



Indicative Rolling Regional Cooperation Operations Business Plan

September 2007

Greater Mekong Subregion
2008–2010

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
CASP	–	Core Agriculture Support Program
GMS	–	Greater Mekong Subregion
HRD	–	human resources development
Lao PDR	–	Lao People's Democratic Republic
NLPS	–	nonlending products and services
PPTA	–	project preparatory technical assistance
PRC	–	People's Republic of China
RCI	–	regional cooperation and integration
RCOBP	–	regional cooperation operations business plan
RCSP	–	regional cooperation strategy and program
RETA	–	regional technical assistance
SF	–	GMS strategic framework
TA	–	technical assistance

NOTE

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

Vice President	C. Lawrence Greenwood, Jr., Operations Group 2
Director General	A. Thapan, Southeast Asia Department (SERD)
Director	D. J. Green, Officer-in-Charge, Country Coordination and Regional Cooperation Division, SERD
Team leader	R.A.Q. Butiong, Economist (Regional Cooperation), SERD
Team members	ADB GMS Team

CONTENTS

	Page
I. CONSISTENCY OF THE BUSINESS PLAN WITH THE CURRENT REGIONAL COOPERATION STRATEGY AND PROGRAM	1
II. INDICATIVE LENDING AND NONLENDING PROGRAMS	1
III. SUMMARY OF CHANGES TO LENDING/GRANT AND NONLENDING PROGRAMS	2
A. Adjustments to the 2007 Program	2
B. Summary of Changes to the 2008–2010 Program	3
IV. INDICATIVE INTERNAL RESOURCE REQUIREMENTS	3
V. RESULTS-BASED MONITORING	4
TABLES	
1. Indicative Assistance Pipeline for Lending/Grant Products, 2008–2010	5
2. Indicative Assistance Pipeline for Nonlending Products and Services, 2008–2010	8
3. GMS Development Partner Assistance Matrix	11
4. Summary Information on Proposed Indicative Lending/Grant and Nonlending Products and Services, 2008	17
5. Indicative Assistance Pipeline for Lending Products, 2007	24
6. Indicative Assistance Pipeline for Nonlending Products and Services, 2007	25

I. CONSISTENCY OF THE BUSINESS PLAN WITH THE CURRENT REGIONAL COOPERATION STRATEGY AND PROGRAM

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. The regional cooperation operations business plan (RCOBP) for the GMS for 2008–2010 is consistent with the strategic pillars of the current RCSP.

2. Following approval by the Asian Development Bank (ADB) Board of Directors in September 2006 of the annual update of the RCSP for 2007–2009,¹ key developments have taken place under the ADB-supported GMS Economic Cooperation Program (GMS program). A midterm review of the 10-year (2002–2012) GMS strategic framework (SF)² was carried out by GMS senior officials with ADB assistance from November 2006 to June 2007. Key findings and recommendations of the review were as follows: (i) significant progress has been made in pursuing the priority initiatives under the SF during the first 5 years of its implementation period; (ii) the SF and its strategic pillars remain valid and are a sound basis for moving forward; (iii) the GMS program needs to maximize development impact and ensure sustainability by placing greater emphasis on the soft elements of cooperation, especially measures to improve competitiveness and address key social and environmental concerns in the GMS; and (iv) subregional infrastructure development continues to be a priority in view of the still large infrastructure gaps in the GMS. The 14th GMS ministerial conference held in ADB headquarters on 19–21 June 2007 endorsed the midterm review and, on that basis, requested the sector working groups to formulate a new plan of action for the remaining half of the implementation period (2008–2012) of the SF. The strategic pillars of the RCSP, which were developed to support the SF, are in line with the recommendations of the midterm review.

3. Since September 2006, meetings of the working groups on agriculture, energy, environment, human resource development, telecommunications, tourism, trade facilitation, and transport have been held under the auspices of an ADB regional technical assistance (RETA) to review progress in implementing the respective priority projects, and to discuss future subregional initiatives and ensure that these are in line with recommendations of the midterm review of the SF.³ The RCOBP for the GMS is consistent with the midterm review as it gives appropriate emphasis on the soft aspects of subregional cooperation, i.e., those directed at improving competitiveness and social and environmental sustainability, thus striking a balance with the still crucial need for infrastructure development. It will also support the priority areas and initiatives identified by the various GMS sector working groups at their recent meetings.

II. INDICATIVE LENDING AND NONLENDING PROGRAMS

4. The indicative lending/grant program of the RCOBP for 2008–2010 consists of 29 proposed subregional loan and grant projects amounting to about \$1.5 billion, most of which are also reflected in the respective updated country programs for Cambodia, People's Republic of

¹ ADB. 2006. *Regional Cooperation Strategy and Program Update: The Greater Mekong Subregion – Beyond Borders (2007–2009)*. Manila.

² Available: <http://www.adb.org/GMS/strategic-framework.asp>.

³ For details, see <http://www.adb.org/GMS/Sector-Activities/default.asp>.

China (PRC), Lao People's Democratic Republic (Lao PDR), and Viet Nam (Table 1).⁴ The indicative program of nonlending products and services (NLPS) for 2008–2010 comprises 12 project preparatory technical assistance (PPTA) and 9 advisory RETA projects amounting to over \$26 million (Table 2). The proposed programs of lending/grant products and NLPS in the RCOBP have taken into account ADB's priorities under Medium-Term Strategy II (2006–2008) and the regional cooperation and integration (RCI) strategy. They are in line with the two RCI pillars of subregional cooperation and provision of regional public goods. They reflect the recommendations of the midterm review of the SF with the inclusion in both the lending/grant and NLPS programs of proposed projects in the “soft areas” of cooperation, such as flood and drought management, biodiversity conservation, corridor development, water supply and sanitation improvement, and communicable disease control.

5. Successful implementation of the proposed GMS lending/grant program is anchored on the availability of funding, particularly additional Asian Development Fund (ADF) resources for subregional projects. The demand for such resources from all the ADB-supported subregional cooperation programs during 2007–2008 amounted to \$568 million for 13 projects, which far exceeded the subregional ADF allocation for the same period of about \$165 million. As a result, only two of the six GMS projects in the 2007–2008 program that were proposed for subregional ADF financing were so far confirmed for financing from the subregional ADF facility, namely, GMS Kunming-Haiphong Transport Corridor–Noi Bai-Lao Cai Highway for \$75 million for 2007 and GMS Southern Coastal Corridor for \$37.5 million, also for 2007. Alternative sources, e.g., national ADF allocations, ADF saving, and cofinancing, are being considered for other proposed investment projects in the 2007–2008 program. The ADF assistance program for 2009–2010 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. The availability of RCI trust funds under the RCI Financing Partnership Facility endorsed by ADB's Board of Directors in February 2007 may help finance some proposed GMS investments. In the meantime, efforts will be further intensified to mobilize additional resources from other development partners, including the private sector. Many external financing/aid agencies have been engaged and plan to continue to be engaged in the various sectors under the GMS program (Table 3).

6. The indicative program for NLPS during 2008–2010 reflects greater linkage with proposed GMS investment operations. ADB, through its Technical Assistance Special Fund and Japan Special Fund as well as the newly established RCI Fund (RCIF), is expected to contribute about \$18 million, while \$8 million will come from other sources. The average ADB financing (including RCIF funding) for NLPS is about \$6 million per year, which is well within the historical annual allocation of ADB resources for GMS NLPS. Summary information of indicative lending/grant products and NLPS is presented in Table 4.

III. SUMMARY OF CHANGES TO LENDING/GRANT AND NONLENDING PROGRAMS

A. Adjustments to the 2007 Program

7. Except for the GMS Sustainable Tourism Development Project in the Lao PDR and Viet Nam, whose processing had to be delayed to 2008 due to the lack of subregional ADF resources, GMS lending activities in the 2007 program as listed in the RCSP update are proceeding as planned. Following the midterm Country Program Review Mission for the PRC in April 2007, the

⁴ Projects listed in Table 1 that were not reflected in the respective updated country programs are subject to the availability of additional Asian Development Fund loan or grant resources, and confirmation by the governments concerned.

PRC loan portfolio was reassessed. As a result, the proposed loan to the PRC for Western Guangxi Road Development for 2008 was advanced to 2007, while the proposed loan for Central Yunnan Roads Development was reclassified as a standby 2007/firm 2008 project. The updated investment program for 2007 is in Table 5.

8. Some adjustments were also made to the 2007 NLPS program to reflect recent discussions during the sector working group meetings held since September 2006 and the prioritization exercise for 2007 NLPS projects carried out in early 2007. The adjustments include: (i) consolidation of the proposed RETA for establishing the GMS project preparation facility with the proposed supplemental funding of RETA 6262 on Enhancing the Development Effectiveness of the GMS program; (ii) inclusion of a RETA on customs cooperation in the GMS; and (iii) removal of a PPTA for Viet Nam (PRC-Viet Nam power Interconnection) and, as a replacement, inclusion of a PPTA (Nabong-Udon Thani power Interconnection) involving the Lao PDR and Thailand. The updated NLPS program for 2007 is in Table 6.

B. Summary of Changes to the 2008–2010 Program

9. Following the country programming missions (CPMs) for Cambodia, Lao PDR, and Viet Nam and discussions at the recent GMS sector meetings, key changes were made to the 2008–2009 GMS lending/grant program listed in the RCSP update, many of which were also reflected in the updated country programs for Cambodia, PRC, Lao PDR, and Viet Nam. The changes include (i) addition of the GMS Biofuel Development Project in Cambodia, Lao PDR, and Viet Nam for 2009; (ii) removal of the Viet Nam: PRC-Viet Nam Power Interconnection Project from the 2008 investment program; (iii) inclusion of Nabong-Udon Thani Power Interconnection; (iv) addition of Mekong water supply and sanitation projects in Cambodia, Lao PDR, and Viet Nam in 2009; (v) addition of the GMS Northwestern Provincial Roads Improvement in Cambodia in 2009; and (vi) inclusion in the 2009 investment program of two high-priority transport projects identified in the GMS Transport Sector Strategy Study—the Nanning-Kunming Railway Capacity Expansion and Western Yunnan Roads Development II (formerly, Yunnan V [Ruili-Longlin Expressway]). The proposed investment program for 2010 comprises (i) biodiversity conservation corridor projects in Cambodia, Lao PDR, and Viet Nam; (ii) the second phase of GMS communicable disease control projects in Cambodia, Lao PDR, and Viet Nam; and (iii) upgrading of a north-south highway in northern Viet Nam from Ha Long to the border with Guangxi in the PRC at Mong Cai. Concepts for proposed new projects for 2010 were also discussed with the respective countries during the CPMs and/or the relevant GMS working group meetings. Confirmation by the participating countries will have to be secured for a number of proposed GMS projects in the 2008–2010 program, which are subject to the availability of additional ADF resources for subregional projects.

10. In the 2008–2010 NLPS program, major changes from the program listed in the RCSP update include (i) addition of RETA projects in 2008 and 2010 to help implement the GMS strategy and action plan for human resource development (HRD) to be formulated by the GMS HRD working group in 2007, (ii) addition of regional PPTA projects in 2008 for biofuel development and Mekong water supply and sanitation, and (iii) inclusion of a PPTA in 2010 for the proposed GMS investments in border towns development.

IV. INDICATIVE INTERNAL RESOURCE REQUIREMENTS

11. As the projects listed in the RCOBP also form part of the respective country programs, the indicative requirements for internal staff resources necessary for the timely delivery of the RCOBP have been noted in the respective country operations business plans for the Lao PDR and Viet Nam, and in the midterm review of the country strategy and program for Cambodia. The

requirements may have to be reassessed if the loan/grant projects that require confirmation by the governments concerned and additional subregional ADF for financing become firm.

V. RESULTS-BASED MONITORING

12. The results framework included in the RCSP update remains valid despite the adjustments made to the lending/grant and NLPS programs. The changes made, including the new proposed GMS initiatives, will help achieve the outcomes expected from the strategic priorities of the GMS RCSP.

Table 1: Indicative Assistance Pipeline for Lending/Grant Products, 2008–2010

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				Cofinancing
								OCR	ADB		Gov't	
									ADF ^a	Total		
2008 Loans												
Energy												
1.	GMS Nabong-Udon Thani Power Transmission and Interconnection ^b	LAO	GI	ECO/RC	SEID	2007	84.0	74.0		74.0	10.0	
2.	GMS Nam Ngum 3 Hydropower Project	LAO	GI	ECO/RC	SEID	2006	52.0	47.0		47.0	5.0	
	Subtotal						136.0	121.0		121.0	15.0	
Industry and Trade												
1.	GMS Sustainable Tourism Development Project	LAO	TI	ECO/ISD/RC	SESS	2005	15.0		10.0	10.0	2.0	3.0
2.	GMS Sustainable Tourism Development Project	VIE	TI	ECO/ISD/RC	SESS	2005	13.0		10.0	10.0	3.0	
	Subtotal						28.0		20.0	20.0	5.0	3.0
Transport and Communications												
1.	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						576.0	200.0		200.0	72.0	304.0
	Total 2008 Firm						740.0	321.0	20.0	341.0	92.0	307.0
2009 Loans												
Firm												
Agriculture and Natural Resources												
1.	GMS Flood and Drought Risk Management and Mitigation	CAM	GI	ECO/RC	SEAE	2007	25.0		20.0	20.0	5.0	
2.	GMS Flood and Drought Risk Management and Mitigation ^b	LAO	GI	ECO/RC	SEAE	2007	20.0					20.0

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				Cofinancing
								ADB			Gov't	
								OCR	ADF ^a	Total		
3.	GMS Flood and Drought Risk Management and Mitigation	VIE	GI	ECO/RC	SEAE	2007	80.0		30.0	30.0	20.0	30.0
4.	GMS Biofuel Development Project	CAM	GI	ECO/RC	SEAE	2008	20.0		20.0	20.0		
5.	GMS Biofuel Development Project ^b	LAO	GI	ECO/RC	SEAE	2008	10.0		10.0	10.0		
6.	GMS Biofuel Development Project ^b	VIE	GI	ECO/RC	SEAE	2008	20.0		20.0	20.0		
	Subtotal						175.0		100.0	100.0	25.0	50.0
Energy												
1.	GMS Northern Power Transmission	LAO	GI	ECO/RC	SEID	2006	35.0		20.0	20.0	5.0	10.0
	Subtotal						35.0		20.0	20.0	5.0	10.0
Health, Nutrition, and Social Protection												
1.	GMS Capacity Building for HIV/AIDS Prevention	LAO	TI	ISD/GAD/RC	SESS	2008	10.5		5.0	5.0	0.5	5.0
2.	GMS Capacity Building for HIV/AIDS Prevention	VIE	TI	ISD/GAD/RC	SESS	2008	18.0		15.0	15.0	3.0	
	Subtotal						28.5		20.0	20.0	3.5	5.0
Transport and Communications												
1.	Second GMS Northern Transport Network Improvement	LAO	GI	ECO/RC	SEID	2008	40.0		20.0	20.0	2.0	18.0
2.	Second GMS Northern Transport Network Improvement	VIE	GI	ECO/RC	SEID	2008	95.0		75.0	75.0	20.0	
3.	Nanning-Kunming Railway Capacity Expansion	PRC	GI	ECO/RC	EATC	2007	300.0	300.0		300.0		
4.	GMS Northwestern Provincial Roads Improvement ^b	CAM	GI	ECO/RC	SEID	2008	20.0		20.0	20.0		
5.	Western Yunnan Roads Development II (formerly [Ruili-Longlin] Expressway)	PRC	GI	ECO/RC	EATC	2006	250.0	250.0		250.0		
	Subtotal						705.0	550.0	115.0	665.0	22.0	18.0

Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
								ADB			Gov't	Cofinancing
								OCR	ADF ^a	Total		
Water Supply and Sanitation												
1.	Mekong Water Supply and Sanitation Project ^b	CAM	GI	ECO/GAD/ISD/RC	SESS	2008	22.0		14.0	14.0	8.0	
2.	Mekong Water Supply and Sanitation Project ^b	LAO	GI	ECO/GAD/ISD/RC	SESS	2008	11.0		7.0	7.0	4.0	
3.	Mekong Water Supply and Sanitation Project ^b	VIE	GI	ECO/GAD/ISD/RC	SESS	2008	23.5		14.0	14.0	1.5	8.0
Subtotal							56.5		35.0	35.0	1.5	20.0
Total 2009 Firm							1,000.0	550.0	290.0	840.0	57.0	103.0
2010 Loans												
Agriculture and Natural Resources												
1.	GMS Biodiversity Conservation Corridor ^b	CAM	GI	ENV/RC	SEAE	2009	40.0		30.0	30.0	3.0	7.0
2.	GMS Biodiversity Conservation Corridor	LAO	GI	ENV/RC	SEAE	2009	42.0		20.0	20.0	2.0	20.0
3.	GMS Biodiversity Conservation Corridor	VIE	GI	ENV/RC	SEAE	2009	70.0		30.0	30.0	10.0	30.0
Subtotal							152.0		80.0	80.0	15.0	57.0
Health, Nutrition, and Social Protection												
1.	GMS Communicable Disease Control 2 ^b	CAM	TI	ISD/RC	SESS	2009	10.5		9.0	9.0	1.5	
2.	GMS Communicable Disease Control 2 ^b	LAO	TI	ISD/RC	SESS	2009	12.8		10.0	10.0	0.8	2.0
3.	GMS Communicable Disease Control 2 ^b	VIE	TI	ISD/RC	SESS	2009	18.0		15.0	15.0	3.0	
Subtotal							41.3		34.0	34.0	5.3	2.0
Transport and Communications												
1.	GMS: Ha Long-Mong Cai Highway	VIE	GI	ECO/RC	SEID	2009	250.0	100.0	100.0	200.0	50.0	-
Subtotal							250.0	100.0	100.0	200.0	50.0	-
Total 2010 Firm							443.3	100.0	214.0	314.0	70.3	59.0
Total 2008–2010							2,183.3	971.0	524.0	1,495.0	219.3	469.0

ADB = Asian Development Bank; ADF = Asian Development Fund; CAM = Cambodia; EATC = East Asia Department Transport Division; ECO = sustainable economic growth; ENV = environmental sustainability; GAD = gender and development; GI = general intervention; GMS = Greater Mekong Subregion; ISD = inclusive social development; LAO = Lao People's Democratic Republic; PRC = People's Republic of China; SEAE = Southeast Asia Department Agriculture, Environment, and Natural Resources Division; SEID = Southeast Asia Department Infrastructure Division; SESS = Southeast Asia Department Social Sectors Division; OCR = ordinary capital resources; RC = regional cooperation; TI = targeted intervention; VIE = Viet Nam

^a Subject to the availability of funds.

^b To be confirmed with the governments concerned and/or subject to the availability of additional subregional ADF resources.

Source: Asian Development Bank.

Table 2: Indicative Assistance Pipeline for Nonlending Products and Services, 2008–2010

Sector	Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Indicative Source of Funding				Total (\$'000)
					ADB		Others ^a		
					Source	Amount (\$'000)	Source	Amount (\$'000)	
2008									
Agriculture and Natural Resources									
1.	Program to Support the Implementation of the Core Agricultural Sector Program (includes Supporting Capacity Strengthening and Regional Cooperation in Agriculture Science and Technology in the GMS [Phase 2])	GMS	SEAE	RETA			PRC and RCIF	2,500.00	2,500.00
2.	GMS Biofuel Development Project ^b	CAM/LAO/VIE	SEAE	PPTA	TASF	1,000.00			1,000.00
	Subtotal					1,000.00		2,500.00	3,500.00
Energy									
1.	Facilitating Sustainable, Environment-Friendly Regional Power Trading in the Greater Mekong Subregion Phase 2 (Study on the PRC-Lao PDR-Cambodia Power Interconnection and Transmission Improvement)	CAM/LAO/PRC	SEID	RETA			PRC, RCIF	2,000.00	2,000.00
	Subtotal							2,000.00	2,000.00
Health, Nutrition, and Social Protection									
1.	GMS Capacity Building for HIV/AIDS Prevention	LAO/VIE	SESS	PPTA	TASF	500.00			500.00
	Subtotal					500.00			500.00
Multisector									
1.	Enhancing Transport and Trade Facilitation in the GMS	GMS	SEGF	RETA			PRC, RCIF and others	4,000.00	4,000.00
2.	Implementing the GMS HRD Strategic Framework and Action Plan	GMS	SESS	RETA			RCIF	700.00	700.00
	Subtotal							4,700.00	4,700.00
Transport and Communications									
1.	Second GMS Northern Transport Network Improvement	LAO/VIE	SEID	PPTA	TASF	1,000.00			1,000.00
2.	GMS Northwestern Provincial Roads Improvement	CAM	SEID	PPTA	TASF	600.00			600.00
	Subtotal					1,600.00			1,600.00
Water Supply and Sanitation									
1.	Mekong Water Supply and Sanitation Project ^b	CAM/LAO/VIE	SESS	PPTA	TASF	450.00	UN-HABITAT	500.00	950.00
	Subtotal					450.00		500.00	950.00
	Total 2008					3,550.00		9,700.00	13,250.00

Sector Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Indicative Source of Funding				Total (\$'000)
				ADB		Others ^a		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
2009								
Agriculture and Natural Resources								
1. GMS Biodiversity Conservation Corridor Program ^b	CAM/LAO/VIE	SEAE	PPTA			RCIF	1,000.00	1,000.00
Subtotal							1,000.00	1,000.00
Energy								
1. Viet Nam-Guangxi, PRC Power Interconnection ^b	VIE	SEID	PPTA	TASF	1,000.00			1,000.00
Subtotal					1,000.00			1,000.00
Education								
1. GMS Phnom Penh Plan for Development Management, Phase 4	GMS	SESS	RETA	TASF	500.00	PRC	500.00	1,000.00
Subtotal					500.00		500.00	1,000.00
Health, Nutrition, and Social Protection								
1. GMS Communicable Disease Control Project 2	CAM/LAO/VIE	SESS	PPTA			RCIF	500.00	500.00
Subtotal							500.00	500.00
Multisector								
1. Trade Facilitation and Logistics Development in the GMS ^b	CAM/LAO/VIE	SEGF	PPTA			RCIF	800.00	800.00
Subtotal							800.00	800.00
Transport and Communications								
1. GMS Ha Long-Mong Cai Highway	VIE	SEID	PPTA	TASF	1,000.00			1,000.00
Subtotal					1,000.00			1,000.00
Total 2009					2,500.00		2,800.00	5,300.00
2010								
Agriculture and Natural Resources								
1. Support for the Implementation of the Core Agricultural Sector Program	GMS	SEAE	RETA		-	RCIF	1,000.00	1,000.00
Subtotal							1,000.00	1,000.00
Energy								
1. Developing the Regional Transmission and Regulatory Authority	GMS	SEID	RETA		-	France	1,000.00	1,000.00
Subtotal					-		1,000.00	1,000.00
Multisector								
1. Strengthening the Coordination of the GMS Program	GMS	SEOC	RETA			PRC and RCIF	3,000.00	3,000.00

Sector	Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Indicative Source of Funding				Total (\$'000)
					ADB		Others ^a		
					Source	Amount (\$'000)	Source	Amount (\$'000)	
	2. Implementing the GMS HRD Strategic Framework and Action Plan, Phase 2	GMS	SESS	RETA			RCIF	700.00	700.00
	3. GMS Border Towns Development ^b	LAO/VIE	SESS	PPTA	TASF	500.00	PRC	500.00	1,000.00
	Subtotal					500.00		4,200.00	4,700.00
Transport and Communications									
	1. GMS Southern Coastal Corridor, Phase 2	VIE	SEID	PPTA	TASF	1,000.0			1,000.0
	Subtotal					1,000.0			1,000.0
	Total 2010					1,500.00		6,200.00	7,700.00
	Total 2008–2010					7,550.00		18,700.00	26,250.00

ADB = Asian Development Bank; CAM = Cambodia; GMS = Greater Mekong Subregion; LAO = Lao People's Democratic Republic; PRC = People's Republic of China; 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 Country Coordination and Regional Cooperation Division; SESS= Southeast Asia Department Social Sectors Division; PPTA = project preparatory technical assistance; PRC = People's Republic of China; RCIF = regional cooperation and integration fund; RETA = regional technical assistance; TASF = technical assistance special fund; UN-HABITAT = United Nations Human Settlements Programme; VIE = Viet Nam.

^a Possible cofinancing sources.

^b To be confirmed with the governments concerned and/or subject to availability of additional subregional ADF resources for the ensuing loan/grant project.
Source: Asian Development Bank.

Table 3: GMS Development Partner Assistance Matrix

Development Partner/ GMS Sector	Agriculture	Environment	Energy	Transport	Telecommunications
Australia			Clean energy and energy efficiency	CBTA Road maintenance Road infrastructure	
Denmark	TA advisory support	Cooperation with MRC flood management issues			
European Investment Bank ^a			Infrastructure projects	Infrastructure projects	Infrastructure projects
European Commission					
FAO	CASP (transboundary animal disease control; biofuels development; advanced agricultural science and technology)				
Finland		Core Environment Program			
France					
1. AFD ^a	CASP (area/project for possible cofinancing TBD)		RPTCC Clean energy Infrastructure projects (production and transmission)	Railways	
2. MoFA					
3. MoF ^a			Infrastructure projects	Infrastructure projects	
Germany (through GTZ)	Integrated approaches to rural development (Lao PDR and Cambodia)	Forest/Watershed Management Support to MRC		Economic corridors issues (HRD, local government governance)	
GMSTEC					
IFAD	CASP (biofuels development; contract farming)				

Development Partner/ GMS Sector	HRD	Tourism	Trade Facilitation	Private Sector Development
Australia	HIV/AIDS issues, notably in infrastructure projects; human trafficking		Customs and transit regime systems issues (consistency with ASEAN)	
Denmark	Through the Gender and Development Cooperation Fund (with Canada, Norway, and Ireland)			
European Investment Bank ^a				
European Commission			Customs modernization and governance - transit regime systems issues (consistency of CBTA arrangements with ASEAN)	
FAO				
Finland				
France				
1. AFD ^a	Phnom Penh Plan (through CEFEB)			
2. MoFA 3. MoF ^a	Phnom Penh Plan	MTCO (TA staff seconded)		
Germany (through GTZ)				
GMSTEC	Masters degree in Development Studies -GMS Capacity building in LAO and CAM, and with Mekong Institute Phnom Penh Plan			
IFAD				

Development Partner/ GMS Sector	Agriculture	Environment	Energy	Transport	Telecommunications
International Labor Organization (ILO)					
International Organization for Migration (IOM)					
IUCN		CEP/BCI			
Japan					
1. JBIC ^a			Clean energy and energy efficiency (global warming and climate change issues) Infrastructure projects Software components	Infrastructure projects Economic corridors development	
2. JICA	CASP (Transboundary Animal Disease Control)			Software components	
Republic of Korea ^a				Infrastructure projects (Lao PDR)	
Netherlands		CEP/BCI Water Management issues			
New Zealand					
Norway		Through the Poverty and Environment Fund (with Sweden)	Through the Poverty and Environment Fund (with Sweden)		
PRC (through PRC Fund)	Strengthening GMS agricultural cooperation; GMS Agriculture Information Network Service; Demonstration projects on biogas	CEP/BCI		CBTA Economic corridors	
Rockefeller Foundation					
SEARCA	Institutional partnerships and linkages; agriculture knowledge sharing				
Sweden/Sida ^a		CEP/BCI	Sustainable energy development issues Power trade development Infrastructure projects		

Development Partner/ GMS Sector	HRD	Tourism	Trade Facilitation	Private Sector Development
International Labor Organization (ILO)	Labor migration; human trafficking; skills training, recognition/certification			
International Organization for Migration (IOM)	Labor migration; human trafficking			
IUCN				
Japan				
1. JBIC ^a				
2. JICA			Software components (training)	
Republic of Korea ^a				
Netherlands				
New Zealand	Phnom Penh Plan			
Norway	Through the Gender and Development Cooperation Fund (with Canada, Denmark, and Ireland)			
PRC (through PRC Fund)	Phnom Penh Plan (Phase III) Under PRC bilateral cooperation: - Scholarship program - Support to GMS Regional Health Forum - Prevention and control of communicable diseases		Strategic Framework for Action on Trade Facilitation and Investment	
Rockefeller Foundation	Labor migration; human trafficking			
SEARCA				
Sweden/Sida ^a	Through HIV/AIDS Fund			

Development Partner/ GMS Sector	Agriculture	Environment	Energy	Transport	Telecommunications
Thailand				Railways Economic corridors	
UNEP		CEP/BCI			
UNESCAP	Cross-border agricultural trade (no funding assistance expected) Rural renewable energy			CBTA (policy research work) Logistics development Trans-Asian Highway (GMS component) Asian Railway Network (GMS component)	
UNESCO					
US		CEP/BCI			
WHO					
World Bank ^a		Mekong Water Resource Management	Power trade	Road maintenance (Cambodia)	
WWF		CEP/BCI			

Development Partner/ GMS Sector	HRD	Tourism	Trade Facilitation	Private Sector Development
Thailand	Under bilateral assistance cooperation to address: - labor migration - human trafficking issues - scholarship programs (training courses in special and vocational education and career development)	MTCO Bilateral cooperation with neighbors		
UNEP				
UNESCO	Health without Borders (funded by Dutch Government) to address HIV/AIDS vulnerability among long-distance road transport workers in the GMS	Capacity building in sustainable tourism management		Private sector development issues (SME development and international value/supply chain)
UNESCO	GMS Virtual University (open education resources in ICT, tourism, and Mekong studies) HIV/AIDS prevention through ICT application			
US				
WHO	HIV/Aids and Communicable diseases issues			
World Bank ^a	Labor migration Human Trafficking		Trade and transport facilitation	
WWF				

AFD = Agence Francaise de Developpement, ASEAN = Association of Southeast Asian Nations, BCI = Biodiversity Conservation Corridor Initiative, CASP = Core Agriculture Support Program, CBTA = Cross-Border Transport Agreement, CEP = Core Environment Program, FAO = Food and Agriculture Organization of the United Nations, GMS = Greater Mekong Subregion, GMSTEC = Greater Mekong Subregion Tertiary Education Consortium Trust, GTZ = Deutsche Gesellschaft fur Technische Zusammenarbeit (German Agency for Technical Cooperation), ICT = information and communications technology, IFAD = International Fund for Agriculture Development, IUCN = World Conservation Union, JBIC = Japan Bank for International Cooperation, JICA = Japan International Cooperation Agency, MRC = Mekong River Commission, MoF = Ministry of Finance, MoFA = Ministry of Foreign Affairs, MTCO = Mekong Tourism Coordination Office, RPTCC = Regional Power Trade Coordinating Committee, SEARCA = Southeast Asia Regional Center for Graduate Study and Research in Agriculture, Sida = Swedish International Development Cooperation Agency, TA = technical assistance, UNEP = United Nations Environment Programme, UNESCAP = United Nations Economic and Social Commission for Asia and the Pacific, US = United States; WHO = World Health Organization, WWF = World Wildlife Fund for Nature.

^a Development Partners providing lending products.

Source: Asian Development Bank.

**Table 4: Summary Information on Proposed
Indicative Lending/Grant and Nonlending Products and Services, 2008**

A. Lending/Grant Products	
Project Name	GMS Nam Ngum 3 Hydropower Development Project
Impact and Major Components	The project will develop, construct, and operate under a build-own-operate-transfer arrangement a 440-megawatt (MW) hydropower plant with a generating capacity of 2,191 gigawatt-hours (GWh). The project will be a private-public partnership to address the economic growth objectives of the Lao People's Democratic Republic (Lao PDR) while meeting the requirements of Thailand's power generation sector. The plant will be located on the Nam Ngum River, 58 kilometers (km) upstream of Nam Ngum River 1 Reservoir in Xaysomboun province. It will operate under a concession agreement with the Government of the Lao PDR for a period of 25 years from commercial operations. The Nam Ngum 3 power company (NN3PC) will also enter into a power purchase agreement with the Electricity Generating Authority of Thailand for the sale of about 92% of the generating capacity of NN3PC on a take-or-pay basis over a 25-year period. The project will operate as a storage system with a reservoir of 3,000,000 cubic meters (m ³) and a roller-compacted concrete dam of 220 meters (m). The main features include (i) an underground power station with 2 x 220 MW installed capacity; (ii) a 220 m high dam with a volume of 3,000,000 m ³ ; (iii) a 105 km long, 250-kilovolt (kV) transmission line to Ban Nabong substation; and (iv) a 28 km long, 200-kV transmission line from Ban Nabong substation to Thailand's National Grid at Ban Dtin Hen (Pakpeng).
Expected Outputs and Outcomes	The project is identified as one of the main projects included in the Lao PDR Government's power export plan to meet Thailand's electricity demand. Up to 3,300 MW will be exported to Thailand under a 1996 memorandum of understanding (MOU). The project will contribute to the Government's goal of developing the country's hydropower generating capacity for export. Foreign exchange revenues from the export of hydropower (estimated at about \$600 million over 25 years) can be applied by the Government to finance its priority development programs. In addition, the project will supply 8% of its generating capacity to Electricite du Laos, thereby increasing the supply of reliable domestic power. There are complementary features between the Thai and Lao systems, which make the trade of hydropower from the Lao PDR to Thailand advantageous: (i) Nam Ngum, Nam Theun, and Xe Kong are strategically located to service the electricity requirements of the northeastern region of Thailand, which has a deficit in generating capacity, in addition to metropolitan Bangkok; (ii) the peak load requirements of Thailand and the Lao PDR differ, creating possibilities for time-of-day exchanges; and (iii) the supply from the Lao PDR lessens the reliance of Thailand on gas imported from Myanmar. Thus, this project is not only strategically located to serve the electricity requirements of Thailand's northeastern region but is also consistent with Thailand's strategy of diversifying its electricity supply sources.
Project Name	GMS Nabong-Udon Thani Power Transmission and Interconnection
Impact and Major Components	The project will facilitate evacuation of power from the proposed Nam Ngum 2, Nam Ngum 3, Nam Thum 1, and Nam Ngiep 1 hydropower projects, which will have a total installed capacity of over 1,500 MW, to Thailand. The proposed projects are developed by private sector investors and the transmission line and the associated substation will be utilized as a common facility for all four hydropower projects. Ownership by the Government of the Lao PDR of the common facility financed under the proposed ADB loan will provide a level playing field to the private sector investors and an

	<p>additional revenue stream to the Government.</p> <p>The project includes (i) construction of a 27 km 500 kV transmission line from Na Bong substation to the Thai border; (ii) construction of a 500 kV/ 230 kV Na Bong substation; and (iii) preparation of transparent financing arrangements for payment of wheeling charges to the Lao Government by the independent power producers (IPP).</p>
Expected Outputs and Outcomes	The project will establish a high-voltage grid jointly owned by the Electricity Generating Authority of Thailand and Electricite du Laos through a joint venture, and would enable power trading to take place in the future. The established grid can be used to wheel electricity into and out of the Lao PDR.
Project Name	GMS Sustainable Tourism Development Project
Impact and Major Components	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 Greater Mekong Subregion (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-sized hospitality sector. The key components and associated outputs include (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 those that will 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 along the economic corridors; and (iv) human resource development (HRD) subprojects to upgrade the capacity of government officials at national and provincial levels and at specific sites, as well as to improve the skills of vocational teachers in selected areas.
Expected Outputs and Outcomes	The project will result in tourism products in the Lao PDR and Viet Nam that would serve as models and best practice cases for sustainable and pro-poor tourism development in the GMS. Other deliverables include (i) a coherent and focused GMS tourism marketing strategy, (ii) a concrete HRD program for the GMS tourism sector, and (iii) identification of opportunities for private-public partnerships and cooperation in the sector.
Project Name	Central Yunnan Roads Development
Impact and Major Components	The principal objective of the project is to develop an integrated road transport system to support sustainable economic development in Yunnan province and GMS. The project has the following components and corresponding outputs: (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.
Expected Outputs and Outcomes	By developing an integrated expressway and the 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 and will thus help develop an enabling environment for investment, create employment opportunities, and enhance incomes.
B. Nonlending Products and Services	
Project Name	Program to Support the Implementation of the Core Agriculture Support Program
Impact and Major Components	The overall objective of the project is to support the implementation of the components under the Core Agriculture Support Program (CASP). Specifically the TA will (i) accelerate the cross-border trade and investment in agriculture and develop strong linkages between other GMS sectors (environment, trade facilitation, transport, and human resource development); (ii) promote public-private partnership in the exchange of agricultural information; (iii) enhance capacity in agriculture science and technology; (iv) establish emergency response mechanisms for agricultural and natural resources crises; (v) mobilize external resources for projects and subprojects for the components of the CASP; (vi) strengthen the institutional capacity of GMS countries in implementing the Working Group on Agriculture (WGA) program and projects; and (vii) support WGA annual meetings, consultations, training, and special studies.
Expected Outputs and Outcomes	The expected results are (i) GMS that is more prosperous in agriculture and more integrated in agricultural trade; (ii) increased and more equitable cross-border agricultural trade and investment; (iii) greater involvement of the private sector in providing agricultural information; (iv) a strategic plan for a cooperative program for capacity building in agriculture incorporated into the national agriculture policy and budget; (v) establishment of an emergency response mechanism; and (vi) increased funding support for the CASP.
Project Name	GMS Biofuel Development (PPTA)
Impact and Major Components	The project's overall objective is to develop appropriate strategies and an option that leads to the development of the biofuel and rural renewable energy sector toward reducing poverty among rural households in the GMS. The project will be implemented in two phases. Phase 1 is the assessment and preparation phase and phase 2 is the implementation phase. Phase 1 will identify national strategies and options for smallholder agriculture to participate in shifting from conventional fuels to biofuel development, in an environmentally and financially sustainable manner. Phase 2 specifically will (i) develop a region-wide consensus between diverse stakeholders such as governments, private investors, development financiers, and nongovernment organizations (NGOs) on biofuels policies, cross-border investments and trade, technology development and dissemination; (ii) come up with a model for biofuel production, consumption, processing, and marketing, which is both suitable for smallholder farming systems of the rural poor and amenable to scaling up; and (iii) develop a biofuel endowment fund to finance future biofuel development in the countryside and for sustainable support of biofuel production.
Expected Outputs and Outcomes	The key outputs of phase 1 are (i) the identification of demand and supply trends at national and regional levels, and market potentials for different biofuel/ bioenergy products, including an assessment of local and cross-border markets; (ii) development of outlined strategies and options for GMS countries to support the emerging biofuel subsector, including guidelines on pro-poor, farmer-centered biofuel development approaches; (iii) design of a framework for pilot implementation under different agroecological conditions, including identification of biofuel crops; and a detailed program for phase 2. The expected outputs of phase 2 are the emerging new institutions, mechanisms, technologies, and

	<p>pathway for biofuels. They include (i) a regional forum among stakeholders (governments, farmer organizations, NGOs, major private investors, and international aid agencies) discussing policies, strategies, and partnership for the development of the biofuels sector in the GMS, (ii) a biofuel development fund for the GMS; (iii) extension and research agencies equipped with human and other resources focusing on pro-poor biofuel technologies; and (iv) a system for producing, processing, and distributing biofuels and rural renewable energy suitable for smallholder farmers in the GMS and for implementation on a wider scale.</p>
Project Name	<p>Facilitating Sustainable, Environment-Friendly Regional Power Trading in the Greater Mekong Subregion - Phase 2</p>
Impact and Major Components	<p>This project will contribute to the long-term objectives of the phase 1 project, which are to (i) establish a competitive and efficient subregional power market, and (ii) minimize environmental impacts in developing power projects for regional power trade. Specifically, the project will focus on establishing the building blocks required to develop the PRC-Lao PDR-Cambodia power interconnection transmission line including (i) assessing the transmission infrastructure and equipment needed to interconnect the PRC and Cambodia power grids via the Lao PDR for two-way or even three-way power trade; (ii) assessing how the benefits will be shared with the Lao PDR; (iii) facilitating the conclusion of an agreement between Cambodia, PRC, and Lao PDR in using Lao territory for the transmission line; (iv) reviewing feasibility studies of hydropower development in northern Lao PDR being undertaken by the China Southern Power Grid Company and determining the viability of developing the hydropower plants for exporting power to Yunnan province or other potential hydropower sources for inclusion in the power trade; (v) identifying the social and environmental impacts of the aforementioned investments and recommending mitigation measures; and (vi) recommending the required best practice rules, regulations, codes, institutional structures, and other market mechanisms developed in phase 1 of the project for use for the interconnection.</p>
Expected Outputs and Outcomes	<p>The project is expected to deliver the following: (i) recommended optimal configuration of the power interconnection line linking PRC, Lao PDR, and Cambodia, taking into account cost structures, generation supply options, and social and environmental implications; (ii) proposed terms of reference and work plans for the requisite project preparatory work for key components of the transmission line and the detailed resettlement plans, environmental impact assessment, and environmental management plans; and (iii) draft agreements among the parties (PRC, Lao PDR, and Cambodia) covering the relevant rules, regulations, codes, and institutional and market mechanisms to make possible two-way or three-way power trade among the parties.</p>
Project Name	<p>GMS Capacity Building for HIV/AIDS Prevention (PPTA)</p>
Impact and Major Components	<p>The ensuing grant project aims to help contain the spread of HIV/AIDS within the GMS. It is designed to support specialized human resource capacity development for improved management of HIV/AIDS resources and programs in the GMS, particularly in relation to large infrastructure projects and the development of economic growth centers. A regional training program will develop the capacity of middle-level HIV/AIDS program managers in the areas of international financing, program design and implementation, monitoring and evaluation, with a special focus on the managers and skills needed in prevention programs associated with infrastructure development projects (e.g., roads, railways, power), economic growth centers, and cross-border zones. The program will entail data collection, analysis, and</p>

	skills transfer for the conduct of economic and poverty impact assessments to support policy and program targeting; and will support HIV/AIDS surveillance programs and capacity building for surveillance by developing the technical skills of epidemiologists, statisticians, social scientists, etc., for collecting, analyzing, and using surveillance data to improve program responses.
Expected Outputs and Outcomes	The ensuing grant project is expected to help produce a generation of public sector managers (technical and administrative) with improved skills for developing and managing programs for preventing HIV/AIDS.
Project Name	Enhancing Transport and Trade Facilitation in the GMS
Impact and Major Components	<p>Improvements in subregional connectivity are expected to enhance the competitiveness of GMS countries, both individually and collectively. Such improvements, however, must be complemented by measures to facilitate trade and transport throughout the subregion. Ongoing ADB-supported initiatives to implement the GMS Cross-Border Transport Agreement (CBTA) and the Strategic Framework for Action on Trade Facilitation and Investment, as well as bilateral cross-border transport arrangements between GMS countries are helping in this regard. However, to be effective, efficient, and sustainable, these initiatives need to be rationalized and accelerated, and appropriate capacities and institutions need to be developed and strengthened, with the GMS countries assuming greater ownership.</p> <p>The objective of the project is to improve the competitiveness of GMS countries by maximizing the benefits from regional infrastructure connectivity through a comprehensive transport and trade facilitation program. The project will assist in (i) rationalizing ongoing and planned transport and trade facilitation initiatives and examining key issues and challenges; (ii) building sustainable capacity at the national and subregional levels to implement transport and trade facilitation measures; (iii) developing a knowledge facility that will enable the systematic compilation and dissemination of information on key developments and issues on trade and transport facilitation in the GMS; (iv) establishing the most effective national and subregional institutional mechanisms to monitor and coordinate the implementation of trade and transport facilitation initiatives in the GMS; (v) improving within-country and between-country coordination among ministries/agencies concerned; and (vi) providing the required information and communications technology (ICT) and other equipment.</p>
Expected Outputs and Outcomes	The project is expected to result in (i) greater awareness of trade and transport facilitation processes and implications among key stakeholders in the GMS countries; (ii) improvements in border-crossing clearance times; (iii) increased intraregional and extraregional trade and tourism in the GMS; and (iv) increased people-to-people contact in the GMS.
Project Name	Implementing the GMS Human Resource Development Strategic Framework and Action Plan
Impact and Major Components	The project's objectives are to (i) mainstream and enhance synergistic mechanisms to operationalize the Strategic Framework in each GMS country; and (ii) implement priority subregional projects in the health, education, and labor subsectors as identified in the Action Plan in partnership with relevant development partners. Examples of potential initiatives under the Action Plan include skills standards and accreditation, curriculum standardization for science and mathematics, recognition of cross-border health certification, and measures to improve health financing and regulatory systems. Expected outputs include (i) strengthened institutional arrangements and support to the Working Group on HRD; (ii) improved capacities of the GMS countries to implement the Strategic Framework and Action Plan through the

	(a) formation of a national committee on GMS HRD cooperation in each country; (b) designation of country focal points for the health, education, and labor subsectors; (c) mainstreaming of the HRD Action Plan in the priority programs and budgets of the relevant ministries in the GMS countries; and (d) strengthened linkage and cooperation among the GMS countries through the national and subregional networks of focal points; (iii) implementation of priority projects identified in the HRD Action Plan in partnership with relevant development partners; and (iv) improved awareness, increased appreciation, and mainstreaming of HRD-related issues, concerns, and priority programs among other GMS sector working groups.
Expected Outputs and Outcomes	The project is expected to strengthen subregional cooperation in HRD, resulting in improved competitiveness of GMS countries, individually and collectively; and enhanced capacity to contain and mitigate potential undesirable consequences of improved connectivity and regional economic integration.
Project Name	Second GMS Northern Region Transport Network Improvement (PPTA)
Impact and Major Components	The ensuing investment project aims to improve two sections of the transport network in Xayabury province in northern Lao PDR for more efficient and cost-effective movement of passengers and goods in a province (within Xayabury), in the country (between northern and central Lao PDR), and within the GMS (specifically between Thanh Hoa province in Viet Nam and northern Lao PDR). The scope of activities will be based on ongoing activities and could support Routes 6 and 1C in Houaphan and Xieng Khouang provinces in the Lao PDR (Routes 6 from Ban Loi on the Lao-Viet Nam border west to Xam Neua, then southwest to the intersection with Route 1C). Route 1C is being financed by KfW, and hence the PPTA will support Routes 6 with two priority sections for about 125 km. The two sections will link Louangphrabang via Route 7 to Thanh Hoa in Viet Nam through Route 217.
Expected Outputs and Outcomes	The ensuing investment 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 develop an enabling environment for investment, create employment opportunities, and enhance incomes.
Project Name	GMS Northwestern Provincial Roads Improvement (PPTA)
Impact and Major Components	<p>The objective of the ensuing investment project is to improve connectivity along the GMS Southern Economic Corridor among Thailand, Cambodia, and Viet Nam; facilitate trade, tourism, and economic exchange between and among the participating countries; and promote economic development in the influence areas of the corridor.</p> <p>The project will improve the road network linking to the ADB-assisted GMS Cambodia Road Improvement Project from Poipet-Sisophon-Siem Reap</p>
Expected Outputs and Outcomes	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 develop an enabling environment for investment, create employment opportunities, and enhance incomes.

Project Name	Mekong Water Supply and Sanitation Project (PPTA)
Impact and Major Components	The ensuing investment project aims to rehabilitate and improve water supply and sanitation services in 10 towns along GMS economic corridors in Cambodia, Lao PDR, and Viet Nam. Its expected outputs include (i) expedited pro-poor water and sanitation investments in secondary towns, (ii) enhanced institutional and human resource capacities at local and regional levels to sustain water and sanitation services, (iii) upstream sector reforms at the local level, and (iv) enhanced capacities of local private sector entities in service delivery.
Expected Outputs and Outcomes	The ensuing investment project is expected to deliver enhanced and sustainable water supply and sanitation services in 10 selected secondary towns in Cambodia, Lao PDR, and Viet Nam, resulting in improved environment and, ultimately, increased investment levels and poverty reduction.

GMS = Greater Mekong Subregion, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome, KfW = Kreditanstalt für Wiederaufbau, PPTA = project preparatory technical assistance, PRC = People's Republic of China.

Source: Asian Development Bank.

Table 5: Assistance Pipeline for Lending Products, 2007

Table of Assistance Operations for Lending Programs, 2007												
Sector	Project/Program Name	Countries Involved	Targeting Classification	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
								ADB			Gov't	Cofinancing
								OCR	ADF ^a	Total		
2007 Firm Loans												
Transport and Communications												
1.	GMS Southern Coastal Corridor (CAM/VIE)	VIE	GI	ECO/RC	SEID	2004	208.2		75.0	75.0	58.2	75.0
2.	GMS Southern Coastal Corridor (CAM/VIE)	CAM	GI	ECO/RC	SEID	2004	7.0		7.0	7.0		
3.	GMS Kunming-Haiphong Transport Corridor -- Noi Bai-Lao Cai Highway	VIE	GI	ECO/RC	SEID	2002	1,216.0	896.0	200.0	1,096.0	120.0	
4.	GMS Northern Transport Network Improvement	LAO	GI	ECO/RC	SEID	2005	105.0		27.0	27.0	15.5	62.5
5.	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							2,881.2	1,196.0	309.0	1,505.0	693.7	682.5
Total 2007 Firm							2,881.2	1,196.0	309.0	1,505.0	693.7	682.5
Standby												
Transport and Communications												
1.	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							576.0	200.0		200.0	72.0	304.0
Total 2007 Standby							576.0	200.0	-	200.0	72.0	304.0
Total 2007 Firm + Standby							3,457.2	1,396.0	309.0	1,705.0	765.7	986.5

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, LAO = Lao People's Democratic Republic, OCR = ordinary capital resources, PRC = People's Republic of China; RC = regional cooperation, SEID = Southeast Asia Department Infrastructure Division, TI = targeted intervention, VIE = Viet Nam.

^a Subject to the availability of funds.

Source: Asian Development Bank.

Table 6: Assistance Pipeline for Nonlending Products and Services, 2007

Sector	Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Indicative Source of Funding				Total (\$'000)
					ADB		Others ^a		
					Source	Amount (\$'000)	Source	Amount (\$'000)	
Agriculture and Natural Resources									
1.	GMS Flood and Drought Risk Management and Mitigation	CAM/LAO/VIE	SEAE	PPTA	JSF	2,000.0		2,000.0	
2.	Transboundary Animal Disease Control to Reduce Poverty and Enhance Market for Livestock Trade in the GMS	GMS	SEAE	RETA	TASF	150.0	PRC	300.0	450.0
3.	GMS Core Environment Program (Phase 1, Supplemental)	GMS	SEAE	RETA	TASF	400.0	Finland	5,300.0	5,700.0
	Subtotal					2,550.0		5,600.0	8,150.0
Energy									
1.	Facilitating Sustainable, Environment-Friendly Regional Power Trading in the Greater Mekong Subregion	GMS	SEID	RETA			Sweden	5,000.0	5,000.0
2.	GMS Nabong-Udon Thani Power Interconnection ^b	LAO	SEID	PPTA	TASF	560.0			560.0
	Subtotal					560.0		5,000.0	5,560.0
Education									
1.	GMS Phnom Penh Plan for Development Management, Phase 3	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
Industry and Trade									
1.	Customs Cooperation in GMS	GMS	SEGF	RETA	TASF	800.0			800.0
	Subtotal					800.0			800.0
Multisector									
1.	Strengthening HRD Cooperation in the GMS (formerly, Addressing HRD Issues in the GMS)	GMS	SESS	RETA	TASF	200.0			200.0
2.	Enhancing the Development Effectiveness of the GMS Program (Supplemental)	GMS	SEOC	RETA			PRC and RCIF	950.0	950.0
	Subtotal					200.0		950.0	1,150.0

Sector Project/Program Name	Countries Involved	Responsible Division	Assistance Type	Indicative Source of Funding				Total (\$'000)
				ADB		Others ^a		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
Transport and Communications								
1. Western Yunnan Roads Development II (formerly [Ruili-Longlin] Expressway)	PRC	EATC	PPTA	TASF	400.0			400.0
2. Nanning-Kunming Railway Capacity Expansion	PRC	EATC	PPTA	TASF	400.0			400.0
3. Restructuring the Railway in Cambodia (Supplementary)	CAM	SEID	ADTA	TASF	250.0			250.0
4. GMS: Coordinating the North-South Economic Corridor Bridge (Supplementary)	THA/LAO	SEID	RETA	TASF	100.0			100.0
Subtotal					1,150.0			1,150.0
Total 2007 Firm					6,260.0		14,550.0	20,810.0

ADB = Asian Development Bank; ADTA = advisory technical assistance; CAM = Cambodia; GMS = Greater Mekong Subregion; HRD = human resources development; JSF = Japan Special Fund; LAO = Lao People's Democratic Republic; PPTA = project preparatory technical assistance; PRC = People's Republic of China; RCIF = regional cooperation and integration fund; RETA = regional technical assistance; SEAE = Southeast Asia Department Agriculture, Environment, and Natural Resources Division; SEID = Southeast Asia Department Infrastructure Division; SEOC = Southeast Asia Department Regional Cooperation and Country Coordination Division; SESS = Southeast Asia Department Social Sectors Division; TASF = technical assistance special fund; THA = Thailand.

^a Possible cofinancing sources.

^b To be confirmed with governments concerned and/or subject to availability of additional subregional ADF resources for the ensuing loan/grant project.
Source: Asian Development Bank.