMF = International Monetary Fund, IOM = International Organization for Migration, IUCN = International Conservation Union or International Union for the Conservation of Nature and Natural Resources, LAO = Lao People's Democratic Republic, MDG = Millennium Development Goal, MOU = memorandum of understanding, NDF = Nordic Development Fund, OPEC = Organization of Petroleum Exporting Countries, PPP = Phnom Penh Plan for Development Management, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, SFA-TFI = Strategic Framework for Action–Trade Facilitation and Investment, THA = Thailand, UK = United Kingdom, UNEP = United Nations Environment Programme, UNESCAP = United Nations Economic and Social Commission for Asia and the Pacific, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNIAP = United Nations Inter-Agency Project on Human Trafficking in the Greater Mekong Subregion, VIE = Viet Nam, WB = World Bank, WHO = World Health Organization, WTO = World Trade Organization.

<sup>a</sup> Selected components of the MDGs that overlap with ADB's strategic priorities for the GMS.

<sup>b</sup> As identified in the diagnostic assessment of the RCSP.

<sup>c</sup> Achieving these outcomes is the combined responsibility of the GMS governments, development partners (including ADB), private sector, and civil society.

<sup>d</sup> Indicators to track success of implementation toward expected outcomes.

Source: Asian Development Bank.







## PORTFOLIO MANAGEMENT INDICATORS

**Table A5.1: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 30 June 2006)

Sector	Loan Amount		Total		Rating <sup>a</sup>										Potential Problem <sup>b</sup>		At Risk <sup>c</sup>	
					Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		No Rating					
	\$million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Energy and Power	64.30	5.39	2	10.53	0	0.00	2	10.53	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Health, Nutrition, and Social Protection	30.00	2.52	3	15.79	0	0.00	0	0.00	0	0.00	0	0.00	3	15.79	0	0.00	0	0.00
Industry and Trade	35.00	2.94	3	15.79	0	0.00	3	15.79	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Transportation and Communications	1,063.00	89.16	11	57.89	0	0.00	11	57.89	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	1,192.30	100.00	19	100.00	0	0.00	16	84.21	0	0.00	0	0.00	3	15.79	0	0.00	0	0.00

No. = number.

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>c</sup> A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank estimates.

**Table A5.2: Portfolio Implementation Status of GMS Loans**  
(public sector loans, as of 30 June 2006)

Sector	Loan No.	Title	Loan Amount		Approval Date	Effective Date	Closing Date		Progress (complete)
			OCR (\$million)	ADF (\$million)			Original	Revised	
TC	2222	GMS-PRC: Kunming–Haiphong Transport Corridor—Noi Bai–Lao Cai Highway Technical Assistance		6.0	19 Dec 05		30 Sep 08		2%
HL	0027	GMS-VIE: Regional Communicable Diseases		15.0	21 Nov 05		30 Jun 10		
HL	0026	GMS-LAO: Regional Communicable Diseases		6.0	21 Nov 05	07 Mar 06	30 Jun 10		
HL	0025	GMS-CAM: Regional Communicable Diseases		9.0	21 Nov 05	07 Mar 06	30 Jun 10		
EN	2162	LAO: Nam Theun 2 Hydroelectric Project	20.0		04 Apr 05	30 May 05	30 May 10		20%
TC	2116	PRC: Dali–Lijang Railway Project (Yunnan Province)	180.0		02 Dec 04	14 Nov 05	30 Jun 10		20%
TC	2094	PRC: Guangxi Roads Development II	200.0		21 Oct 04	11 Apr 05	31 Dec 08		25%
EN	2052	CAM: GMS Transmission Project		44.3	15 Dec 03	25 Mar 05	31 Dec 08		4%
TC	2014	PRC: Western Yunnan Roads Development	250.0		28 Oct 03	11 Aug 04	31 Mar 08		55%
TC	1989	GMS-LAO: Northern Economic Corridor		30.0	20 Dec 02	09 Feb 04	30 Jun 07		75%
IN	1971	GMS-VIE: Mekong Tourism Development		8.5	12 Dec 02	25 Sep 03	30 Jun 08		34%
IN	1970	GMS-LAO: Mekong Tourism Development		10.9	12 Dec 02	06 Aug 03	30 Jun 08		58%
IN	1969	GMS-CAM: Mekong Tourism Development		15.6	12 Dec 02	06 Aug 03	30 Jun 08		40%
TC	1945	CAM: Cambodia Road Improvement		50.0	26 Nov 02	20 May 03	30 Jun 07		10%
TC	1851	PRC: Guangxi Roads Development	150.0		30 Oct 01	10 Jan 03	31 Oct 05	31 Oct 06	90%
TC	1728	VIE: East-West Corridor Project		25.0	20 Dec 99	21 Sep 00	31 Dec 04	30 Jun 06	90%
TC	1727	LAO: East-West Corridor Project		32.0	20 Dec 99	21 Sep 00	31 Dec 04	31 Dec 06	92%
TC	1660	VIE: Phnom Penh–Ho Chi Minh City Highway		100.0	15 Dec 98	09 Nov 99	30 Jun 03	31 Dec 05	100%
TC	1659	CAM: Phnom Penh–Ho Chi Minh City Highway		40.0	15 Dec 98	20 Mar 99	30 Jun 03	31 Dec 05	100%
<b>Total</b>			<b>800.0</b>	<b>392.3</b>					

ADF = Asian Development Fund, CAM = Cambodia, EN = energy, GMS = Greater Mekong Subregion, HL = health, nutrition, and social protection, IN = industry and trade, LAO = Lao People's Democratic Republic, No. = number, OCR = ordinary capital resources, PRC = People's Republic of China, TC = transport and communications, VIE = Viet Nam.

Source: Asian Development Bank.

Sector	Loan No.	Title	Cumulative Contracts/ Commitments	Cumulative Disbursements	Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
			(\$million)	(\$million)	IP	DO		
TC	2222	GMS-PRC: Kunming–Haiphong Transport Corridor—Noi Bai–Lao Cai Highway Technical Assistance	—	—	S	S	No	No
HL	0027	GMS-VIE: Regional Communicable Diseases	—	—	—	—	—	—
HL	0026	GMS-LAO: Regional Communicable Diseases	0.69	—	—	—	—	—
HL	0025	GMS-CAM: Regional Communicable Diseases	0.48	—	—	—	—	—
EN	2162	LAO: Nam Theun 2 Hydroelectric Project	15.50	15.70	S	S	No	No
TC	2116	PRC: Dali–Lijang Railway Project (Yunnan Province)	104.33	25.55	S	S	No	No
TC	2094	PRC: Guangxi Roads Development II	65.97	20.10	S	S	No	No
EN	2052	CAM: GMS Transmission Project	2.00	0.46	S	S	No	No
TC	2014	PRC: Western Yunnan Roads Development	206.98	96.68	S	S	No	No
TC	1989	GMS-LAO: Northern Economic Corridor	21.65	14.09	S	S	No	No
IN	1971	GMS-VIE: Mekong Tourism Development	0.98	0.62	S	S	No	No
IN	1970	GMS-LAO: Mekong Tourism Development	10.01	3.74	S	S	No	No
IN	1969	GMS-CAM: Mekong Tourism Development	4.26	2.03	S	S	No	No
TC	1945	CAM: Cambodia Road Improvement	36.44	7.57	S	S	No	No
TC	1851	PRC: Guangxi Roads Development	113.39	85.98	S	S	No	No
TC	1728	VIE: East-West Corridor Project	21.60	17.68	S	S	No	No
TC	1727	LAO: East-West Corridor Project	29.34	23.48	S	S	No	No
TC	1660	VIE: Phnom Penh–Ho Chi Minh City Highway	94.34	90.89	S	S	No	No
TC	1659	CAM: Phnom Penh–Ho Chi Minh City Highway	37.09	38.15	S	S	No	No
<b>Total</b>			<b>765.05</b>	<b>442.72</b>				

— = data not available, CAM = Cambodia, DO = development objectives, EN = energy, GMS = Greater Mekong Subregion, HL = health, nutrition, and social protection, IN = industry and trade, IP = implementation progress, LAO = Lao People's Democratic Republic, No. = number, PRC = People's Republic of China, PS = partly satisfactory, S = satisfactory, TC = transport and communications, VIE = Viet Nam.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

## GMS INDICATIVE ASSISTANCE PIPELINE FOR 2007-2009

**Table A6.1 GMS Indicative Assistance Pipeline for Lending Products, 2007-2009**

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
								ADB			Gov't <sup>b</sup>	Co-financing
								OCR	ADF <sup>a</sup>	Total		
2007 Firm Loans												
Industry and Trade												
1.	GMS Sustainable Tourism Development Project	CAM	TI	ISD/RC	SESS	2005	15.0		10.0	10.0	5.0	
2.	GMS Sustainable Tourism Development Project	LAO <sup>c</sup>	TI	ISD/RC	SESS	2005	12.5		10.0	10.0	2.5 tbd	
3.	GMS Sustainable Tourism Development Project	VIE	TI	ISD/RC	SESS	2005	13.0		10.0	10.0	3.0	
Subtotal							40.5		30.0	30.0	10.5	
Transport and Communications												
4.	GMS Southern Coastal Corridor	VIE <sup>d</sup>	GI	ECO/RC	SEID	2004	150.0		75.0	75.0	25.0 50.0	
5.	GMS Kunming-Haiphong Transport Corridor -- Noi Bai-Lao Cai Highway	VIE	GI	ECO/RC	SEID	2002	630.0	320.0	150.0	470.0	160.0	
6.	Northern GMS Transport Network Improvement	LAO	TI	ECO/RC	SEID	2005	45.0		20.0	20.0	5.0 20.0	
7.	Central Yunnan Roads Development (formerly, Yunnan Roads Development IV [Wuding-Kunming])	PRC	GI	ECO/RC	EATC	2006	576.0	200.0		200.0	72.0 304.0	
Subtotal							1,401.0	520.0	245.0	765.0	262.0 374.0	
Total 2007							1,441.5	520.0	275.0	795.0	272.5 374.0	
2008 Loans												
Energy												
1.	VIE: People's Republic of China to Viet Nam 500 kV HVDC Power Interconnection <sup>e</sup>	VIE	GI	ECO/RC	SEID	2007	400.0	300.0		300.0	100.0	
Subtotal							400.0	300.0		300.0	100.0	

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
								ADB			Gov't <sup>b</sup>	Co-financing
								OCR	ADF <sup>a</sup>	Total		
Transport and Communications												
2.	Western Guangxi Road Development (formerly, Guangxi Longlin to Baise Expressway)	PRC	GI	ECO/RC	EATC	2006	1,345.0	300.0	300.0	500.0	545.0	
Subtotal							1,345.0	300.0	300.0	500.0	545.0	
Total 2008 Firm							1,745.0	600.0	600.0	600.0	545.0	
2009 Loans												
Firm												
Agriculture and Natural Resources												
1.	GMS Flood Management and Mitigation	CAM	GI	RC/ECO	SEAE	2007	25.0	20.0	20.0	5.0		
2.	GMS Flood Management and Mitigation	VIE	GI	RC/ECO	SEAE	2007	80.0	30.0	30.0	20.0	30.0	
Subtotal							105.0	50.0	50.0	25.0	30.0	
Energy												
3.	GMS Northern Power Transmission	LAO	GI	ECO/RC	SEID	2006	25.0	20.0	20.0	5.0		
Subtotal							25.0	20.0	20.0	5.0		
Health, Nutrition, and Social Protection												
4.	GMS Capacity Building for HIV/AIDS Prevention <sup>f</sup>	CAM	TI	ISD/RC	SESS	2008	10.0	10.0	10.0			
5.	GMS Capacity Building for HIV/AIDS Prevention <sup>f</sup>	LAO	TI	ISD/RC	SESS	2008	5.0	5.0	5.0			
6.	GMS Capacity Building for HIV/AIDS Prevention <sup>f</sup>	VIE	TI	ISD/RC	SESS	2008	15.0	15.0	15.0			
Subtotal							30.0	30.0	30.0			
Transport and Communications												
7.	Second Northern GMS Transport Network Improvement	VIE	GI	ECO/RC	SEID	2008	90.0	70.0	70.0	20.0		
Subtotal							90.0	70.0	70.0	20.0		
Total 2009 Firm							250.0	170.0	170.0	50.0	30.0	

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
								ADB			Gov't <sup>b</sup>	Co-financing
								OCR	ADF <sup>a</sup>	Total		
Standby												
Energy												
1.	Lao PDR-Viet Nam Power Interconnection	VIE	GI	ECO/RC	SEID	2008	270.0	200.0		200.0	70.0	
Subtotal							270.0	200.0		200.0	70.0	
Transport and Communications												
2.	GMS Cambodia Siem Reap-Stung Treng	CAM	GI	ECO/RC	SEID	2008	50.0		40.0	40.0	10.0	
Subtotal							50.0		40.0	40.0	10.0	
Total 2009 Standby							320.0	200.0	40.0	240.0	80.0	
Total 2009 Firm+Standby							570.0	200.0	210.0	410.0	130.0	30.0
Overall Total, 2007-2009 (Firm)							3,436.5	1,120.0	445.0	1,565.0	922.5	949.0

ADB = Asian Development Bank, ADF = Asian Development Fund, CAM = Cambodia, EATC = East Asia Department Transport Division, ECO = sustainable economic growth, GI = general intervention, GMS = Greater Mekong Subregion, Gov't = Government, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome, HVDC = high voltage direct current power, ISD = inclusive social development, kV = kilovolt, LAO = Lao People's Democratic Republic, Lao PDR = Lao People's Democratic Republic, OCR = ordinary capital resources, PRC = People's Republic of China, RC = regional cooperation, SEAE = Southeast Asia Department Agriculture Environment, and Natural Resources Division, SEID= Southeast Asia Department Infrastructure Division, SESS = Southeast Asia Department Social Sectors Division, tbd = to be determined, TI = targeted intervention, VIE = Viet Nam.

<sup>a</sup> Subject to funds availability.

<sup>b</sup> Could change as a result of country assessments of cost sharing ceilings.

<sup>c</sup> To be confirmed by the Government of Lao PDR.

<sup>d</sup> Cambodian component is part of the proposed CAM: Transport Infrastructure Development and Maintenance Project for 2006.

<sup>e</sup> Subject to further review by the Government of Viet Nam.

<sup>f</sup> Grant project. Subject to further discussion with the respective Governments, and availability of grant funds.

Source: Asian Development Bank.

**Table A6.2: GMS Indicative Assistance Pipeline for Nonlending Products and Services, 2007-2009**

Sector Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
				ADB		Others <sup>a</sup>		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
2007								
Agriculture and Natural Resources								
1. GMS Flood Management and Mitigation	CAM/LAO/VIE <sup>b</sup>	SEAE	PPTA	tbd	2,000.0			2,000.0
2. GMS Core Environment Program (Phase 1, Supplemental)	GMS	SEAE	RETA	TASF	500.0	PRC	500.0	1,000.0
Subtotal					2,500.0		500.0	3,000.0
Education								
3. GMS Phnom Penh Plan for Development Management, Phase III	GMS	SESS	RETA	TASF	1,000.0	PRC/ Others	3,000.0	4,000.0
Subtotal					1,000.0		3,000.0	4,000.0
Energy								
4. VIE: People's Republic of China to Viet Nam 500 kV HVDC Power Interconnection	VIE	SEID	PPTA			AFD	1,000.0	1,000.0
Subtotal							1,000.0	1,000.0
Multisector								
5. Strengthening HRD Cooperation in the GMS	GMS	SESS	RETA	TASF	250.0			250.0
6. Enhancing the Development Effectiveness of the GMS Program (Supplemental)	GMS	SEOC	RETA	TASF	150.0	PRC	150.0	300.0
7. GMS Project Preparation Facility	CAM/LAO/ VIE	SEOC <sup>c</sup>	RETA	TASF	1,000.0	PRC	500.0	1,500.0
Subtotal					1,400.0		650.0	2,050.0
Total 2007					4,900.0		5,150.0	10,050.0
2008								
Agriculture and Natural Resources								
1. Program to Support the Implementation of the Core Agricultural Sector Program	GMS	SEAE	RETA	TASF	1,000.0	PRC	1,000.0	2,000.0
Subtotal					1,000.0		1,000.0	2,000.0

Sector	Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
					ADB		Others <sup>a</sup>		
					Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>Energy</b>									
2.	Lao PDR-Viet Nam Power Interconnection	VIE	SEID	PPTA	TASF	1,000.0		1,000.0	
	<b>Subtotal</b>					<b>1,000.0</b>		<b>1,000.0</b>	
<b>Health, Nutrition, and Social Protection</b>									
3.	GMS Capacity Building for HIV/AIDS Prevention	CAM/LAO/VIE	SESS	PPTA	TASF	500.0		500.0	
	<b>Subtotal</b>					<b>500.0</b>		<b>500.0</b>	
<b>Multisector</b>									
4.	Enhancing Transport and Trade Facilitation in the GMS	GMS	SEOC/SEGF	RETA	TASF	500.0	PRC	500.0	1,000.0
5.	Strengthening the Coordination of the GMS Program	GMS	SEOC	RETA	TASF	2,500.0	PRC	500.0	3,000.0
	<b>Subtotal</b>					<b>3,000.0</b>		<b>1,000.0</b>	<b>4,000.0</b>
<b>Transport and Communications</b>									
6.	Second Northern GMS Transport Network Improvement	LAO/VIE	SEID	PPTA	TASF	1,000.0			1,000.0
7.	GMS Cambodia Siem Reap-Stung Treng	CAM	SEID	PPTA	TASF	1,000.0			1,000.0
	<b>Subtotal</b>					<b>2,000.0</b>			<b>2,000.0</b>
	<b>Total 2008</b>					<b>7,500.0</b>		<b>2,000.0</b>	<b>9,500.0</b>
<b>2009</b>									
<b>Agriculture and Natural Resources</b>									
1.	GMS Biodiversity Conservation Corridor Program	CAM/LAO/VIE	SEAE	PPTA	TASF	1,000.0			1,000.0
	<b>Subtotal</b>					<b>1,000.0</b>			<b>1,000.0</b>
<b>Education</b>									
2.	GMS Phnom Penh Plan for Development Management, Phase IV	GMS	SESS	RETA	TASF	500.0	PRC	500.0	1,000.0
	<b>Subtotal</b>					<b>500.0</b>		<b>500.0</b>	<b>1,000.0</b>

Sector Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
				ADB		Others <sup>a</sup>		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
Health, Nutrition, and Social Protection								
3. GMS Communicable Disease Control Project II	CAM/LAO/VIE	SESS	PPTA	TASF	500.0			500.0
Subtotal					500.0			500.0
Multisector								
4. Trade Facilitation and Logistics Development in the GMS <sup>d</sup>	CAM/LAO/VIE	SEGF	PPTA	TASF	800.0			800.0
Subtotal					800.0			800.0
Transport and Communications								
5. Guangxi-Viet Nam Transport Corridor	VIE	SEID	PPTA	TASF	1,000.0			1,000.0
Subtotal					1,000.0			1,000.0
Total 2009					3,800.0		500.0	4,300.0
Overall Total, 2007-2009					16,200.0		7,650.0	23,850.0

ADB = Asian Development Bank, AFD = Agence Française de Développement, CAM = Cambodia, GMS = Greater Mekong Subregion, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome, HRD = human resource development, HVDC = high voltage direct current power, kV = kilovolt, LAO = Lao People's Democratic Republic, PPTA = project preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, SEAE = Southeast Asia Department Agriculture Environment, and Natural Resources Division, SEGF = Southeast Asia Department Governance, Finance, and Trade Division, SEID = Southeast Asia Department Infrastructure Division, SEOC = Southeast Asia Department Operations Coordination Division, SESS = Southeast Asia Department Social Sectors Division, TASF = technical assistance special fund, tbd = to be determined, VIE = Viet Nam.

<sup>a</sup> Possible cofinancing sources.

<sup>b</sup> Participation of Lao PDR in ensuing project is contingent on availability of grant funds.

<sup>c</sup> Coordinating division. Implementing divisions will be the sector divisions concerned.

<sup>d</sup> Subject to further discussion with respective Governments.

Source: Asian Development Bank.

## GMS ASSISTANCE PIPELINE FOR 2006

**Table A7.1: GMS Assistance Pipeline for Lending Products, 2006**

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
								ADB			Gov't	Co-financing
								OCR	ADF	Total		
2006 Firm Loans												
Transport and Communications												
1.	GMS Hanoi-Lao Cai Railways Upgrade Project	VIE	GI	ECO/RC	SEID	2002	160.0	60.0	60.0	20.0	80.0	
2.	GMS Rehabilitation of the Railway in Cambodia	CAM	GI	ECO/RC/GOV	SEID	2005	46.0	20.0	20.0	6.0	20.0	
Subtotal							206.0	80.0	80.0	26.0	100.0	
Total 2006							206.0	80.0	80.0	26.0	100.0	

ADB = Asian Development Bank, ADF = Asian Development Fund, CAM = Cambodia, ECO = sustainable economic growth, GI = general intervention, GMS = Greater Mekong Subregion, GOV = governance, Gov't = Government, SEID = Southeast Asia Department Infrastructure Division, OCR = ordinary capital resources, RC = regional cooperation, VIE = Viet Nam.

Source: Asian Development Bank.

Table A7.2: GMS Assistance Pipeline for Nonlending Products and Services, 2006

Sector	Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
					ADB		Others <sup>a</sup>		
					Source	Amount (\$'000)	Source	Amount (\$'000)	
2006									
Agriculture and Natural Resources									
1.	Transboundary Animal Disease Control to Reduce Poverty and Enhance Market for Livestock Trade in GMS (Phase 2)	GMS	SEAE	RETA	TASF	200.0	PRCF	300.0	500.0
2.	Expansion of Subregional Cooperation in the Agriculture Sector in the GMS <sup>b</sup>	GMS	SEAE	RETA	TASF	400.0	PRCF	600.0	1,000.0
3.	Sesan, Srepok and Sekong Basin Development	CAM/LAO/VIE	SEAE	RETA	TASF	275.0			275.0
Subtotal						875.0		900.0	1,775.0
Education									
4.	GMS Phnom Penh Plan for Development Management – Phase II (Supplementary Financing) <sup>c</sup>	GMS	SESS	RETA			NZL	500.0	500.0
Subtotal								500.0	500.0
Energy									
5.	GMS Northern Power Transmission <sup>d</sup>	LAO/ THA	SEID	PPTA	JSF	800.0			800.0
6.	Developing the GMS Energy Sector Strategy (formerly GMS Energy Sector Strategy Study) <sup>e</sup>	GMS	SEOD	RETA	TASF	900.0			900.0
7.	GMS Regional Power Trade Coordination and Development <sup>f</sup>	GMS	SEID	RETA			AFD	1,200.0	1,200.0
Subtotal						1,700.0		1,200.0	2,900.0
Industry and Trade									
8.	Support to Trade Facilitation and Capacity Building in the GMS <sup>g</sup>	GMS	SEGF	RETA	TASF	650.0	PRCF	650.0	1,300.0
Subtotal						650.0		650.0	1,300.0

Sector	Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Source of Funding				Total (\$'000)
					ADB		Others <sup>a</sup>		
					Source	Amount (\$'000)	Source	Amount (\$'000)	
Multisector									
9.	Implementation of the GMS Cross-Border Transport Agreement <sup>h</sup>	GMS	SEOC	RETA	TASF	400.0	PRCF	400.0	800.0
10.	Development Study for the North-South Economic Corridor <sup>i</sup>	GMS	SEOC	RETA	TASF	200.0	PRCF	400.0	600.0
Subtotal						600.0		800.0	1,400.0
Transport and Communications									
11.	GMS Luang Prabang Airport Improvement	LAO	SEID	PPTA	TASF	600.0			600.0
12.	Western Guangxi Road Development (formerly, Guangxi Longlin to Baise Expressway)	PRC	EATC	PPTA	TASF	500.0			500.0
13.	Central Yunnan Roads Development (formerly, Yunnan Roads Development IV [Wuding-Kunming])	PRC	EATC	PPTA	TASF	500.0			500.0
Subtotal						1,600.0			1,600.0
Total 2006						5,425.0		4,050.0	9,475.0

ADB = Asian Development Bank, AFD = Agence Française de Développement, CAM = Cambodia, EATC = East Asia Department Transport Division, GMS = Greater Mekong Subregion, JSF = Japan Special Fund, LAO = Lao People's Democratic Republic, NZL = New Zealand Cooperation Fund for Technical Assistance, PPTA = project preparatory technical assistance, PRC = People's Republic of China, PRCF = PRC Poverty Reduction and Regional Cooperation Fund, RETA = regional technical assistance, SEAE = Southeast Asia Department Agriculture Environment, and Natural Resources Division, SEGF = Southeast Asia Department Governance, Finance, and Trade Division, SEID = Southeast Asia Department Infrastructure Division, SEOC = Southeast Asia Department Operations Coordination Division, SEOD = Southeast Asia Department Office of the Director General, SESS = Southeast Asia Department Social Sectors Division, TASF = technical assistance special fund, THA = Thailand, VIE = Viet Nam.

<sup>a</sup> Possible cofinancing sources.

<sup>b</sup> Approved as RETA 6324 on 23 June 2006.

<sup>c</sup> Approved as Supplementary to RETA 6237 on 23 May 2006.

<sup>d</sup> Approved as PPTA 4816 on 19 July 2006.

<sup>e</sup> Approved as PPTA 6301 on 3 January 2006.

<sup>f</sup> Approved as RETA 6304 on 16 January 2006.

<sup>g</sup> Approved as RETA 6328 on 19 July 2006.

<sup>h</sup> Approved as RETA 6307 on 6 March 2006.

<sup>i</sup> Approved as RETA 6310 on 20 March 2006.

Source: Asian Development Bank.

### **CONCEPT PAPERS FOR LENDING PRODUCTS, 2007**

This appendix contains the concept papers for the following lending products:

- (i)      Table A8.1: GMS Sustainable Tourism Development Project
- (ii)     Table A8.2: GMS Southern Coastal Corridor
- (iii)    Table A8.3: GMS Kunming–Haiphong Transport Corridor—Noi Bai–Lao Cai Highway
- (iv)    Table A8.4: Northern GMS Transport Network Improvement
- (v)    Table A8.5: Central Yunnan Roads Development

**Table A8.1: GMS Sustainable Tourism Development Project****Date: August 2006**

<b>1. Type/modality of assistance</b> <input checked="" type="checkbox"/> Lending <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:
<b>2. Assistance focus</b> a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Industry and Trade Subsector(s): Industry b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic area(s) Themes: <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development  Subtheme(s): Fostering physical infrastructure development, public-private partnerships
<b>3. Coverage</b> <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
<b>4. Responsible division/department:</b> Social Sectors Division, Southeast Asia Department.
<b>5. Responsible ADB officer(s):</b> Alfredo Perdiguero, Senior Project Economist
<b>6. Description of assistance(s)</b> a. <b>Background/linkage to country/regional strategy:</b> Tourism has been included as the 11th flagship program under the 10-year Greater Mekong Subregion (GMS) Program Strategic Framework approved by the GMS leaders in 2002. GMS leaders have recognized that a subregional approach to tourism development is necessary to promote the subregion as a single destination, which will help in expanding the sector and increase the attractiveness of the subregion. The technical assistance (TA) will build on the results of previous regional TA, which prepared a GMS tourism sector strategy, and will provide recommendations for Asian Development Bank (ADB) interventions in the sector.

**b. Goal and purpose:** The goal of the project is to contribute to the objective of the GMS Tourism Sector Strategy of developing a pattern of tourism in the GMS that is sustainable, equitable, pro-poor, socially responsible, and internationally competitive. The project will strengthen the sustainable management of natural, cultural, and urban sites of importance to tourism; help reduce poverty and the undesirable social impact of tourism activities; facilitate the movement of tourists to and within the GMS; and improve both the planning and management capacity of tourism-related government agencies as well as service skills in the small and medium-size hospitality sector.

**c. Components and outputs:** The ongoing project preparatory regional TA will identify and prepare feasibility studies on four types of subprojects: (i) sustainable tourism improvement subprojects of three types: (a) transnational natural heritage sites (biodiversity corridors), (b) cultural heritage sites, and (c) urban tourism sites that are under pressure from tourism; (ii) pro-poor tourism subprojects in pilot tourism areas, including to improve tourist access to poor areas with tourism potential and facilitate the provision of services and goods by poor communities in key tourism destinations; (iii) subprojects to facilitate cross-border tourism, including to upgrade facilities and cross-border procedures at selected international border checkpoints with high priority for tourism development; and (iv) human resource development subprojects to upgrade the capacity of government officials at the national and provincial levels and at specific sites, as well as to improve the skills of vocational teachers in selected areas.

**d. Expected results and deliverables:** Results from the TA are expected to include confirmation of the project's viability and project design for priority tourism-related development subprojects in the GMS. The latter will serve as models and best practice cases for sustainable and pro-poor tourism development in Cambodia, Lao People's Democratic Republic (Lao PDR), and Viet Nam. Other deliverables include (i) a coherent and focused GMS tourism marketing strategy, (ii) a concrete program for human resources development for the GMS tourism sector, and (iii) identification of opportunities for private-public partnerships and cooperation in the sector.

**e. Social or environmental issues or concerns:** Increased mobility of tourists within GMS, if uncontrolled, could hasten the spread of HIV/AIDS and trafficking of women and children. Infrastructure improvements could also displace people and create environmental hazards if not properly managed.

**f. Plans for disseminating results/deliverables:** Reports, abridged documentation, workshops, and press conferences.

**For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☐ External press release to news agencies, including [www.adb.org](http://www.adb.org)
- ☐ Internal press release in *ADB Today*
- ☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** The executing agency for the project preparatory regional TA will be ADB, and the Mekong Tourism Coordinating Office will assist in coordinating the TA. The national tourism organizations of Cambodia, Lao PDR, and Viet Nam will be the implementing agencies. Each tourism agency will nominate a project manager to guide implementation of specific infrastructure projects, regulatory issues, and institutional strengthening measures. The managers will be responsible for coordinating local and provincial organizations, as well as with other national government organizations, nongovernment organizations, and the private sector. The managers also will participate in the evaluations.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

GMS governments, private-sector participants, nongovernment organizations, and local communities will be involved in identifying subprojects to be included in the project preparatory TA. They will build upon the previous regional TA, which prepared the GMS Tourism Sector Strategy. The Strategy will provide guidance in regard to this TA's concrete components and geographic focus.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004
- b. Expected date of submission for approval
  - Lending: 2007
  - Nonlending (project preparatory): 2005
  - Nonlending (other than project preparatory): None
- c. Period and duration of assistances
  - Lending: 2008-2012, 4 years
  - Nonlending: 2005-2006, 2 years

**10. Financing Plan**

## a. For lending

- ☐ Ordinary capital resources:  
☒ Asian Development Fund (loan): \$30 million (\$10 million each for Cambodia, Lao PDR, and Viet Nam)  
☐ Asian Development Fund (grant):  
☐ Other: None

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$million)
ADB Financing	30.0
Government Financing	10.5
Other Financing	
<b>Total Cost</b>	<b>40.5</b>

Source: ADB estimates.

## b. For nonlending

- ☐ No resources required, other than ADB staff  
☐ ADB's administrative budget:  
☒ Grant TA funds  
☐ Other: None

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$million)
ADB Financing	0.9
Government Financing	
Other Financing	
<b>Total Cost</b>	<b>0.9</b>

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, GMS = Greater Mekong Subregion, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, Lao PDR = Lao People's Democratic Republic, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A8.2: GMS Southern Coastal Corridor****Date: August 2006**

<b>1. Type/modality of assistance</b> <input checked="" type="checkbox"/> Lending <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:
<b>2. Assistance focus</b> a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Transport and Communications Subsector(s): Roads and highways b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic area(s) Themes: <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development Subtheme(s): Fostering physical infrastructure development
<b>3. Coverage</b> <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
<b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Department.
<b>5. Responsible ADB officer(s):</b> Paul Vallely, Senior Transport Specialist
<b>6. Description of assistance(s)</b> a. <b>Background/linkage to country/regional strategy:</b> The Fifth Greater Mekong Subregion (GMS) Ministerial Conference on Subregional Economic Cooperation held in Manila in November 1995 adopted a recommendation to study the southern coastal road corridor linking Cambodia, Thailand, and Viet Nam. At the Sixth Meeting of the Subregional Transport Forum held in Vientiane, Lao People's Democratic Republic (Lao PDR), in May 2001, the Vietnamese delegation requested that Asian Development Bank (ADB) give consideration to funding rehabilitation of highways 63 and 80 as part of the Southern Transport Corridor Project. This project was included in the GMS Regional Cooperation Strategy and Program (RCSP) 2004-2008.

**b. Goal and purpose:** The goal of the project is to promote subregional economic activity along the GMS Southern Coastal Corridor. The purpose of the project is to improve access and connectivity, both nationally and subregionally, along the Cambodian and Vietnamese sections of the GMS Southern Coastal Corridor (the Corridor). The project is being prepared under Technical Assistance (TA) covering Cambodia and Viet Nam. The purpose of this TA is to determine the economic, technical, social, and environmental feasibility of a project to rehabilitate and upgrade transport links and facilities along the Corridor.

**c. Components and outputs:** Outputs from the TA will include the following: (i) analyses of transport links and determination of the economic, technical, social, and environmental feasibility for (a) each component individually, (b) for components within each country, and (c) for the project as a whole in a subregional context; (ii) a matrix setting out an overall ranking of components and options for combining components to form logical projects for a range of funding levels; (iii) a determination of facilities required at the Cambodian–Viet Nam border on the project road; and (iv) a multimodal study on the movement of goods and people within the project influence area. The components of the project will be determined from the results of the TA but are expected to include the rehabilitation and improvement of transport infrastructure along the Cambodian and Vietnamese sections of the Corridor.

**d. Expected results and deliverables:** Results from the TA are expected to include confirmation of the project's viability, both in terms of the project as a whole and of the individual components in Cambodia and Viet Nam. The results from the project are expected to include a reduction in transport costs, an increase in accessibility, and greater provincial and subregional economic activity. The project is also expected to include components to address improving facilities and increasing efficiency of the border crossing between Cambodia and Viet Nam.

**e. Social or environmental issues or concerns:** Social and environmental issues related to the project, especially coastal zone impacts and ethnic minority issues, will be examined under the TA and appropriate measures to address impacts will be included in the project.

**f. Plans for disseminating results/deliverables:** The TA will produce initial technical reports covering engineering, social (poverty, resettlement, indigenous peoples), environmental, and economic analyses that will be publicly available as part of project documentation.

**For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☐ External press release to news agencies, including [www.adb.org](http://www.adb.org)
- ☐ Internal press release in *ADB Today*
- ☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** In Cambodia, the executing agency for the TA will be the Ministry of Public Works and Transport. The Ministry has designated the General Department of Public Works as the implementing agency. In Viet Nam, the Ministry of Transport will be the executing agency for the TA, and it has designated My Thuan Project Management Unit as the implementing agency.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

Consultations have been held at provincial, national and subregional levels regarding the project. Government agencies include the Ministry of Public Works and Transport in Cambodia and, in Viet Nam, the Ministry of Transport and the provincial governments of Kien Giang and Ca Mau provinces.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004
- b. Expected date of submission for approval
  - Lending: 2007
  - Nonlending (project preparatory): 2005
  - Nonlending (other than project preparatory): None
- c. Period and duration of assistances
  - Lending: 2008–2012, 4 years
  - Nonlending: 2005–2006, 2 years

**10. Financing Plan**

## a. For lending

- ☐ Ordinary capital resources:  
☒ Asian Development Fund (loan): \$75 million  
☐ Asian Development Fund (grant):  
☐ Other: None

If cofinancing is required, indicate amount and sources sought: \$50 million, from Government of the Republic of Korea (to be confirmed).

Source	Amount (\$million)
ADB Financing	75.0
Government Financing	25.0
Other Financing	50.0
<b>Total Cost</b>	<b>150.0</b>

Source: ADB estimates.

## b. For nonlending

- ☐ No resources required, other than ADB staff  
☐ ADB's administrative budget:  
☒ Grant TA funds  
☐ Other: None

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$million)
ADB Financing	1.0
Government Financing	0.2
Other Financing	
<b>Total Cost</b>	<b>1.2</b>

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A8.3: GMS Kunming–Haiphong Transport Corridor—Noi Bai–Lao Cai Highway****Date: August 2006**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> ADF grant-financed</p> <p>    <input checked="" type="checkbox"/> Other: loan-financed project preparatory activities.</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>    Sector(s): Transport and Communications</p> <p>    Subsector(s): Roads and highways</p> <p>b. Targeting classification</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>    Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>    Subtheme(s): Fostering physical infrastructure development</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Department.</p>								
<p><b>5. Responsible ADB officer(s):</b> Yashushi Tanaka, Transport Specialist</p>								
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> The Kunming–Haiphong Transport Corridor is a high-priority subregional transport project under the Greater Mekong Subregion (GMS) Economic Cooperation Program, and endorsed for implementation by ministers in GMS countries. Implementation of the project is in line with the GMS program's strategy to build infrastructure linkages. The Fourth Meeting of the Subregional Transport Forum in Vientiane agreed to develop this project to improve roads, railways, and inland waterways. As a result of a pre-feasibility study prepared under project preparatory TA for the Kunming–Haiphong Transport Corridor Project, the construction of an expressway from Hanoi to Lao Cai (the Noi Bai–Lao Cai Highway) was recommended as the first priority. Under a technical assistance (TA) loan, project preparatory activities will be undertaken for the Noi Bai–Lao Cai Highway. These activities will include a detailed feasibility study for the proposed highway; preparing a detailed</p>								

design to expressway standards; and conducting social, environmental, and resettlement impact assessments for consideration by ADB and the Vietnamese Government.

**b. Goal and purpose:** The goals of the proposed Noi Bai–Lao Cai Highway Project are to (i) facilitate trade and development between the People's Republic of China (PRC) and Viet Nam; (ii) facilitate access to Haiphong port for Yunnan Province, PRC; (iii) reduce transport costs in the project influence area; (iv) improve traffic safety; and (v) make movement of goods and passengers more efficient. The transport corridor will be a catalyst to support other developmental activities in the project influence area and thereby to enhance income and job opportunities.

**c. Components and outputs:** The project will construct a new fully access-controlled expressway including tollgates, ramps to the existing roads, and other operation and maintenance facilities between Noi Bai (Hanoi) and Lao Cai. The necessary service and frontage roads along the expressway, as well as the access roads to the expressway, also will be constructed or improved. Moreover, subject to outputs of the TA, the project may include installation of auxiliary facilities accommodating electricity and telephone lines, as well as water and irrigation channels.

**d. Expected results and deliverables:** The project will provide safe and efficient transport infrastructure between Yunnan Province, PRC and Viet Nam. After an expressway between Kunming and Hekou in Yunnan Province is also completed, the expected travel time between Kunming and Haiphong will be reduced from 2 days to 10 hours. In addition, the project will establish a new legal infrastructure and financial mechanism for toll roads.

**e. Social or environmental issues or concerns:** The TA for the Noi Bai–Lao Cai Highway Project will examine social and environmental issues related to the project. Special attention will be paid to ethnic minority people living along the project site. The project design, and especially the expressway alignment, will be selected so that negative impacts on the project-affected people can be minimized.

**f. Plans for disseminating results/deliverables:** The TA and project will produce technical reports on engineering, procurement, social (poverty, resettlement, and indigenous peoples), and environmental issues, as well as financial and economic analyses. In cooperation with the provincial governments concerned, public hearings will be held to disseminate the expressway construction plan before procurement of the civil works.

**For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☐ External press release to news agencies, including [www.adb.org](http://www.adb.org)
- ☐ Internal press release in *ADB Today*
- ☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** Ministry of Transport

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

Extensive consultations with the GMS countries have resulted in a list of high-priority subregional projects. The Kunming–Haiphong Transport Corridor Project was a high-priority subregional transport project for the GMS program, endorsed by the Third GMS Ministerial Conference in 1994. The Fourth Meeting of the GMS Subregional Transport Forum held in Vientiane in May 1998 agreed that the transport corridor would be the program's next high-priority subregional transport project. This decision was endorsed by the Ninth GMS Ministerial Conference held in Manila in January 2000.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004
- b. Expected date of submission for approval
  - Lending: 2005 (TA loan), 2007 (Investment loan)
  - Nonlending (project preparatory): None
  - Nonlending (other than project preparatory): None
- c. Period and duration of assistance(s)
  - Lending: TA Loan 2005-2006, 2 years. 2007-2010
  - Nonlending: None

**10. Financing Plan**

## a. For lending

- ☒ Ordinary capital resources: Investment loan \$320 million  
☒ Asian Development Fund (loan): TA loan \$6 million, investment loan \$150 million  
☐ Asian Development Fund (grant):  
☐ Other:

If cofinancing is required, indicate amount and sources sought:

## TA Loan

Source	Amount (\$million)
ADB Financing	6.0
Government Financing	2.0
Other Financing	
<b>Total Cost</b>	<b>8.0</b>

Source: ADB estimates.

## Investment Loan

Source	Amount (\$million)
ADB Financing	470.0
Government Financing	160.0
Other Financing	
<b>Total Cost</b>	<b>630.0</b>

Source: ADB estimates.

## b. For nonlending

- ☐ No resources required, other than ADB staff  
☐ ADB's administrative budget:  
☐ Grant TA funds  
☐ Other:

ADB = Asian Development Bank, CSP = country strategy and program, GMS = Greater Mekong Subregion, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A8.4: Northern GMS Transport Network Improvement****Date: August 2006**

<b>1. Type/modality of assistance</b> <input checked="" type="checkbox"/> Lending <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:
<b>2. Assistance focus</b> <p>a. If assistance focuses on a particular sector or subsector, specify the              Sector(s): Transport and Communications              Subsector(s): Roads and highways</p> <p>b. Targeting classification {check one}              <input type="checkbox"/> Targeted intervention              <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s) {check more than one category, if applicable}              Themes:                  <input checked="" type="checkbox"/> Sustainable economic growth                  <input type="checkbox"/> Inclusive social development                  <input type="checkbox"/> Governance                  <input type="checkbox"/> Gender and development                  <input type="checkbox"/> Environmental sustainability                  <input checked="" type="checkbox"/> Regional cooperation                  <input type="checkbox"/> Private sector development                  <input type="checkbox"/> Capacity development</p> <p>Subtheme(s):              Fostering physical infrastructure development</p>
<b>3. Coverage</b> <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
<b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Department
<b>5. Responsible ADB officer(s):</b> Paul J. Vallely, Senior Transport Specialist

**6. Description of assistance(s)****a. Background/linkage to country/regional strategy:**

One of the major impediments to building subregional economic cooperation in the Greater Mekong Subregion (GMS) is the poor state of basic transport infrastructure. Improving this infrastructure requires consideration of transport corridors across countries that connect centers of economic activity. In the northern GMS, Lao People's Democratic Republic (Lao PDR) lies in a pivotal position with respect to corridors linking northern Thailand, northern Viet Nam and southern People's Republic of China. Sections of these corridors have been addressed under other projects, but significant restraints still exist to the free passage of people and goods in this area. One of the themes being developed under ADB's Northern Region Strategic Action Plan for Lao PDR is connection of the northern region of Lao PDR with the central and southern regions. Development of these connections fits logically with the subregional connections of northern Lao PDR to the surrounding countries.

**b. Goal and purpose:**

The goal of the project is to induce economic development and, thereby, reduce poverty through connecting centers of economic activity across the northern GMS. The purpose of the project is to make the movement of passengers and goods more efficient and cost-effective provincially (within Xayabury), nationally (between northern and central Lao PDR), and subregionally (between northern Lao PDR and Thailand). The output from the project preparatory technical assistance (PPTA) will be a project design and feasibility study agreed upon by ADB and the Government. The study will set out an economically and technically feasible and socially and environmentally acceptable project to rehabilitate and upgrade transport links and facilities along the project roads.

**c. Components and outputs:**

The project will improve the entire length of Route 4, from the junction with Route 13 at Xieng Ngeun, near Luangprabang, to Ban Nakha, including connections to the border with Thailand near Kenthao. The PPTA will (i) analyze transport links to determine the economic and technical feasibility as well as the social and environmental acceptability of upgrading the project roads, (ii) prepare a matrix that ranks components and provides options for combining components to form logical projects for a range of funding levels, (iii) review facilities at the Lao PDR–Thailand border on the project road, and (iv) determine the road subsector's suitability for a SWAp by the development partners and setting up a program to adopt a SWAp. The project will include a crossing of the Mekong River at Pakkhorn–Thadeu, which is currently served by a ferry. Under the PPTA, a preliminary evaluation will be undertaken of the relative merits of either upgrading the existing ferry facilities or constructing a bridge.

**d. Expected results and deliverables:**

Results from the PPTA are expected to include confirmation of the project's viability, both in terms of the project as a whole and its individual components. The PPTA will also develop an agreed action plan for extending road safety programs. The results from the project are expected to include a reduction in transport costs, an increase in accessibility, and increased provincial and subregional economic activity. The project is also expected to include components to address improving facilities and increasing efficiency of the border crossing between Lao PDR and Thailand.

**e. Social or environmental issues or concerns:**

These are to be assessed during the PPTA. Social concerns may include impact of improvements on ethnic minorities and capacity of these ethnic minorities to reap project benefits. Environmental concerns include identification of sensitive environmental areas—in particular national biodiversity conservation areas in Lao PDR—and assessment of improvements' impacts on these areas.

**f. Plans for disseminating results/deliverables:****For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☐ External press release to news agencies, including [www.adb.org](http://www.adb.org)
- ☐ Internal press release in *ADB Today*
- ☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** Ministry of Communications, Transport, Post, and Construction

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

Consultations were conducted with central agencies, provincial governments, and other road sector stakeholders as part of preliminary work on the project.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2003
- b. Expected date of submission for approval  
 Lending: 2007  
 Nonlending (project preparatory): 2005  
 Nonlending (other than project preparatory):
- c. Period and duration of assistance(s)  
 Lending: 2007-2012 (5 years)  
 Nonlending: 2006 (8 months)

**10. Financing Plan**

- a. For lending
- ☐ Ordinary capital resources:
  - ☒ Asian Development Fund (loan): \$20 million
  - ☐ Asian Development Fund (grant):
  - ☐ Other:

If cofinancing is required, indicate amount and sources sought: \$20 million, source to be confirmed.

Source	Amount (\$million)
ADB Financing	20.0
Government Financing	5.0
Other Financing	20.0
<b>Total Cost</b>	<b>45.0</b>

Source: ADB Staff Estimates.

- b. For nonlending
- ☐ No resources required, other than ADB staff
  - ☐ ADB's administrative budget:
  - ☒ Grant TA funds
  - ☐ Other:

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$'000)
ADB Financing	800.0
Government Financing	150.0
Other Financing	
<b>Total Cost</b>	<b>950.0</b>

Source: ADB Staff Estimates.

ADB = Asian Development Bank, CSP = country strategy and program, GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, TA = technical assistance.

Table A8.5: Central Yunnan Roads Development

Date: August 2006

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> ADF grant-financed</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>    Sector(s): Transport and communications</p> <p>    Subsector(s): Roads and highways</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>    Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subtheme(s): (i) Promoting economic efficiency and enabling markets, and (ii) fostering physical infrastructure development</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Transport Division, East Asia Department</p>								
<p><b>5. Responsible ADB officer(s):</b> Makoto Ojira, Principal Project Economist</p>								
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> Despite considerable investments into the road sector, the road network in the People's Republic of China (PRC) is still inadequate and does not provide efficient transport access to large parts of the country. This is particularly true in the poorer inland regions, including Yunnan Province. Better transport links are necessary to improve economic efficiency, foster domestic and international trade, facilitate interregional integration, and reduce poverty. Western PRC lacks high-class road infrastructure into and out of the region, as well as between and within provinces in the region. The road network must be developed to facilitate sustainable economic</p>								

development. The impact of investments will reach poor areas and rural residents in the hinterlands, thus spreading economic and social benefits widely. To enhance economic development and reduce poverty in the western part of the PRC, the Government is implementing the Western Region Development Strategy, which is the key theme of the 10th and 11th Five Year Plans. The strategy aims to reduce development disparities between the western and coastal regions. The proposed project will support this strategy. It will also support the Greater Mekong Subregion (GMS) initiative by developing the north-south road link leading to Viet Nam and Lao People's Democratic Republic. The proposed project will be the fourth road project for ADB financing in Yunnan Province. The first two projects have been completed and the third one is being implemented. ADB is targeting its assistance in the road sector to the less developed central and western provinces, where the majority of the poor live. The proposed project is consistent with ADB's strategy.

- b. Goal and purpose:** The principal objective of the project is to develop an integrated road transport system to support sustainable economic development in Yunnan Province and GMS.
- c. Components and outputs:** The project has the following components: (i) construction of an expressway connecting Wuding and Kunming; (ii) upgrading of associated local roads; (iii) procurement of equipment; (iv) land acquisition and resettlement; and (v) consulting services for construction supervision, road safety audit, monitoring and evaluation, and capacity building.
- d. Expected results and deliverables:** By developing an integrated expressway and complementary local road network, the project will improve access to market opportunities and social services for rural poor residents in the project area. The project will reduce transport time and costs, thereby helping to develop an enabling environment for investment, create employment opportunities, and enhance incomes.
- e. Social or environmental issues or concerns:** Given the large land acquisition, the project will impact on the environment and resettlement. These impacts will be addressed by environmental impact assessment, as well as both environmental management and resettlement plans.
- f. Plans for disseminating results/deliverables:** Through consultation meetings and local media.

**For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☒ External press release to news agencies, including [www.adb.org](http://www.adb.org)
- ☒ Internal press release in *ADB Today*
- ☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** Yunnan Provincial Communications Department

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

This project was proposed by the Yunnan Provincial Communications Department through the central Government. Local people were consulted as part of project preparation.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, CSP Update, or interregional work plan: 2004
- b. Expected date of submission for approval
  - Lending: 2007
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: 4 years from 2008 to 2012
  - Nonlending:

**10. Financing Plan**

## a. For lending

- ☒ Ordinary capital resources: \$200 million  
☐ Asian Development Fund (loan):  
☐ Asian Development Fund (grant):  
☐ Other:

If cofinancing is required, indicate amount and sources sought: \$304 million, (source to be confirmed).

Source	Amount (\$million)
ADB Financing	200.0
Government Financing	72.0
Other Financing	304.0
<b>Total Cost</b>	<b>576.0</b>

Source: ADB estimates.

## b. For nonlending

- ☐ No resources required, other than ADB staff  
☐ ADB's administrative budget:  
☐ Grant TA funds:  
☐ Other:

If cofinancing is required, indicate amount and sources sought:

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, GMS = Greater Mekong Subregion, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance.

### **CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES, 2007**

This appendix contains the concept papers for the following nonlending products and services:

- (i) Table A9.1: GMS Flood Management and Mitigation
- (ii) Table A9.2: GMS Phnom Penh Plan for Development Management, Phase III
- (iii) Table A9.3: VIE: People's Republic of China to Viet Nam 500 kV HVDC Power Interconnection
- (iv) Table A9.4: Strengthening HRD Cooperation in the GMS
- (v) Table A9.5: GMS Project Preparation Facility

**Table A9.1: GMS Flood Management and Mitigation****Date: August 2006**

<b>1. Type/modality of assistance</b> <input checked="" type="checkbox"/> Lending <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:
<b>2. Assistance focus</b> a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Agriculture and Natural Resources Subsector(s): Water resource management b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic area(s) Themes: <input checked="" type="checkbox"/> Sustainable economic growth <input checked="" type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development  Subtheme(s): human development, developing rural and urban areas
<b>3. Coverage</b> <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
<b>4. Responsible division/department:</b> Agriculture, Environment and Natural Resources Division, Southeast Asia Department
<b>5. Responsible ADB officer(s):</b> Christopher Wensley, Principal Project Specialist
<b>6. Description of assistance(s)</b> a. <b>Background/linkage to country/regional strategy:</b> The Mekong River, which flows through and is a major influence on the economy and lives of the people in Cambodia, Lao People's Democratic Republic (Lao PDR) and Viet Nam, is subject to extensive annual flooding. Lasting for as long as six months a year, these floods are not normally considered disasters by persons living in the affected areas. The regular floods become water disasters only when they are more severe than normal: deeper than average, unexpectedly fast in onset, or unusually prolonged. Floods are normally seen as a source of livelihood and sustenance, but severe floods occurred in 2001 and 2002.  The beneficial impacts of flooding include rejuvenation of wetlands as breeding grounds for aquatic plants, fish, and other animals (vital sources of income and food for the poor); enrichment of soil by river-borne sediments and

nutrients beneficial to agriculture; and replenishment of reservoirs and groundwater tables as reserves against dry season water shortages. The cycle of cropping is determined by the rise of water in the Mekong River, and various agricultural systems have evolved as a direct function of this phenomenon.

Flooding in Viet Nam affects up to 1.8 million hectares every year, which, despite its beneficial effects, routinely claims hundreds of lives and causes millions of dollars of economic loss in the Mekong delta. In Cambodia, flooding of up to 65% of the cultivated land is an annual event, and about 3 million people earn subsistence-level incomes from fishing the Tonle Sap great lake and other seasonally flooded areas of the country. Flooding within Cambodia often claims lives and causes extensive damage to important infrastructure, human settlements, and essential services. Flooding in Lao PDR, although less widespread than in the Mekong delta, often has a sizeable economic impact and affects a large number of people living in the Mekong River floodplains in the central and southern provinces of the country. Flash floods also occur in the upper reaches of the Mekong tributaries; although the effects are generally brief and localized, they can also be destructive.

In late 2002, the Mekong River Commission (MRC) prepared a flood management and mitigation program (FMMP) to help its member countries (Cambodia, Lao PDR, Thailand, and Viet Nam) respond more effectively to major floods. An implementation plan for the FMMP is being prepared under the GMS Support for Realization of the Mekong River Commission Flood Management and Mitigation Program (REG-6149, approved on 16 December 2003). The plan will recommend interventions to reduce the negative impacts of floods while conserving their beneficial impacts. The plan will also identify discrete programs of subbasin interventions and cost-sharing among member countries for their implementation. The proposed GMS flood management and mitigation project will provide necessary financing to implement these interventions, and it will be closely linked to the Mekong water resources assistance strategy and program presently under joint preparation by ADB and the World Bank.

**b. Goal and purpose:** The goal of the project is to reduce the vulnerability of flood-affected communities to the negative impacts of floods. Project preparatory technical assistance (PPTA) covering the three countries will be undertaken in order to prepare investment projects for implementing integrated and balanced structural and nonstructural measures as parts of comprehensive flood management plans for Cambodia, Lao PDR and Viet Nam. The project will emphasize risk reduction strategies aimed at preventing major floods from becoming disasters for the affected population.

**c. Components and outputs:** The proposed investment projects will comprise balanced structural and nonstructural measures, including flood-proofing of houses and essential social services and infrastructure, limited essential flood containment measures, coordinated communications networks and means of evacuation, flood hazard mapping, improved flood forecasting and flood warning capability, capacity building needs for agencies responsible for emergency response, and education and public awareness campaigns for affected communities. To the extent possible, traditional coping mechanisms will be incorporated into the conceptual and detailed arrangements of works. The project will also assist in formulating land use and planning controls to enhance flood preparedness where feasible, and will help strengthen measures for mediation and mitigation of transboundary flood issues.

**d. Expected results and deliverables:** The technical assistance (TA) will prepare a feasibility study of flood management options, including prioritization of subbasins, definition of appropriate packages of flood structural and nonstructural management interventions, and cost estimates. The project will be designed to reduce the social and economic costs associated with floods while assisting the most affected people to move beyond the cycle of poverty that typically affects vulnerable communities.

**e. Social or environmental issues or concerns:** Structural flood control interventions can have unintended negative social and environmental impacts that extend beyond the boundaries of the project areas, possibly affecting neighboring administrative units and countries. Under the TA, detailed studies will be carried out to identify the nature and magnitude of these risks, together with appropriate means of avoiding or reducing them to acceptable levels. These risks and mitigation measures will be addressed under the ensuing investment project. The project will use participatory processes and consultation to involve affected communities, nongovernment organizations, and representatives of vulnerable groups. Specific means of meeting the needs of women will be identified in consultation with the women themselves.

**f. Plans for disseminating results/deliverables:** Workshops will be held at key decision points during the PPTA and investment project to seek feedback and disseminate information to key stakeholders. Nongovernment organizations will be contracted to mobilize communities and to assist in poverty and social analyses, as well as to implement key activities under the investment project. The products of the PPTA will be posted on ADB's website and will be provided to interested parties. Implementation progress of the investment project will be reported through the project information document on ADB's website.

**For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag  
☐ Publication of article(s) in external journals or books  
☒ External press release to news agencies, including www.adb.org  
☐ Internal press release in *ADB Today*  
☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** The executing agencies will be the Ministry of Water Resources and Meteorology in Cambodia; the Science, Technology, and Environment Agency in Lao PDR; and the Ministry of Agriculture and Rural Development in Viet Nam. The implementing agencies in each country will be the respective National Mekong Committees, assisted by the disaster coordination and water resource management agencies, and, as appropriate, through the coordination functions of the MRC.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** As it is one of the GMS flagship initiatives, improved flood management in the Mekong River has been discussed with the relevant governments on a number of occasions, including the GMS ministerial and GMS summit taskforce meetings. MRC's FMMP has been prepared following an extensive series of national and regional consultations during 2001 and 2002. The MRC Council has endorsed the FMMP.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
  - Lending: 2009
  - Nonlending (project preparatory): 2007
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: 5 years (2010–2014)
  - Nonlending: 12 months (2007–2008)

**10. Financing Plan**

- a. For lending
  - ☐ Ordinary capital resources:
  - ☒ Asian Development Fund (loan): \$50 million
  - ☐ Asian Development Fund (grant):
  - ☒ Other: \$30 million\*

If cofinancing is required, indicate amount and sources sought: \$30 million,\* source to be determined.

Overall financing \$80 million:\* Cambodia \$25 million, Lao PDR (\$10 million–\$20 million),\*\* and Viet Nam \$30 million, as given below:

Proposed financing plan for Cambodia:

Source	Amount (\$million)
ADB Financing	20.0
Government Financing	5.0
Other Financing	
<b>Total Cost</b>	<b>25.0</b>

Source: ADB staff estimates.

\*\*Cofinancing (amount to be determined, but in \$10–20 million range) will be sought for interventions in Lao PDR.

Proposed financing plan for Viet Nam:

Source	Amount (\$million)
ADB Financing	30.0
Government Financing	20.0
Other Financing	30.0 (source to be determined)
<b>Total Cost</b>	<b>80.0</b>

Source: ADB staff estimates.

## b. For nonlending

- ☐ No resources required, other than ADB staff  
☐ ADB's administrative budget:  
☒ Grant TA funds: **\$2 million**  
☐ Other:

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$million)
ADB Financing	2.0
Government Financing	0.2
Other Financing	
<b>Total Cost</b>	<b>2.2</b>
Source: ADB staff estimates.	

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, FMMP = flood management and mitigation program, GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic, MRC = Mekong River Commission, PPTA = project preparatory technical assistance, RCSP = regional cooperation strategy and program, REG = regional, TA = technical assistance.

**Table A9.2: GMS Phnom Penh Plan for Development Management, Phase III****Date: August 2006**

<b>1. Type/modality of assistance</b> <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other:  <input checked="" type="checkbox"/> Nonlending <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input checked="" type="checkbox"/> Other: Human Resource Development	
<b>2. Assistance Focus</b> a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Multisector Subsector(s):  b. Targeting classification <input type="checkbox"/> Targeted Intervention <input type="checkbox"/> General Intervention  c. Key thematic area(s) Themes: <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input checked="" type="checkbox"/> Capacity development  Subtheme(s):	
<b>3. Coverage</b> <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development	
<b>4. Responsible division/department:</b> Social Sectors Division, Southeast Asia Department	
<b>5. Responsible ADB officer(s):</b> Sukhdeep Brar, Senior Education Specialist	
<b>6. Description of assistance(s)</b> a. <b>Background/linkage to country/regional strategy:</b> The Phnom Penh Plan for Development Management (PPP) was designed in response to a request to Asian Development Bank (ADB) from the heads of state of the six Greater Mekong Subregion (GMS) countries at their first summit in November 2002 to help build capacity among middle and senior public servants in the GMS countries. The PPP's goal is to improve the efficiency and effectiveness of development management in GMS countries, and thereby to enhance economic growth and social development. The plan aims to impart knowledge and skills to middle- and	

senior-level GMS civil servants for improved design and management of development programs at national and subregional levels. The first phase of PPP was approved in 2003 with ADB support of \$0.8 million.<sup>1</sup> The New Zealand Agency for International Development (NZAid) also supported the program, contributing NZ\$500,000 in March 2003.

With strong appreciation and demand for PPP activities from the GMS countries, phase two of the PPP was approved in March 2005 with ADB funding of \$0.8 million. NZAid plus the governments of France and People's Republic of China provided financial support to the PPP.<sup>2</sup> At the second GMS Summit in July 2005, the PPP was again recognized for its catalytic role in capacity building in the GMS.

Since its inception, PPP has delivered 36 demand-based learning programs<sup>4</sup> benefiting more than 700 middle and senior GMS officials. A Learning Resource Center (LRC) has been established in the ADB Cambodia Resident Mission to promote GMS awareness and knowledge. A network of capacity building partners has been created and a GMS research framework and program has been established. Two issues of the *Journal of GMS Development Studies* have been released, a PPP website has been established, and the first three issues of the PPP newsletter have been issued. A PPP Fellowship Program, which sends promising alumni to programs of higher learning at institutions of international repute, has also been launched. A short, high-impact course on leadership and regional cooperation for ministers and senior officials was conducted in December 2004.

The PPP has been successful because of sustained ownership, commitment, and participation on the part of the GMS countries. It provides critical needs-based support for capacity building in development management. PPP's relevance lies in its carefully chosen, demand-driven, and custom-designed learning programs, which emphasize regional cooperation. The capacity building needs of the GMS countries are extensive, however, and there is strong demand not only for continuing but also for expanding PPP activities to make a sustained impact on the subregion's pool of skilled human resources. As capacity building requires multiple interventions and is a long-term process, sustained, longer-term support is essential. Given the relevance of PPP activities and demand from the GMS leadership for its continuation, expansion in scope, and additional activities, it is proposed to extend PPP through a third phase.

- b. Goal and purpose:** The broader goal of the PPP is to continue, over the next two years, the original objective of improving efficiency and effectiveness of development management in the GMS through carefully targeted capacity building activities. By the end of the period, a further 600 civil servants from the six GMS countries will have been trained and will have the opportunity to enhance their professional competencies, expand their understanding of regional issues, and build regional professional networks for more effective development management. Current financing is insufficient, however, for the entire range of activities that GMS countries are requesting the PPP to support.

The specific objectives of PPP are to (i) strengthen technical competence and the managerial and leadership capacity of GMS middle- and senior-level officials; (ii) improve management efficiency and effectiveness of national programs and projects; (iii) promote enhanced understanding, awareness, and a spirit of regional cooperation in the GMS; (iv) reinforce partnerships and strengthen cooperation among GMS countries; (v) provide lifelong learning opportunities for PPP alumni; (vi) develop institutional capacities through twinning arrangements and knowledge sharing and capacity building among institutional partners; (vii) promote GMS-anchored research and intellectual capital development that will assist capacity building and policy development interventions; and (viii) promote knowledge-sharing activities and encourage access to development information.

<sup>1</sup> ADB. 2002. *Technical Assistance for the Greater Mekong Subregion Phnom Penh Plan for Development Management*. Manila.

<sup>2</sup> RETA 6237 was approved on 29 March 2005 and provides US\$800,000 on a grant basis. A TA change in scope was approved in July 2005 on account of supplementary funding provided by NZAid (US\$350,000) and the Government of France (US\$1,923,000). In August 2005, the total TA budget was increased to US\$3,573,000 due to supplemental funding from the People's Republic of China Regional Cooperation and Poverty Reduction Fund (US\$500,000). In June 2006, NZAid provided US\$500,000 to the PPP, increasing the total TA budget to US\$4,073,000.

<sup>3</sup> Learning programs offered cover, among others, leadership, human resources management, trade policy, regional cooperation, health care financing, e-governance, social protection, project design, and cross-border infrastructure management.

**c. Components and outputs:** PPP's components and activities are premised on capacity building's being a long-term process that requires strong commitment and ownership on the part of the GMS countries. Key PPP activities include learning programs, intellectual capital development (action research and journal), advocacy and knowledge sharing activities (newsletter, website, and learning resource center), institutional networking (capacity building partners), and establishing a core of GMS leaders (alumni program and PPP Fellowship).

- *Learning Programs.* Two types of learning programs will be implemented: in-depth training programs and short, high-impact courses for high-level officials. Up to 16 learning programs, covering both general development issues as well as specialized topics, will be offered each year for a period of two years. Approximately 600 civil servants from the GMS countries are expected to participate in these programs.

The *GMS Distinguished Speaker Series* will offer an audience from the subregion the opportunity to listen to experiences and insights from the world's leading figures in development, research, and governance. Videoconferencing sessions involving at least three GMS countries, entitled *GMS Development Management Dialogue*, will provide opportunities for exchange of ideas among GMS countries on pressing issues that call for collective action and regional cooperation.

The PPP will also organize the Top Development Management Program (TDMP), intended for ministers and vice ministers of the GMS countries. The TDMP will be a short, high-impact course that introduces new development perspectives and paradigms on issues of relevance in Asia, and particularly in the GMS.

- *Intellectual Capital Development.* PPP will implement a research program that will include three tracks: (i) research to develop learning materials for the PPP courses; (ii) policy research to support specific learning programs (and which can also serve as inputs into decision making by GMS Governments); and (iii) research to generate knowledge that includes research projects in partnership with GMS academic and research institutions, as well as research fellowships. Nonproprietary learning materials used in PPP programs will be offered on the PPP website (learning materials bank) for broader public use. The *Journal for GMS Development Studies* will play a catalytic role in disseminating knowledge and information on the GMS.
- *Advocacy, Outreach, and Knowledge Sharing.* PPP will initiate activities that will generate awareness and interest in PPP. Events, publications, and activities encouraging networking and information technology use will create a platform for dialogue and learning and form part of the external relations strategy of PPP. The PPP newsletter will be released twice a year, and the website will continue to be the gateway for PPP information. Knowledge-sharing activities will be undertaken through learning resource centers and will include research dissemination activities. Additional learning resource centers will be established in selected GMS countries, subject to demand and resource availability.
- *Institutional Networking and Development* – Most PPP activities are designed and implemented in partnership with other institutions. One of the PPP's strategic planks is to pursue broad-based partnerships and build a network of capacity building partners. PPP will continue to nurture, expand, and strengthen the institutional networks that will support the program.
- *Core of Greater Mekong Subregional Leaders.* PPP will continue to strengthen the networks between the broad base of qualified development managers through its alumni network. A PPP alumni program that will encourage lifelong learning activities and support the alumni network will be established. By building on the core of GMS leaders that it currently has, PPP intends to create a multiplier effect to foster capacity building in the GMS. Tracer studies and an impact assessment of the learning programs to the alumni will likewise be conducted.

*PPP Fellows.* PPP selects the top performers from its learning programs and provides them with opportunities for further education in top institutions to improve their capacity to become leaders in the GMS governments. The fellowships are granted on a competitive basis to PPP alumni in various PPP fellowship fields of study, including leadership, strategic management, development management, public policy, regional cooperation, and governance.

- d. Expected results and deliverables:** Up to 16 in-depth training programs covering both general development issues as well as specialized topics will be offered each year for two years. Six hundred civil servants from the GMS countries are expected to participate in these programs in the next two years. It is expected that approximately one third of the participants will be women. There will be lectures in the distinguished speakers series. Two development dialogues and one Top Development Management Program for ministers and vice ministers will be offered. Up to six exceptional alumni (PPP Fellows) will be sent for further training in institutions of international repute every year.

Up to 20 learning materials will be produced. At least four research projects and four research fellowships will be funded. Two issues of the journal will be produced every year. The PPP website will be updated regularly and two issues of the PPP newsletter released annually. The LRC in Cambodia will expand its products and services, and, subject to demand and resource availability, a PPP LRC in Lao PDR will be established. More institutions will form part of the PPP network.

- e. Social or environmental issues or concerns:** Not applicable to this program.

- f. Plans for disseminating results/deliverables:** Awareness and interest in the PPP will be promoted through the PPP website, brochure, newsletter, and presentations in the PPP learning programs. A steering committee composed of GMS national coordinators will continue to oversee the operational functions and policy guidelines of the TA. Periodic review and dissemination of the PPP outputs and outcomes will be discussed in the steering committee meetings. The PPP alumni network also will be provided information and PPP updates. Quarterly update reports will be submitted to the GMS governments and organizations that will provide funding to the PPP. All learning material outputs will be made available to the LRC for public use. Learning materials developed through in-house efforts will be available through the PPP website.

**7. Proposed executing/implementing agency or agencies:** Asian Development Bank

- 8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
The accomplishments under the first phase of the PPP were reviewed by the GMS ministers at the 13th GMS Ministerial Meeting in Vientiane on 16 December 2004. The Ministers requested ADB to extend continued support to this program and to expand its scope. The GMS national coordinators who are members of the PPP steering committee periodically review the PPP to ensure its relevance and responsiveness to the needs of GMS countries. The steering committee oversees implementation of the PPP, while a PPP Advisory Board composed of distinguished scholars and educators, provides strategic direction and technical guidance. PPP learning programs are continually improved based on feedback from faculty, participants and capacity building partners.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan:
- b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): 2007
- c. Period and duration of assistance{s}  
Lending:  
Nonlending: 2007–2009

**10. Financing Plan**

- a. For lending
  - ☐ Ordinary capital resources:
  - ☐ Asian Development Fund:
  - ☐ Other:
  
- b. For nonlending
  - ☐ No resources required, other than ADB staff
  - ☐ ADB's administrative budget:
  - ☒ Grant TA funds: \$1 million
  - ☒ Other: If possible

ADB will finance \$1,000,000. Supplementary funds are expected from NZAid, People's Republic of China Development Fund, and the Government of France. The supplemental funds will be used to finance activities not adequately covered by ADB financing and to expand existing activities selectively based on need and demand.

ADB = Asian Development Bank, CSP = country strategy and program, GMS = Greater Mekong Subregion, LRC = Learning Resource Center, NZAid = New Zealand Agency for International Development, PPP = Phnom Penh Plan for Development Management, RCSP = regional cooperation strategy and program, TDMP = Top Development Management Program.

**Table A9.3: VIE: People's Republic of China to Viet Nam 500 kV  
HVDC Power Interconnection**

**Date: August 2006**

<b>1. Type/modality of assistance</b>  <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other:  <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other: pre-project preparatory
<b>2. Assistance focus</b>  a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Energy Subsector(s): Power Generation  b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention  c. Key thematic area(s) Themes: <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development
<b>3. Coverage</b>  <input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
<b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Department
<b>5. Responsible ADB officer(s):</b> Anthony J. Jude, Principal Project Specialist (Energy)
<b>6. Description of assistance(s)</b>  <b>a. Background/linkage to country/regional strategy:</b> Viet Nam faces a growing electricity supply deficit as a result of strong economic growth over the last decade. Gross domestic product has grown at an average 7.5% per annum over the last 5 years and is envisaged to expand at about 8% per annum during 2006–2010. This has resulted in electricity demand growth of 14.9% during 2000–2005, which was higher than the base-case scenario forecast under the Fifth Power Development Master Plan (PDMP). The draft Sixth PDMP <sup>1</sup> (2006–2020) projects electricity demand to grow at 16% per annum (base-case scenario) during 2006–2010, slow to 11% per annum during 2011–2015, and be at 9% per annum for the remainder of the period. Such high growth rates reflect the country's high level of economic activity. In order to meet the demand for

<sup>1</sup> The PDMP is being updated and will be submitted to the Government for approval in July 2006.

electricity, Electricity of Viet Nam (EVN) and the Institute of Energy have revised the power demand forecast and the schedule for some new power plants to hasten construction of power plants and transmission line networks. EVN plans to add 15,000 MW of new generating capacity to the power system from 2006 to 2010 in order to ensure the reliability and quality of electricity supply to rural, industrial, commercial, and residential consumers in Viet Nam.

The draft sixth PDMP<sup>1</sup> states that the total investment requirement of the power sector for the period 2006-2020 period is estimated at \$43.5 billion, comprising \$29.8 billion for generation and \$13.7 billion for transmission and distribution. EVN's internal cash generation can only sustain capital expenditures of approximately half this amount. Therefore, official development assistance, private sector investment, and domestic commercial banks will need to fill the financing gap if Viet Nam is to sustain the growth, competitiveness, and industrialization of its economy.

In order to meet the load growth after 2010, EVN is in discussion with the China Southern Power Grid in the People's Republic of China (PRC) to import 2000 MW from Yunnan Province via 500 kV high voltage direct current power (HVDC) to Soc Son in North Viet Nam by 2011. Financing has been committed for constructing large power generation plants planned during the period 2006–2010, and some large power plant,s like the Son La hydropower plant (2400 MW), would be fully on line by 2013. Therefore, during the period 2010-2013 power demand would have to be met by imports via high voltage power interconnections from Yunnan Province. This PRC–Viet Nam 500 kV HVDC power interconnection is included in the Sixth Power Development Master Plan of Viet Nam as well as in the GMS Program as Power Interconnection Phase II.

**b. Goal and purpose:** The purpose is to support development of a double-circuit 500 kV HVDC transmission line to import low-cost power from PRC to meet the load growth in northern Viet Nam. This would strengthen the high voltage power transmission grid in northern Viet Nam while improving the reliability and quality of supply to industrial, commercial, and residential consumers.

**c. Components and outputs:** It is presently envisaged that the project will construct (i) a double-circuit 500 kV HVDC transmission line from the border with Yunnan Province to Soc Son, (ii) a DC converter station in Soc Son, (iii) a 500 kV HVDC substation, and (iv) 220 kV transmission lines and associated substations to evacuate the power. In addition, there will be capacity building for EVN staff to operate and maintain the HVDC transmission grid.

**d. Expected results and deliverables:** The project will (i) provide a reliable, low-cost supply of imported electricity and (ii) stimulate economic growth and industrial development.

**e. Social or environmental issues or concerns:** Social and environmental review will be carried out through project preparatory technical assistance. That assistance will recommend mitigation measures, prepare a summary environmental assessment that includes a costed environmental management plan, prepare a resettlement plan, prepare a monitoring plan, and cost a social and environmental monitoring plan.

**f. Plans for disseminating results/deliverables:** A final report will be produced and discussed at a workshop with concerned stakeholders.

**For TA, method(s) of TA output dissemination:** {Tick one or more boxes, as applicable}

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☒ External press release to news agencies, including www.adb.org
- ☐ Internal press release in *ADB Today*
- ☒ Others (specify) Public consultation

**7. Proposed executing/implementing agency or agencies:** Electricity of Viet Nam is the Executing Agency, while the Northern Power Project Management Board will be the implementing agency.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

The proposed TA was discussed with EVN, as well as within the GMS Regional Power Trade Coordinating

<sup>1</sup> The Fifth Power Development Master Plan approved in 2002 foresaw an increase in power generation averaging 13.4% per annum during 2001–2010 to support an economic growth rate of 7.5% per annum. However, demand grew by 14.9% during 2001–2004. Although EVN revised its development plans upward in 2003, foreseeing shortfalls in capacity, the country nevertheless found itself seriously short of capacity in 2005 and experienced large-scale load shedding.

Committee. The project has the support of the GMS member countries, as this will be part of the GMS power transmission grid. There also have been discussions with the Ministry of Planning and Investment, Ministry of Industry, Ministry of Finance, and State Bank of Viet Nam on the proposed loan.

### 9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan:
- b. Expected date of submission for approval
  - Lending: 2008
  - Nonlending (other than project preparatory):
- c. Period and duration of assistances
  - Lending: 2008–2009
  - Nonlending: February 2007–January 2008

### 10. Financing Plan

- a. For lending
  - ☒ Ordinary capital resources: \$300 million loan
  - ☐ Asian Development Fund (loan):
  - ☐ Asian Development Fund (grant):
  - ☐ Other:

If cofinancing is required, indicate amount and sources sought: \$50 million, from AFD.

Source	Amount (\$million)
ADB Financing	300.0
Government Financing	100.0
Other Financing	
<b>Total Cost</b>	<b>400.0</b>

Source: ADB staff estimates.

- b. For nonlending
  - ☐ No resources required, other than ADB staff
  - ☐ ADB's administrative budget:
  - ☐ Grant TA funds
  - ☒ Other: AFD, \$1 million

If cofinancing is required, indicate amount and sources sought:

Source	Amount (\$million)
ADB Financing	-
Government Financing	-
Other Financing	1.0
<b>Total Cost</b>	<b>1.0</b>

Source: ADB staff estimates.

ADB = Asian Development Bank, AFD = Agence Française de Développement, CSP = country strategy and program, GMS = Greater Mekong Subregion, EVN = Electricity of Viet Nam, HVDC = high voltage direct current power, PDMP = power development master plan, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A9.4: Strengthening HRD Cooperation in the GMS****Date: August 2006**

<b>1. Type/modality of assistance</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Lending <ul style="list-style-type: none"> <li><input type="checkbox"/> Project loan</li> <li><input type="checkbox"/> Program loan</li> <li><input type="checkbox"/> Sector loan</li> <li><input type="checkbox"/> Sector development program loan</li> <li><input type="checkbox"/> ADF grant-financed</li> <li><input type="checkbox"/> Other:</li> </ul> </li> <li><input type="checkbox"/> Nonlending <ul style="list-style-type: none"> <li><input type="checkbox"/> Project preparatory</li> <li><input checked="" type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <li><input type="checkbox"/> Economic, thematic, and sector work</li> <li><input type="checkbox"/> Institutional development</li> <li><input checked="" type="checkbox"/> Other: Multi-sectoral Regional Cooperation</li> </ul> </li> </ul> </li> </ul>								
<b>2. Assistance Focus</b> <ul style="list-style-type: none"> <li>a. If assistance focuses on a particular sector or subsector, specify the Sector: Financial Sector</li> <li>b. Targeting classification <ul style="list-style-type: none"> <li><input type="checkbox"/> Targeted intervention</li> <li><input checked="" type="checkbox"/> General intervention</li> </ul> </li> <li>c. Key thematic area(s) Themes: <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Capacity development</td> </tr> </table> </li> </ul>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development							
<b>3. Coverage</b> <table border="0"> <tr> <td><input type="checkbox"/> Country</td> <td><input checked="" type="checkbox"/> Subregional</td> <td><input type="checkbox"/> Interregional</td> </tr> <tr> <td colspan="3"><input type="checkbox"/> Internal policy development</td> </tr> </table>	<input type="checkbox"/> Country	<input checked="" type="checkbox"/> Subregional	<input type="checkbox"/> Interregional	<input type="checkbox"/> Internal policy development				
<input type="checkbox"/> Country	<input checked="" type="checkbox"/> Subregional	<input type="checkbox"/> Interregional						
<input type="checkbox"/> Internal policy development								
<b>4. Responsible division/department:</b> Social Sector Division, Southeast Asia Department								
<b>5. Responsible ADB officer:</b> Sunniya Durrani-Jamal, Project Specialist								
<b>6. Description of assistance</b> <ul style="list-style-type: none"> <li>a. <b>Background/linkage to regional strategy:</b> <p>The 10-year Strategic Framework for the GMS Program is anchored on three key pillars—enhancement of connectivity, promotion of competitiveness, and development of a greater sense of community—in achieving the GMS vision. Nine priority sectors, including human resource development (HRD), were identified and working groups with representation from GMS countries established to identify strategic priorities and develop suitable follow-on initiatives.</p> <p>The 6th meeting of the GMS Working Group on HRD (WGHRD-6) under the theme of “<i>Improving the Competitiveness of the Greater Mekong Subregion</i>” emphasized that continued improvements in health and education status, as well as the labor productivity of the people in the subregion, were key to the long run</p> </li> </ul>								

development of the GMS. The 7th Meeting of the GMS Working Group on HRD held in Hanoi, Viet Nam, May 2005 under the theme of “*Connectivity and HRD*” emphasized the emerging social challenges of regional connectivity, and how these could be addressed through subregional cooperation in health, education, and labor. Furthermore, the GMS Leaders, at the 2<sup>nd</sup> GMS Summit held in July 2005 in Kunming, PRC, affirmed their commitment to, among others, strengthening social infrastructure in the GMS.

The multi-sectoral nature of HRD (involving health, education and labour productivity), makes it exciting but also particularly challenging under the broader framework of regional cooperation within the GMS. Some of the emerging challenges for the GMS's WGHRD, and therefore for the process of developing an integrated HRD strategy for the sub-region are: i) a common view of HRD within regional cooperation; ii) focus on key inter-sectoral issues vs. identification of many sector specific challenges; iii) lack of continuity of focal persons and with it the institutional memory; iv) complexity in designing cross-sectoral regional projects (in general); and, v) need for continuous cross fertilization of ideas and networking.

The proposed TA is intended to support GMS cooperation in HRD in key areas that the Working Group on HRD (WGHRD), among others, have identified.

**b. Impact and Outcome:** The goal of the RETA is enhanced socio-economic development in the GMS. The purpose is comprehensive human resource development in the GMS, over the medium term.

**c. Components, outputs, specific deliverables:**

The RETA has three specific outputs:

*(i) A comprehensive strategy for HRD within the GMS over the medium term*

The strategy will be developed to address the many challenges to HRD arising from the i) emergence of a new political and economic environment; (ii) the need for complementary initiatives to improve competitiveness of labor and efficiency in the movement of labor; (iii) the need to address negative externalities associated with increased connectivity; (iv) the need to efficiently manage the process of change; and (v) the need to provide equitable opportunities for participating in regional cooperation.

*ii) Prioritized initiatives for HRD cooperation among the participating countries*

Specific attention would be paid to developing initiatives for priority areas of cooperation identified under the GMS HRD Strategy. These will aim to boost both regional labour productivity, as well as address the negative externalities arising from inter-regional labour movements (legal as well as illegal). Examples of *potential* initiatives are communicable disease control, HIV/AIDS control, health system development, skills accreditation, access to education/skills training/health services by ethnic minorities, labor market information, and safe migration. Initiatives for the WGHRD will be carefully chosen to avoid overlap with ongoing initiatives.

*iii) Institutional arrangements for continuing GMS cooperation on HRD issues*

Given the multi-sectoral nature of HRD, a focal point is being identified for each participating country to work closely with focal points for each of the three sectoral agencies. These arrangements for communication of information and participation need to be developed into institutional arrangements for the implementation of programs identified under ii) above. In addition, networking with other development partners including established regional academic and research institutions will be strengthened to tap the wealth of intellectual capital available on HRD issues, approaches and lessons learned.

**d. Expected results and deliverables:** See c above.

**e. Social and environmental issues or concerns:** No adverse social or environmental impact is expected. Overall, the TA is expected to have positive impact on the social and economic status of local communities in the GMS, including vulnerable groups in the subregion.

**f. Plans for disseminating results/deliverables:** The WGHRD is expected to hold regular meetings to discuss the priorities and emerging issues and to share experiences among the GMS countries and with relevant subregional and international institutions. A series of programs with key stakeholders, sub-regional workshops, and seminars will also be held under the RETA.

<p><b>7. Proposed executing/implementing agencies:</b> Relevant agencies in the GMS countries</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> During RETA preparation extensive discussions will be held with a range of stakeholders including GMS government representatives involved in the WGHRD, international and regional institutions specialized and engaged in the health, education, and labor sectors in the GMS, and civil society/non-government organizations in the GMS. Ownership and commitment to initiatives will be secured by involving relevant stakeholders.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2007</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): March 2007</p> <p>c. Period and duration of assistance Lending: Nonlending: 6 months</p>
<p><b>10. Financing Plan</b></p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input checked="" type="checkbox"/> Other:         </p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds  <input checked="" type="checkbox"/> TA Special Fund: \$250,000  <input type="checkbox"/> Other:         </p>

ADB = Asian Development Bank, CSP = country strategy and program, GMS = Greater Mekong Subregion, HRD = human resource development, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, RETA = regional technical assistance, TA = technical assistance, WGHRD = Working Group on Human Resource Development.

**Table A9.5: GMS Project Preparation Facility****Date: August 2006**

<b>1. Type/modality of assistance</b> <input type="checkbox"/> Lending <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input checked="" type="checkbox"/> Other: loan-financed project preparatory activities. <input checked="" type="checkbox"/> Nonlending <input checked="" type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other:
<b>2. Assistance focus</b> a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Transport and Communications b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic area(s) Themes: <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development  Subtheme(s): Fostering physical infrastructure development
<b>3. Coverage</b> <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
<b>4. Responsible division/department:</b> Regional Cooperation and Country Coordination Division, Southeast Asia Department
<b>5. Responsible ADB officer(s):</b> Ronald Antonio Q. Butiong, Programs Economist
<b>6. Description of assistance(s)</b> a. <b>Background/linkage to country/regional strategy:</b> During their summit meetings in Phnom Penh in November 2002 and in Kunming in July 2005, Greater Mekong Subregion (GMS) leaders highlighted the key economic development roles of an efficient multimodal cross-border infrastructure and of fully “connecting” GMS. The leaders also emphasized the need to ensure subregional energy security by expanding energy cooperation to include improvement of energy efficiency and alternative sources of energy.  The GMS Transport Sector Strategy Study (TSSS) was prepared in 2005 and 2006 under the auspices of Asian Development Bank (ADB) technical assistance (TA). Its key thrusts include to: (i) exploit synergies in the GMS transport system, (ii) move toward an open market for transport services, (iii) facilitate economic efficiency to reduce transport costs, (iv) complete the GMS network and improve links with South Asia, and (v) encourage multimodalism.

The TSSS identified more than 150 investment projects in all modes—road, rail, air, inland waterway, and seaports—which are needed to complete or complement existing and proposed new transport corridors. It also recommended the conduct of about 40 technical assistance projects to address issues related to developing an efficient subregional transport network.

An energy sector strategy study (ESSS) is under way, which will (i) articulate the vision for GMS energy cooperation, (ii) prepare an action plan for 2006–2020 in the energy sector, (iii) identify priority investment projects that include private sector financing to enhance energy trade and investment, and (iv) prepare an outline of institutional and other arrangements to enhance energy security. The ESSS is expected to be completed in early 2007.

The proposed TA is envisaged to move forward the TSSS and ESSS recommendations by preparing bankable GMS infrastructure projects, which could be ready either for immediate implementation or for further preparatory work. The TA could also consider other priority GMS projects identified by GMS countries in the other key sectors under the GMS Program.

The proposed TA is in line with the strategic thrusts of the regional cooperation strategy and program (RCSP) for the GMS of (i) strengthening connectivity and facilitating cross-border movement and tourism, and (ii) integrating national markets to promote economic efficiency and private sector development.

**b. Goal and purpose:** The goal of the proposed TA is to help achieve the GMS vision of a prosperous, integrated, and harmonious subregion. The expected outcomes of the TA are (i) greater connectivity through enhanced transport linkages, thereby providing GMS countries increased access to markets as well as to health, education, and other social services; (ii) improved competitiveness through increased availability of efficient and less-costly energy supply, thereby helping reduce production costs in the subregion; and (iii) greater sense of community through preparation of socially responsible and environmentally friendly GMS infrastructure projects.

**c. Components and outputs:** The proposed TA will (i) undertake studies at the pre-feasibility level, covering engineering, economic, environmental, social, and other issues for selected high-priority GMS projects in Cambodia, Lao People's Democratic Republic, and/or Viet Nam; and (ii) prepare detailed project concept profiles for selected priority GMS projects in Cambodia, the People's Republic of China, Lao PDR, Thailand, and/or Viet Nam, which are included in the GMS development matrix, and particularly those which are potential candidates for private sector financing. For each of the selected high-priority GMS projects for which pre-feasibility will be carried out the envisaged outputs include: (i) the goals, rationale, objectives, scope, cost estimates, financing plan, and implementation arrangements; and (ii) preliminary assessment of the project's benefits and impacts, economic viability, financial viability and sustainability, social dimensions (poverty reduction and social benefits, resettlement issues, indigenous peoples, etc), environmental impacts, and necessary mitigation measures. GMS infrastructure projects included in the RCSP Update's lending program will be candidate projects for which pre-feasibility studies could be carried out under the TA. Follow-up preparatory studies to feasibility studies conducted by GMS governments on priority GMS projects could also be undertaken under the proposed TA.

**d. Expected results and deliverables:** The TA will come up with comprehensive project preparation (i.e., pre-feasibility or follow-up preparatory) study reports for selected high-priority GMS projects, including those identified in the TSSS and ESSS, and detailed project concept profiles for priority GMS projects for possible private sector financing.

**e. Social or environmental issues or concerns:** Studies to be conducted under the TA will carry out preliminary assessments of social, environmental, and other safeguards issues associated with the high-priority GMS projects included in the scope of the TA.

**f. Plans for disseminating results/deliverables:** The study reports for the various high-priority GMS projects will be presented at the annual meetings of the respective GMS sector working groups. A full report of the TA's outcome will be presented to the GMS Senior Officials' Meeting, and, possibly, to the GMS Ministerial Meeting.

**For TA, method(s) of TA output dissemination:**

- ☒ A conference/workshop/brown bag
- ☐ Publication of article(s) in external journals or books
- ☒ External press release to news agencies, including [www.adb.org](http://www.adb.org)
- ☒ Internal press release in *ADB Today*
- ☐ Others (specify) \_\_\_\_\_

**7. Proposed executing/implementing agency or agencies:** Ministries and agencies concerned in GMS countries included in the scope of selected projects for which project preparation activities under the TA will be carried out.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
The need to accelerate the preparation and implementation of high-priority infrastructure projects to help achieve the GMS vision was highlighted during the first two GMS Summits, the 13th Ministerial Conference in Vientiane in December 2004, and recent meetings of the Subregional Transport Forum, and the Subregional Energy Forum. These were also reiterated during consultations with GMS countries in connection with formulating the CSPs and CSP Updates.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2006
- b. Expected date of submission for approval
  - Lending: None
  - Nonlending (project preparatory): 2007
  - Nonlending (other than project preparatory): None
- c. Period and duration of assistance(s)
  - Lending: None
  - Nonlending: 2007–2008, 2 years

**10. Financing Plan**

- a. For lending
  - ☐ Ordinary capital resources:
  - ☐ Asian Development Fund (loan):
  - ☐ Asian Development Fund (grant):
  - ☐ Other:
- b. For nonlending
  - ☐ No resources required, other than ADB staff
  - ☐ ADB's administrative budget:
  - ☒ Grant TA funds: \$ 1 million
  - ☒ Other: PRC, \$500,000

ADB = Asian Development Bank, CSP = country strategy and program, ESSS = energy sector strategy study, GMS = Greater Mekong Subregion, RCSP = regional cooperation strategy and program, TA = technical assistance, TSSS = Transport Sector Strategy Study.