

ASIAN DEVELOPMENT BANK

REGIONAL COOPERATION STRATEGY AND PROGRAM UPDATE 2006–2008

THE GREATER MEKONG SUBREGION—BEYOND BORDERS

August 2005

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
ASEAN	–	Association of Southeast Asian Nations
CBTA	–	Cross-Border Transport Agreement
CDC	–	communicable diseases control
CEP	–	core environment program
CSP	–	country strategy and program
DPM	–	Development Partners' Meeting
EOC	–	Environment Operations Center
FDI	–	foreign direct investment
GMS	–	Greater Mekong Subregion
GMS BF	–	GMS Business Forum
ICT	–	information and communications technology
Lao PDR	–	Lao People's Democratic Republic
MDF	–	Mekong Development Forum
MOU	–	memorandum of understanding
NLPS	–	nonlending products and services
OCR	–	ordinary capital resources
ODA	–	official development assistance
PPP	–	Phnom Penh Plan for Development Management
PRC	–	People's Republic of China
PTOA	–	Power Trade Operating Agreement
RCSP	–	regional cooperation strategy and program
RETA	–	regional technical assistance
SFA-TFI	–	Strategic Framework for Action on Trade Facilitation and Investment
TA	–	technical assistance

NOTE

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

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I. CURRENT DEVELOPMENT TRENDS AND ISSUES

1. This annual update of the Regional Cooperation Strategy and Program (RCSP) was prepared to ensure that the RCSP's strategic thrusts and rolling program remain relevant in light of the rapidly changing global and regional context, as well as key developments in the Greater Mekong Subregion (GMS) Economic Cooperation Program. This update also summarizes significant achievements since the RCSP was approved in March 2004.

A. Recent Regional and Global Developments

2. Recent global and regional developments are helping to shape the future direction of the GMS program. Three important developments stand out. First, increasing integration in the Asia and the Pacific region, as evidenced by expanding intraregional trade, is now a key driver of growth in the region. This implies that countries must increasingly diversify their exports and develop their specializations to remain competitive. Second, the strong economic performances of the People's Republic of China (PRC) and India are expected to have a significant influence on the GMS. As key export destinations for many countries in the Asia and Pacific region, the PRC and India highlight the Mekong subregion's locational advantage as a "landbridge" between these two economies and Southeast and East Asia. However, while the PRC and India offer huge market opportunities for the subregion, they also pose the challenge of competition. This challenge highlights the need for GMS economies to enhance their competitiveness. For instance, with the end of the Multi-Fiber Agreement in 2004, textile exports from the PRC and India have increased, impacting other textile-exporting countries such as Cambodia and Viet Nam. Third, the decision of the Association of Southeast Asian Nations (ASEAN) to establish an ASEAN Economic Community by 2020 in 11 priority sectors, many of which are important to the GMS economies, presents tremendous opportunities for the subregion. Only by intensifying and expanding regional cooperation can the GMS countries take maximum advantage of these opportunities.

B. Economic Assessment and Outlook

3. Real GDP in the GMS countries continued to expand briskly in 2004. Despite prolonged droughts, rising oil prices, and the threat of avian flu, all GMS economies grew by at least 6%. A rapid expansion in trade, including cross-border trade, has accompanied the broad-based growth. Exports continued to rise in the subregion in 2004, with the strongest annual merchandise export growth recorded in Viet Nam (30%), Thailand (23%), and Cambodia (22%) (Appendix 1).

4. The subregion continued to attract substantial foreign direct investments (FDI). FDI inflows to GMS countries other than the PRC have improved, rising from \$2.5 billion in 2002 to \$4.1 billion in 2003, before slipping to \$3.4 billion in 2004. The PRC continued to attract substantial and increasing FDI, with inflows reaching \$60.6 billion in 2004—about a quarter of FDI inflows to all developing countries. However, two other GMS countries, Thailand and Viet Nam, have been among the top recipients of FDI in the Asia and Pacific region over the past several years. The PRC has been posting substantial FDI outflows (mostly directed at other developing Asian countries) of \$6.9 billion in 2001, \$2.5 billion in 2002, and \$1.8 billion in 2003. Likewise, Thailand increasingly is becoming a significant source of capital, with its FDI outflows reaching \$486 million in 2003 and \$362 million in 2004.

5. Economic growth is expected to remain relatively strong in 2005–2006. The Lao People's Democratic Republic (PDR) and Viet Nam are expected to grow faster in 2005 than in

2004, driven by a pickup in agriculture, strong domestic demand, and (in Viet Nam's case) the positive impact of increasing oil prices.¹ Growth in the PRC and Cambodia is expected to decelerate. In the PRC, continued macroeconomic tightening is likely to be the main cause of the slowdown, while the end of garment quotas following the expiration of the Multi-Fiber Agreement is expected to dampen Cambodia's growth. Like the rest of Asia, the subregion faces global and regional risks in the near term, including (i) the possibility of more oil-induced inflation; (ii) exchange rate instability; and (iii) the drag created by imminent adjustments to correct substantial global macroeconomic imbalances, particularly in the United States. Mainly due to the rise in world oil prices, most GMS countries registered higher inflation rates and ran fiscal deficits in 2004.² Despite the risks to global growth, trade is expected to remain robust, helped by the significant reduction in tariff and non-tariff barriers in the region. Export growth in 2005 is expected to remain strong, ranging from 10–27%, except for Cambodia, which might see exports shrink due to the expiration of the garment quotas.

C. Recent Social and Political Developments

6. Despite the clear gains for the GMS countries over the past 10–12 years in trade, investment, and economic growth, improvements in social indicators seem to have lagged. Per capita incomes have increased significantly since the early 1990s, particularly in the first half of the decade before the 1997 Asian financial crisis. Thailand, Viet Nam, and Yunnan Province, PRC showed the biggest proportionate gains. The incidence of poverty has also improved, with the PRC, Lao PDR, Thailand, and Viet Nam posting substantial gains, while other countries improved marginally. However, in absolute terms, poverty remains pervasive, with large numbers still living in severe poverty (Table 1).

7. The Second GMS Summit, which was held in Kunming, Yunnan Province, PRC on 4–5 July 2005, reaffirmed the GMS countries' commitment to the GMS vision of peace and prosperity for the subregion. The GMS leaders noted that since the First GMS Summit in 2002, more intensive and concerted efforts have been made to focus subregional projects more directly on the goals of poverty reduction and equity. In their joint summit declaration, which they called the Kunming Declaration (Appendix 2), the GMS leaders reaffirmed their commitment to achieving the Millennium Development Goals by focusing subregional initiatives more directly on the poor. Specifically, the GMS leaders agreed to (i) accelerate connectivity and associated software elements, and expand cooperation in air, rail, and water transport; (ii) enhance competitiveness by facilitating trade and investment, and promoting knowledge and technology; and (iii) promote environmental sustainability through the core environment program, which will address the impacts of rapid growth and development in the subregion. The GMS leaders called for stronger partnerships based on the principles of equality and mutual trust to realize the goal of common prosperity.

8. Since the RCSP was approved, the geographic coverage of the GMS was broadened to include the Guangxi Zhuang Autonomous Region. Guangxi is in the southern part of the PRC, and is bordered by Yunnan Province on the west and Viet Nam on the southwest. Guangxi's inclusion in the GMS will allow the other members to capitalize on the wealth of opportunities offered by the relatively prosperous coastal provinces of the PRC. Guangxi will benefit from its participation in the GMS program through, among other things, greater utilization of its sea ports, participation in the GMS power grid, and promotion of closer economic ties with Viet Nam.

¹ Based on the Asian Development Bank (ADB). 2005. *Asian Development Outlook*. Manila.

² ADB. 2005. *The Mekong Region, Economic and Social Impact of Projects*. Manila.

Table 1: Income Poverty and Distribution Indicators for GMS Countries

Country	Poverty Incidence (%)									
	Per Capita GDP (current, \$)		Based on National Poverty Line		\$1-a-day				Gini Coefficient	
					Head Count Ratio ^a		Magnitude ^a (in '000)			
1992	2004	1992/1993	Latest ^b	1990	2002	1990	2002	Earliest ^c	Latest ^d	
Cambodia	220	348	39.0 ^e	35.9	46.0	34.2	3,953	4,267	0.37	0.45
China, People's Rep. of	293 ^f	681 ^{f,g}	23.8 ^f	7.9 ^f	33.0	15.9	377,055	203,153	0.31	0.35
Lao PDR	271	402	46.0	32.7	52.7	30.4	2,183	1,684	0.29	0.37
Myanmar		176 ^h		22.9						
Thailand	1,945	2,544	23.2	9.8	10.1	2.2	5,651	1,354	0.54	0.50
Viet Nam	144	500	58.1	28.9	50.7	13.1	33,446	10,509	0.18 ⁱ	0.20 ⁱ

ADB = Asian Development Bank, GDP = gross domestic product; GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic, Rep. = Republic.

^a World Bank. 1990. *PovcalNet Database*. Washington, D.C.; ADB. 2004. *Key Indicators*. Manila; and ADB estimates.

^b Cambodia, 1999; Yunnan Province, PRC, 2001; Lao PDR, 2003; Myanmar, 1997; Thailand and Viet Nam, 2002.,

^c Cambodia, 1994; PRC and Thailand, 1992; Lao PDR and Viet Nam, 1993.

^d Cambodia, 1999; PRC, 2000; Lao PDR, 1997–1998; Thailand and Viet Nam, 2001.

^e For 1994.

^f For Yunnan Province.

^g For 2003.

^h For FY2002 (April 2002–March 2003); based on data from the International Monetary Fund (IMF).

ⁱ Based on Theil L index, a measure of inequality based on information/probability theory.

Sources: ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; ADB. 2004. *Key Indicators 2004*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): People's Republic of China*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao PDR*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Viet Nam*. Manila; ADB. 2001. *Country Economic Report: Myanmar*. Manila; ADB. 2005. *Poverty and Development Indicators Database*. Manila; Wang Sangu. 2004. *Poverty Targeting in the People's Republic of China*. ADB Institute Discussion Paper No. 4. Tokyo; IMF. 2004. *Article IV Consultation Meeting*. Washington, D.C.; National Statistical Office of Thailand. 2003. *Development Indicators*. Available: <http://www.nso.go.th>.

D. Implications for the GMS RCSP

9. The developments since the RCSP was approved in March 2004 reaffirm the importance of its key pillars—enhancement of connectivity, promotion of competitiveness, and development of a greater sense of community—in achieving the GMS vision. The Kunming Declaration, in particular, emphasized that regional initiatives will continue to be directed to impact positively on the poor. This involves transforming the historical focus on connectivity (Appendix 3) into an integrated approach to economic development that incorporates (i) protection of interdependent ecologies, (ii) promotion of livelihoods, (iii) development of human capabilities, and (iv) facilitation of cross-border trade. Correspondingly, this integrated approach will require a results-based framework (Appendix 4) that clearly indicates the relationship between development constraints and the planned strategic interventions in the RCSP. Specific outcomes and milestones for each strategic intervention must also be specified to ensure quality and timely results.

II. IMPLEMENTATION OF THE REGIONAL COOPERATION STRATEGY AND PROGRAM

A. Progress in Regional Cooperation Strategy and Program Focus Areas

10. Since March 2004, the GMS program has made significant progress in some key areas:

1. Connectivity and Cross-Border Facilitation

11. In transport, sections of the three GMS economic corridors—East-West, North-South, and Southern—have been, or are about to be, upgraded with assistance from the Asian Development Bank (ADB) and other external funding agencies to accommodate rising cross-border traffic. ADB's planned assistance in the transport sector will continue to focus on filling gaps in the three economic corridors, including the rehabilitation of road and rail connections, and the transformation of road corridors into full-fledged economic corridors. A preinvestment study for the North-South Economic Corridor will be carried out to provide the framework for improved planning and management of public and private investments in the North-South Economic Corridor influence areas. A GMS Transport Sector Strategy Study is under way to examine future cooperation and investment requirements from a multimodal perspective. This study will take into account the requirement that emerging production centers be linked with demand centers, as well as potential links between the GMS and other regions in light of accelerating trade and investment integration.

12. The facilitation of the cross-border movement of goods and people in the GMS has made major progress since the RCSP was approved. Since the GMS Cross-Border Transport Agreement (CBTA) took effect in December 2003, 16 of its 20 annexes and protocols, which provide the implementing guidelines for the agreement, have been signed. The remaining four are expected to be signed by the end of 2005. Arrangements for the initial implementation of the CBTA commencing in 2005 and 2006 at four pilot border crossing points (Dansavanh-Lao Bao, Mukdahan-Savannakhet, Bavet-Moc Bai, and Aranyaprathet-Poipet) have been finalized.³ The Second GMS Summit endorsed a Strategic Framework for Action on Trade Facilitation and Investment (SFA-TFI), which will enhance the benefits of the CBTA through a comprehensive set of measures to facilitate trade. These include (i) simplifying, harmonizing, and making transparent customs procedures; (ii) developing trade logistics and associated facilities; (iii) implementing inspection and quarantine measures consistent with the disciplines of the World Trade Organization; and (iv) enhancing the mobility of businesspeople in the GMS. The implementation of the SFA-TFI will complement the positive results achieved through the CBTA, and provide additional momentum to the promotion of cross-border trade and investment in the GMS.

13. In energy, the GMS Regional Indicative Master Plan on Power Interconnection and Trade, which was completed in 2002, identified potential physical power interconnections in the subregion up to 2020. Two multicountry power transmission line projects—GMS Power Interconnection Project (Viet Nam–Lao PDR–Thailand) and GMS Power Transmission Line (PRC–Lao PDR–Thailand)—were identified as priority projects. Preparatory studies are under way. The proposed GMS Power Interconnection Project would connect the power grids of Thailand with Viet Nam via Lao PDR, enabling Thailand and Viet Nam to exchange power under different monthly peak load conditions. This could also be used for power export from Lao PDR to Viet Nam. The proposed GMS Power Transmission Line, interconnecting Yunnan, PRC, Lao PDR, and Thailand, would enable the export of about 3,000 megawatts of power from the China Southern power grid to the Thailand power grid by around 2013. It could facilitate electricity exports from hydropower projects to be developed in northern Lao PDR and Thailand. To complement these developments, the Regional Power Trade Operating Agreement (PTOA)—the regulatory, institutional, and commercial framework for implementing the Intergovernmental Agreement on Regional Power Trade—is being formulated under the auspices of ADB regional

³ Initial implementation of the CBTA started at the Dansavanh-Lao Bao border crossing points between Lao PDR and Viet Nam on 30 June 2005.

technical assistance (RETA). A memorandum of understanding (MOU) on the guidelines for implementation of the first stage of PTOA was signed at the Second GMS Summit. An energy sector strategy study will also start in late 2005 to expand energy sector cooperation among the GMS countries to cover all forms of energy, including fossil fuels and renewable energy. This study will also propose strategies and institutional mechanisms to attract private sector investments to cross-border energy projects.

14. In telecommunications, the GMS countries progressively have been putting in place their respective sector reform agendas to create an enabling environment for private sector investments in information and communications technology (ICT) services. At the Second GMS Summit, telecommunications operators in the GMS signed an MOU for the planning and implementation of a GMS information superhighway, covering (i) construction of facilities; (ii) acceleration of ICT development; (iii) improvement of service quality; and (iv) narrowing of the digital divide⁴ in international voice, international bandwidth, international Internet providers, and e-applications. A GMS ICT Phase I project in Cambodia and Lao PDR, which would provide the physical infrastructure and software for social service delivery to provincial, remote, and rural areas using ICT, is included in the indicative lending pipeline for 2007.

15. In tourism, a 10-year strategic framework and associated 5-year action plan were completed in June 2005. These identified 29 high-priority investment projects focusing on, among other things, (i) promoting the subregion as a single tourism destination, (ii) developing tourism-related infrastructure, (iii) improving standards for the management of natural and cultural resources for conservation and tourism, and (iv) promoting pro-poor community-based tourism. Future ADB assistance in the GMS tourism sector consists of planned loans to Cambodia, Lao PDR, and Viet Nam to improve the tourism sector's ability to promote improved livelihoods and reduce poverty.

16. The Second GMS Summit emphasized the importance of strengthening cooperation in the agriculture sector, particularly in addressing animal disease issues and promoting technological exchanges and information sharing. Two RETA projects approved in 2004 are in line with these priority areas.⁵ The project on the control of transboundary animal diseases led to the signing of an MOU at the Second GMS Summit on cooperation in the prevention and control of animal epidemics in the subregion. A regional prevention and control system to curb the outbreak, transmission, and spread of animal epidemics will be established. The second ADB-assisted project involves strengthening the capacity and regional cooperation for the safe use of advanced agricultural science and technology for food safety.

2. Private Sector Development

17. GMS leaders and representatives of the business community held discussions for the first time at the Second GMS Summit. The dialogue addressed specific issues affecting private sector participation in infrastructure development, trade and investment facilitation, and ICT. The talks highlighted three key points: (i) a synchronized approach to legal and regulatory reforms will become increasingly crucial as business strategies become more outward looking and oriented towards regional and global supply chains; (ii) governments need to strengthen

⁴ Refers to gaps that exist between groups regarding their ability to use ICT effectively, as well as to gaps between groups that have access to quality and useful digital content, and those that do not.

⁵ RETA 6192 (ADB. 2004. *Technical Assistance to Cambodia, People's Republic of China, Lao People's Democratic Republic, Thailand, and Viet Nam for Transboundary Animal Disease Control in the Greater Mekong Subregion*. Manila), and RETA 6214 (ADB. 2004. *Technical Assistance for Strengthening Capacity in Regional Cooperation in Advanced Agricultural Science in the Greater Mekong Subregion*. Manila).

institutional mechanisms to support business; and (iii) policies, products, processes, and markets for information systems need to ensure widespread application in the subregion. Interaction between GMS governments and the private sector was intensified through the Mekong Development Forum (MDF) held in Tokyo on 14–15 July 2005. The theme of the Tokyo MDF was public-private partnerships in infrastructure development. A consensus was forged during the MDF dialogue sessions on the need to step up private sector participation in infrastructure development in the GMS to ensure rapid delivery of key infrastructure facilities, particularly in the power and transport sectors. The Tokyo MDF will be followed by an MDF in New Delhi, cohosted by the Confederation of Indian Industry. To facilitate private sector investment in the GMS, it was agreed that ADB will explore the feasibility of establishing a mechanism to mitigate trade- and investment-related risks. To support private sector development in the subregion, the GMS Business Forum (GMS BF), with support from ADB and the United Nations Economic and Social Commission for Asia and the Pacific, has been mainstreamed into the GMS program processes. It has played a key role in the Private Sector Consultation Meeting and the Business Forum for the Summit. The GMS BF hosted an East-West Economic Corridor Investors' conference in June 2005 to showcase the emerging opportunities for investment in the corridor.

3. Human Development

18. For more than a year, subregional cooperation in human resource development has been expanded and sustained through the GMS Phnom Penh Plan for Development Management (PPP). ADB and external funding agencies, including the governments of PRC, France, and New Zealand, have provided financial assistance to the PPP. In 2004, phase I of the PPP supported training for about 300 middle- and senior-level officials. A Learning Resource Center has been established at ADB's Cambodia Resident Mission as a one-stop knowledge source and information gateway on the GMS. The Journal on GMS Development Studies and a PPP Newsletter were also launched in 2004. Under phase II of PPP, six new training programs will be added and implemented in 2005. In addition, a strategy for capacity building in the GMS is being formulated in consultation with key stakeholders.

19. Another dimension of subregional cooperation in human resource development addresses challenges associated with increased physical connectivity, namely: (i) communicable diseases control (CDC), (ii) prevention of human trafficking, (iii) social protection for ethnic minorities, and (iv) improved access to basic education.⁶ CDC is a top priority for regional collaboration in view of the expansion and emergence of diseases such as HIV/AIDS,⁷ SARS⁸, and avian flu, as well as endemic diseases such as malaria and tuberculosis. ADB is preparing a GMS CDC project that will be submitted for Board consideration in the second half of 2005. In addition, a proposal to set up a GMS Forum on CDC is under consideration, and a RETA titled "Strengthening Malaria Control Strategies for Ethnic Minorities in the GMS" was approved on 23 May 2005.⁹

⁶ RETA 6171 (ADB. 2004. *Technical Assistance for Reviewing Poverty Impact of Regional Economic Integration*. Manila), financed by the National Poverty Reduction Strategies Fund for \$750,000 and RETA 6190 (ADB. 2004. *Technical Assistance for Preventing the Trafficking of Women and Children and Promoting Safe Migration in the GMS*. Manila), financed by the Poverty Reduction Cooperation Fund for \$700,000 were approved after the RCSP approval in March 2004, and are being implemented.

⁷ Human immunodeficiency virus/acquired immunodeficiency syndrome.

⁸ Severe acute respiratory syndrome.

⁹ RETA 6243 (ADB. 2005. *Technical Assistance to the Greater Mekong Subregion for Strengthening Malaria Control for Ethnic Minorities*. Manila) financed by the Poverty Reduction Cooperation Fund for \$750,000.

4. Environmental and Shared Natural Resources Management

20. Since the RCSP was approved, environment and natural resource management has been one of the most dynamic areas of progress, commencing with the publication in early 2004 of the first GMS Atlas on the Environment. At a meeting in Shanghai, PRC in May 2005, GMS environment ministers agreed on a GMS Core Environment Program (CEP), which subsequently was endorsed at the Second GMS Summit. The CEP, a systematic and integrated program to sustainably manage shared resources in the subregion, consists of six closely linked components: (i) securing critical ecosystems in economic corridors; (ii) ensuring sustainable investments in key sectors (e.g., hydropower, transport, tourism); (iii) conserving biodiversity in priority GMS landscapes; (iv) implementing sustainable financing for conservation; (v) establishing the Environment Operations Center (EOC) as secretariat to support the CEP and the Working Group on Environment; and (vi) integrating environment into development planning. With expected contributions from bilateral and multilateral development partners, ADB will administer a multiyear cluster RETA project to support the CEP. The EOC is expected to be established by early 2006. Development partners, such as the Swedish International Development Cooperation Agency and the World Wildlife Fund are programmed to second experts to the EOC. An ADB RETA is also being provided to support the Flood Management and Mitigation Programme of the Mekong River Commission, flood-proofing measures, and capacity building for the National Mekong Committees. ADB is planning loans to Cambodia, Lao PDR, and Viet Nam to implement the recommended structural and flood-proofing measures.

5. Broad-Based Participation and Governance

21. ADB has sought to increase and improve the participation of stakeholders, including civil society, in its decision making. Pursuant to this objective, ADB formulated the *ADB-Government-NGO Cooperation: A Framework for Action, 2003–2005*,¹⁰ which has served as a road map to guide cooperation between ADB, governments, and nongovernment organizations over the medium term. The framework has considered ways to engage civil society systematically in regional programming. In January 2004, ADB organized a regional tripartite workshop in Bangkok involving ADB, civil society organizations, and the GMS governments. In the context of the framework, the workshop reviewed the draft of the RCSP and explored opportunities for strengthening tripartite cooperation to fight poverty in the GMS. As a follow-up to the regional tripartite workshop, national workshops were held in Vientiane and Hanoi in March 2005. At these workshops, civil society groups highlighted the need to ensure that careful attention is given to social and environmental impacts of infrastructure development in the GMS, including impacts on traditional lifestyles, forestry, biodiversity, ethnic minorities, and women. The outcome of these workshops was taken into account in the preparation of this RCSP update, and will be considered in addressing regional dimensions of the new country strategy and programs (CSP) for Lao PDR, and Viet Nam.

6. Institutional Strengthening and Capacity Building: The Way Ahead

22. In the Kunming Declaration, GMS leaders, recognizing the central coordinating role of ADB in the GMS program, stated: "We recognize and highly appreciate the unique and dynamic role that ADB has played in catalyzing and supporting the GMS program. Its task, however, has

¹⁰ 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). The RETA is expected to be completed in 2005 with recommendations on how to make consultations with civil society a regular part of the GMS programming exercises.

become more complex and urgent. ADB needs to play an even larger role and to support us at higher levels of resource and knowledge transfers. Its role in bringing the GMS onto the center stage of economic integration in Asia will be crucial" (see Appendix 2). At the same time, ADB has emphasized further the promotion of regional integration through a strategy that prioritizes (i) provision of connectivity infrastructure and integration of markets, (ii) trade and investment integration, (iii) monetary and financial cooperation, and (iv) provision of regional public goods. The work program of the Mekong Department underscores the effective planning and coordination of the delivery of an increasing number of GMS projects, and enhanced provision of knowledge on key issues related to economic cooperation and integration. The RCSP update's pipeline of lending and nonlending products and services for 2006–2008 (Tables A6.1 and A6.2), as well as intensified efforts to mobilize resources from development partners, demonstrate this thrust. In particular, the content of the RCSP update's nonlending pipeline reflects an increasing focus on capacity building for knowledge transfers, as well as information exchanges.

23. ADB is supporting the strengthening of GMS national secretariats and the enhancement of their role in planning and managing the GMS program, as well as capacity building through the PPP (para. 18). An ADB RETA titled "Enhancing the Development Effectiveness of the GMS Economic Cooperation Program" will be submitted for Board consideration in the second half of 2005. Among other things, this RETA would assist in building capacity for managing for development results in the GMS institutional framework, and for the development of monitorable indicators to measure achievement (Appendix 4). It would also strengthen capacity for rapid assessment and timely response to emerging subregional developments and issues.

B. Highlights in Coordination of External Funding and Partnership Arrangements

24. The implementation of the RCSP has benefited from strengthened partnerships with other external aid/funding agencies. This has noticeably improved the provision of intellectual and financial resources in support of the program. Since the RCSP was approved, the mobilization of the interest and support of external aid/funding agencies for the GMS program has increased substantially. Key RETA projects have been supported by bilateral aid agencies, including PRC, Finland, France, Japan, Netherlands, New Zealand, Sweden, and UK. France and Sweden, in particular, have initiated actions to strengthen their partnership with the GMS program. In addition, PRC established in 2005 a Poverty Reduction Cooperation Fund that has assisted GMS TA activities. The World Bank has supported initiatives in regional power trade, as well as trade facilitation and customs modernization. Other multilateral and bilateral agencies have participated in the activities of the GMS sector working groups. This outcome has been the result of intensive efforts to build development partnerships, including with the private sector, through initiatives such as the Development Partners' Meetings, which are held as part of the GMS Ministerial Conferences; the MDF (para. 17); and donor consultation missions.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

25. **GMS Lending Portfolio.** As of June 2005, ADB had extended loans totaling almost \$1.4 billion (\$850 million from ordinary capital resources [OCR] and \$531 million from the Asian Development Fund [ADF]) for 19 investment projects with a total project cost of \$5.1 billion. These projects are in transportation (12 projects), energy (4), and tourism (3). GMS governments and development partners have provided about \$2.1 billion and \$1.6 billion, respectively, for these 19 projects. Since the RCSP was approved in March 2004, ADB has

extended \$200 million in public sector lending, and leveraged \$1.27 billion in private sector and external aid/funding agencies' finance for two GMS projects. As of June 2005, cumulative commitments/contracts for the 19 loan projects amounted to \$904 million (of the total ADB net loans of about \$1,380 million), with \$707 million already disbursed for key project activities.

26. **GMS Nonlending Portfolio.** As of June 2005, 103 technical assistance (TA) projects with a total cost of \$109 million had been completed or were under way. ADB's TA resources financed about 60% of this amount, or about \$60 million. More than a third was mobilized from cofinanciers. The nonlending portfolio consisted of (i) 65 advisory TAs and economic, thematic, and sector work to address issues in the nine sectors of GMS cooperation; (ii) 28 project preparation studies for priority GMS projects; and (iii) 10 core projects to support the coordination of the GMS program, including sector working group meetings and other related events. Since the RCSP was approved, ADB has approved 24 TA projects with a total cost of \$20.5 million, for which it has provided \$10.8 million. Most of these TAs support the development of social infrastructure; assist in the implementation of the CEP; and formulate strategically significant road maps in transport, tourism, and trade facilitation.

B. Performance Monitoring and Evaluation

27. As of June 2005, 13 of the 19 GMS loan projects were ongoing, while 6 had been completed. Two projects are expected to be completed by the end of 2005, while the rest have completion dates in 2006 and beyond. The GMS Power Transmission project in Cambodia¹¹ is the only ongoing project rated as "at risk" due to a significant delay in securing loan effectiveness¹² (Appendix 5). Of the six completed projects, two were post-evaluated, and both were found to be successful. All ongoing GMS loan projects are rated as meeting their development objectives. About 95% of the projects have a satisfactory or highly satisfactory rating in project implementation progress.

IV. LEVEL OF ASSISTANCE PROPOSED AND CHANGES TO THE LENDING AND NONLENDING PROGRAM

A. Level of Assistance Proposed

28. ADF allocation for subregional projects bank-wide has been set at \$169 million for 2005 and 2006 (or around \$85 million per year). The GMS is likely to receive about \$30 million–\$40 million a year, on average, from the ADF regional allocation, which is in addition to the country-specific indicative planning figures under the performance-based allocation system. This amount is well below the likely financial requirements of the GMS lending program for 2006–2008. This highlights the need to mobilize additional resources, including the private sector, and to explore the use of OCR for revenue-generating projects with loan payment capability. The proposed indicative lending program for 2006–2008, which is subject to resource availability, is in Appendix 6 (Table A6.1).

29. The indicative program for nonlending products and services (NLPS) for 2006–2008 consists of 29 projects. ADB (Technical Assistance Special Fund [TASF] and Japan Special Fund [JSF]) is expected to contribute about \$20 million, while about \$7 million will come from

¹¹ Loan 2052 (ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Cambodia for the Greater Mekong Subregion Transmission Project*. Manila) approved on 16 December 2003 for \$44.3 million.

¹² This resulted from the delay of about 1 year in the formation of the Cambodian Government following the July 2003 election.

other sources. The average ADB financing for these projects is about \$6.7 million per year. This average figure is within historical (2002–2005) allocations of ADB resources for GMS NLPS. However, sector strategy studies in transport, energy, tourism, and trade facilitation are likely to generate a substantial number of downstream project proposals for the GMS program, which will result in increased demand for project preparatory TA projects in the 2006–2008 NLPS program. The proposed indicative nonlending program is in Appendix 6 (Table A6.2).

B. Summary of Changes to Lending and Nonlending Program

30. The lending and NLPS programs in the RCSP update have been formulated to respond to the mandate given by the GMS leaders at their second summit—to accelerate the rate of progress in GMS regional cooperation through a higher level of resource mobilization and facilitation of increased knowledge transfer, and to reinforce the development of subregional infrastructure. Key changes to the RCSP lending program, which reflect the status of project preparation, include:

- (i) The GMS Kunming–Haiphong Transport Corridor Project for Viet Nam, originally scheduled for 2005, was broken down into four subprojects in line with the results of the prefeasibility study: (a) GMS Kunming–Haiphong engineering loan in 2005, (b) GMS: Hanoi–Lao Cai Railway Upgrade in 2006, (c) GMS Kunming–Haiphong Expressway Project Phase I in 2007, and (d) GMS Kunming–Haiphong Expressway Project Phase II in 2008.
- (ii) A loan for upgrading a road in northern Lao PDR, which is part of a new corridor linking Thailand, Lao PDR, and Viet Nam, was added to the 2007 program.
- (iii) Two transport projects in Yunnan Province, PRC, which form part of GMS road and rail networks, have included in the 2007 loan program.
- (iv) A loan for the improvement of Luang Prabang Airport in Lao PDR, which would improve access to an important GMS tourism “jewel”, was added in the 2008 lending program.
- (v) The GMS ICT Phase I Project has been rescheduled from 2005 to 2007, the GMS Power Interconnection Phase I Project from 2006 to 2007, the GMS Pro-Poor Tourism Development from 2006 to 2007, and the GMS Southern Coastal Corridor from 2006 to 2007.

31. The RCSP update’s NLPS program for 2006–2008 reflects a better balance among sectors, and focuses on priority areas highlighted at the Second GMS Summit. These include assistance for (i) project preparation for priority investment projects in infrastructure, and flood management and mitigation; (ii) the CEP; (iii) agriculture cooperation; (iv) improvement of the trade and investment environment; (v) trade and transport facilitation; (vi) ADB’s central coordinating role, including capacity building for national secretariats; and (vii) review of the GMS Long-Term Strategic Framework. The NLPS program will undergo further adjustments to take into account the outcome of the sector strategy studies in transport, energy, trade facilitation, and tourism, which are expected to be completed by 2006.

32. For reference, the respective 2005 assistance programs for lending and nonlending products and services are in Appendix 7.

SOCIOECONOMIC AND ENVIRONMENT INDICATORS

Table A1.1a: Millennium Development Goals of Greater Mekong Subregion Countries
(Earliest/Benchmark)

Goal/Target/Indicator	Earliest/Benchmark					
	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 income is less than \$1 a day						
Indicator 1. Percentage of population below the national poverty line	39.0 (1994)	9.4 ^a (1990)	48.0 (1990)	—	27.2 (1990)	58.1 ^b (1993)
Indicator 2. Poverty gap ratio	9.2 (1994)	0.4 (1990)	12.0 (1990)	—	8.0 (1990)	18.5 (1993)
Indicator 3. Share of poorest quintile in national consumption	7.4 (1993)	—	9.3 (1992)	—	4.2 (1990)	8.8 (1993)
Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger						
Indicator 4. Prevalence of underweight children under 5 years	52.0 (1990)	17.4 (1990)	34.0 (1990)	32.4 (1990)	18.6 (1990)	—
Indicator 5. Proportion of population below minimum dietary energy consumption	20.0 ^c (1993)	17.0 (1990)	31.0 (1990)	10.0 (1990–1991)	6.9 ^c (1990)	>30 (1990)
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	76.0 (1997)	97.4 (1990)	63.0 (1990–91)	97.8 (1990)	70.1 (1992)	86.0 (1990)
Indicator 7. Proportion of pupils reaching grade 5	58.0 (2001)	86.0 (1990)	48.0 (1991)	—	—	40.0 ^d (1990)
Indicator 8. Youth literacy rate	82.0 (1999)	95.3 (1990)	79.0 (1991)	88.2 (1990)	98.2 (1990)	94.1 (1990)

Goal/Target/Indicator	Earliest/Benchmark					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
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						
a. In primary education	87.0 (2001)	86.0 (1990)	77.0 (1991)	95.0 (1990)	95.0 (1991)	99.6 (1992)
b. In secondary education	63.0 ^e (2001)	—	66.0 ^e (1991)	122.7 (1991–92)	97.0 (1991)	86.1 ^e (1992)
c. In tertiary education	37.8 (2001)	52.0 (1990)	49.0 (1991)	—	100.0 (1991)	—
Indicator 10. Ratio of literate females to males (aged 15–24)	87.0 (1998)	95.3 (1990)	76.0 (1990)	96.0 (1990)	89.0 (1990)	99.0 (1990)
Indicator 11. Share of women in wage employment in the non-agriculture sector	43.7 ^f (1998)	37.7 (1990)	38.0 (1995)	36.4 (1990)	45.1 (1990)	45.2 (1990)
Indicator 12. Percentage of seats held by women in national parliament	13.0 ^g (2003)	21.0 (1990)	6.3 (1990)	—	2.2 (1990)	18.0 (1990)
Goal 4. Reduce child mortality						
Target 5. Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate						
Indicator 13. Under-5 mortality rate (per 1,000 live births)	124.0 (1998)	49.0 (1991)	170.0 (1990)	130.0 (1990)	12.8 (1990)	58.0 (1990)
Indicator 14. Infant mortality rate (per 1,000 live births)	80.0 (1990)	38.0 (1990)	120.0 (1990)	47.0/ Urban/ 48.8 Rural, (1990)	34.5 (1991)	44.0 (1990)
Indicator 15. Proportion of 1-year-old children immunized against measles	41.4 (2000)	98.0 (1990)	62.0 (1996)	90.0 (1990)	78.0 (1990)	85.0 (1990)
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)	590.0 (1995)	88.9 (1990)	650.0 (1990)	100.0/ Urban/ 190.0 Rural, (1990)	36.2 (1990)	249.0 (1990)

Goal/Target/Indicator	Earliest/Benchmark					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
Indicator 17. Proportion of births attended by skilled health personnel	32.0 (2000)	50.3 (1990)	14.0 (1994)	56.4 (1997)	90.8 (1990)	78.5 ^h (1990)
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 rate among pregnant women aged 15–24 years attending antenatal care	3.9 ⁱ (1997)	—	—	—	0 (1990)	—
Indicator 19. Condom use rate of the contraceptive prevalence rate	2.0 (1995)	2.0 (1992)	1.0 (1993)	1.0 (1992)	3.0 (1993)	8.0 (1997)
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 prevalence rate (per 100,000)	—	—	—	—	—	—
b. Malaria death rate (per 100,000)	—	—	9.0 (1990)	—	1.4 (1995)	7.3 (1991)
Indicator 23. Prevalence and death rates associated with tuberculosis (TB)						
a. TB Prevalence rate (per 100,000)	428 (1997)	134 (1990)	144 (1990)	513 (1990)	35.3 (1992)	563 (1990)
b. TB Death rate (per 100,000)	90 (1997)	24 (1990)	37 (1990)	45 (1990)	6.8 (1990)	42 (1990)
Indicator 24. Proportion of tuberculosis cases detected and cured under directly observed treatment, short course						
a. Detection rate	57.0 (2002)	15.0 (1995)	24.0 (1996)	32.4 (1994)	5.0 (1997)	30.0 (1995)
b. Treatment success rate	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	60.0 (1992–2002)	13.0 (1990)	47.0 (1990)	60.2 (1990)	28.0 (1990)	27.0 (1990)

Goal/Target/Indicator	Earliest/Benchmark					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
Indicator 26. Ratio of area protected to surface area	17.0 (1994)	8.0 (1994)	12.0 (1993)	5.0 (1994)	12.4 (1990)	6.7 (2001)
Indicator 27. GDP/Unit of Energy use (PPP\$/kg oil equivalent)	—	1.8 (1996)	—	—	—	—
Indicator 28. CO ₂ emissions and consumption of ozone-depleting CFCs						
a. CO ₂ emission per capita (metric tons per capita); from all sources for Lao PDR	0.0 (1990)	2.0 (1996)	4.1 (1990)	0.1 (1990)	2.4 (1991)	0.3 (1990)
b. Consumption of ozone depleting CFCs (ODP tons)	—	41,829 (1990)	50 (1999)	16 (1992)	7,263 (1990)	303 (1991)
Indicator 29. Proportion of population using solid fuels	92.0 (1993)	—	97.0 (1995)	—	65.5 (1990)	—
Target 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation						
Indicator 30. Percentage of population with sustainable access to safe drinking water	20.0 (1995)		39.0 (1990)			48.0 (1990)
a. Urban		87.0 (1990)		38.0 (1992–93)	96.5 (1990)	
b. Rural		31.0 (1990)		36.0 (1992–93)	76.4 (1990)	
Indicator 31. Percentage of population with access to improved sanitation	20.0 (1994)		24.0 (1998–1991)			29.0 (1990)
a. Urban		56.0 (1990)	30.0 (1990)	44.0 (1992–93)	99.0 (1990)	
b. Rural		8.0 (1993)		39.0 (1992–93)	83.1 (1990)	
Target 11. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers						
Indicator 32. Proportion of households with access to secure tenure	36.6 ^j (1993)	—	—			36.5 ^k (1993)
a. Urban					87.8 (1990)	
b. Rural					96.0 (1990)	
Goal 8. Develop a global partnership for development						
Target 15. Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term						

Goal/Target/Indicator	Earliest/Benchmark					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
Indicator 36. ODA received in landlocked developing countries as a proportion of their GNIs			17.4 (1990)			
Indicator 44. Debt service as percent of exports of goods and services	4.0 (1992)	11.7 (1990)	8.7 (1990)	18.4 (1990)	16.9 (1990)	4.1 (1996)
Target 16. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth						
Indicator 45. Youth unemployment rate	2.5 (1994)	2.5 (1990)	—	—	4.3 (1990)	—
Target 18. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technology						
Indicator 47. Telephone lines and cellular subscribers per 100 population						
a. Telephone lines	0.03 (1990)	0.60 (1990)	0.16 (1990)	0.23 (1991–1992)	2.37 (1990)	0.14 (1990)
b. Cellular subscribers	0.05 (1993)	0.01 (1992)	0.01 (1992)	0.01 (1995)	0.06 (1990)	0.01 (1993)
Indicator 48. 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, CO₂ = 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.

^a Using \$1-a-day poverty line, the proportion of poor rural population in 1990 was 31.3%.

^b Proportion of population living on less than \$1-a-day in 1993 was 50.8%.

^c Refers to proportion of population below the food poverty line.

^d Refers to primary completion rate.

^e Refers to lower secondary.

^f Refers to female share of wage employment in industry (secondary sector) while share in services sector (tertiary) was 21%.

^g Refers to proportion of seats held by women in the Senate while the proportion of women participating in the National Assembly was 12%.

^h Based on routine monitoring.

ⁱ Refers to HIV prevalence rate for population, 15–49 years old.

^j Indicator used is urban poverty incidence, excluding Phnom Penh.

^k Refers to percentage of households living in temporary houses.

Sources: **Cambodia:** ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. February 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; Ministry of Planning of Cambodia with funding from UNDP and SIDA. November 2003. *Cambodia Millennium Development*

Goals Report 2003; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available: http://millenniumindicators.un.org/unsd/mi/mi_goals.asp; **PRC**: ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. September 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*. 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: <http://www.nscb.gov.ph/poverty/conference/papers/default.asp>; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp; UN Resident Coordinator in China. 2004. *Millennium Development Goals. China's Progress 2003*. China. **Lao PDR**: ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. August 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. May 20, 2005. *Millennium Indicators Database*. Available 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. August 1998. *Handbook on Human Resources Development Indicators*, 1998. Yangon; Central Statistical Organization. 2002. *Statistical Yearbook 2002*. Yangon; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available 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. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp. **Viet Nam**: ADB. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. July 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. November 2003. *Millennium Development Goals Progress Report: Closing the Millennium Gaps*. Hanoi; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp.

Table A1.1b: Millennium Development Goals of Greater Mekong Subregion Countries
(Latest)

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 income is less than \$1 a day						
Indicator 1. Percentage of population below the national poverty line	35.9 (1999)	2.8 ^a (2004)	32.7 (2002–03)	22.9 (1997)	9.8 (2002)	28.9 ^b (2002)
Indicator 2. Poverty gap ratio	6.5 (1999)	0.7 (1998)	6.3 ^c (1997–98)	—	2.4 (2002)	6.9 (2002)
Indicator 3. Share of poorest quintile in national consumption	8.9 (1999)	4.7 (2001)	7.8 (1997)	—	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	45.2 (2000)	14.3 (2002)	40.0 (2000)	35.3 (2000)	8.6 ^d (2002)	34.0 (2001)
Indicator 5. Proportion of population below minimum dietary energy consumption	11.5 ^e (1999)	11.0 (2000)	29.0 (1998)	6.0 (2000–02)	2.2 ^e (2002)	11.0 (2002)
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	91.0 (2003)	98.6 (2002)	83.0 (2001–02)	82.8 (2003–04)	80.4 (1998)	92.0 (2002)
Indicator 7. Proportion of pupils reaching grade 5	—	98.0 (2000)	62.0 (2000–2001)	59.9 (2000)	85.9 ^f (1996)	77.0 ^g (2002)
Indicator 8. Youth literacy rate	—	97.9 (2001)	79.0 (2001)	94.4 (2000–04)	98.0 (2000)	98.0 (2000–04)
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						

Goal/Target/Indicator	Latest											
	Cambodia		China, People’s Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
Indicator 9. Ratio of girls to boys												
a. In primary education	87.7	(2002–2003)	90.0	(2002)	84.0	(2002)	98.8	(2003–04)	93.0	(2000)	98.1	(2000)
b. In secondary education	66.9 ^h	(2002–2003)	85.0	(2002)	74.0 ^h	(2002)	97.2	(2003–04)	101.0	(2000)	93.0 ^h	(2000)
c. In tertiary education	—		—		58.0	(2002)	175.0	(2000)	115.0	(2001)	76.0	(2001)
Indicator 10. Ratio of literate females to males (aged 15–24)	89.8	(2002–2003)	99.0	(2000–2004)	85.0	(2002)	98.0	(2000–04)	100.0	(2000–04)	10.0	(2003)
Indicator 11. Share of women in wage employment in the non-agriculture sector	60.8 ⁱ	(2001)	39.4	(2002)	38.0	(1995)	—		46.9	(2003)	51.8	(2003)
Indicator 12. Percentage of seats held by women in national parliament	—		20.0	(2005)	23.0	(2003)	—		9.6	(2001)	27.3	(2005)
Goal 4. Reduce child mortality												
Target 5. Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate												
Indicator 13. Under-5 mortality rate (per 100,000 live births)	120.0	(2003)	34.9	(2002)	106.0	(1999)	77.8	(1999)	16.9	(1998)	38.0	(2002)
Indicator 14. Infant mortality rate (per 100,000 live births)	96.0	(2002)	30.0	(2002)	87.0	(2002)	48.3/ 50.1	Urban/ Rural (2001)	22.0	(2002)	30.0	(2002)
Indicator 15. Proportion of 1-year-old children immunized against measles	65.0	(2003)	84.0	(2003)	42.0	(2003)	75.0	(2003)	94.0	(2002)	93.0	(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)	437.0	(2000)	56.0	(2001)	530.0	(2000)	100.0/ 180.0	Urban/ Rural, (2001)	24.0	(2002)	165.0	(2002)
Indicator 17. Proportion of births attended by skilled health personnel	—		79.4	(2003)	19.0	(2001)	77.5	(2000)	98.0	(2001)	85.0 ^j	(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 rate among pregnant women aged 15–24 years attending antenatal care	2.6 ^k	(2002)	0.06–.11 ^l	(2002)	0.06 ^k	(2003)	—		1.4	(2002)	0.28 ^k	(2002)

Goal/Target/Indicator	Latest					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
Indicator 19. Condom use rate of the contraceptive prevalence rate	4.0 (2000)	4.0 (1997)	2.0 (2000)	1.0 (2001)	3.0 (1997)	7.0 (2002)
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 prevalence rate (per 100,000 people)	476 (2000)	1 (2000)	7.6 (2000)	224 (2000)	117 (2001)	95 (2000)
b. Malaria death rate (per 100,000 people)	14 (2000)	0 (2000)	3.5 (2002)	20 (2000)	0.68 (2001)	.078 (2002)
Indicator 23. Prevalence and death rates associated with tuberculosis (TB)						
a. TB Prevalence rate (per 100,000)	—	107 (2001)	—	183 (2003)	48.4 (2001)	238 (2003)
b. TB Death rate (per 100,000)	90 (2002)	18 (2003)		24 (2003)	5.6 (1999)	22 (2003)
Indicator 24. Proportion of tuberculosis cases detected and cured under directly observed treatment, short course						
a. Detection rate	—	43 (2003)	47 (2002)	73.0 (2003)	72.0 (2003)	86 (2003)
b. Treatment success rate	—	93 (2003)	83 (2002)	82.0 (2003)	74.0 (2003)	92 (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	—	18.2 (2004)	47.0 (1992)	50.8 (2001–02)	33.4 (2000)	35.8 (2002)
Indicator 26. Ratio of area protected to surface area	22.0 (2004)	15.0 (2004)	16.0 (2004)	5.0 (2004)	17.6 (2002)	7.5 (2003)
Indicator 27. GDP/Unit of Energy use (PPP\$/kg oil equivalent)	—	4.2 (2000)	—	—	—	4.0 (2001)
Indicator 28. CO ₂ emissions and consumption of ozone-depleting CFCs						
a. CO ₂ emission per capita (metric tons per capita)	0.05 (1999)	2.3 (1999)	0.1 (2000)	0.2 (2002)	2.5 (2001)	0.7 (2000)
b. Consumption of ozone depleting CFCs (ODP tons)	—	33,923 (2001)	42 (2002)	39 (2001)	3,375 (2001)	243 (2001)

Goal/Target/Indicator	Latest						
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam	
Indicator 29. Proportion of population using solid fuels	—	80.0 (1996)	96.0 (2000)	95.0 (2004)	30.5 (2002)	70.0 (2003)	
Target 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation							
Indicator 30. Percentage of population with sustainable access to safe drinking water	26.0 (2000)	75.0 (2000)	37.0 (2004)	71.5 (2000)		56.0 (2002)	
a. Urban		94.0 (2000)	—	89.2 (2000)	97.0 (2000)	78.0 (2002)	
b. Rural		58.0 (2003)	—	65.8 (2000)	91.0 (2000)	44.0 (2002)	
Indicator 31. Percentage of population with access to improved sanitation	21.0 (2000)		30.0 (2000)	63.1 (2000)		47.0 (2000)	
a. Urban	56.0 (2000)	69.0 (2000)	67.0 (2000)	83.6 (2000)	99.5 (2000)	82.0 (2000)	
b. Rural	14.0 (2000)	51.0 (2003)	—	56.5 (2000)	97.0 (2000)	—	
Target 11. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers							
Indicator 32. Proportion of households with access to secure tenure	—	37.8 (2001)		—	93.6 (2000)	23.6 ^m (2002)	
a. Urban			90.7 (1995)		91.2 (2000)		
b. Rural			—		94.8 (2000)		
Goal 8. Develop a global partnership for development							
Target 15. Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term							
Indicator 36. ODA received in landlocked developing countries as a proportion of their GNIs			16.1 (2003)				
Indicator 44. Debt service as percent of exports of goods and services	2.3 (2004)	7.5 (2004)	9.4 (2004)	4.3 (2003)	8.4 (2004)	6.7 (2004)	
Target 16. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth							
Indicator 45. Youth unemployment rate	3.0 (2001)	3.1 (2000)	3.1 (1995)	—	5.8 (2002)	4.3 (2002)	

Goal/Target/Indicator	Latest					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
Target 18. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technology						
Indicator 47. Telephone lines and cellular subscribers per 100 population						
a. Telephone lines	0.25 (2001)	20.33 (2003)	1.12 (2002)	0.60 (2001–02)	9.6 (2001)	6.85 (2002)
b. Cellular subscribers	1.66 (2002)	20.89 (2003)	1.00 (2002)	0.03 (2002)	3.89 (2001)	2.34 (2002)
Indicator 48. Personal computers and internet users per 100 population						
a. Personal computers	0.23 (2003)	2.76 (2002)	0.35 (2003)	0.56 (2003)	3.98 (2002)	0.98 (2002)
b. Internet users	0.25 (2003)	6.15 (2003)	0.33 (2003)	0.05 (2003)	11.05 (2003)	4.30 (2003)

— = not available, CFC = chlorofluorocarbon, CO₂ = 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, PRC = People's Republic of China.

^a Proportion of rural population below \$1-a-day was 16.6% in 2001.

^b Proportion of people living on less than \$1-a-day was 10.6% in 2004.

^c Poverty gap at \$1-a-day.

^d Excluding Bangkok.

^e Refers to proportion of population below the food poverty line.

^f Refers to retention rate covering grades 1–6 following Thailand's education system.

^g Refers to primary completion rate.

^h Refers to lower secondary level.

ⁱ In industry (a secondary sector); share of women in wage employment in services (tertiary sector) was 25%.

^j Based on the results of the 2002 Viet Nam Demographic and Health Survey.

^k Refers to HIV prevalence among adults, 15–49 years old.

^l Refers to HIV/AIDS incidence rate for adults, 15–49 years old.

^m Refers to percentage of households living in temporary houses.

Sources: **Cambodia:** ADB. *Asian Development Outlook 2005*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. February 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; Ministry of Planning of Cambodia with funding from UNDP and SIDA. November 2003. *Cambodia Millennium Development Goals Report 2003*; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available: http://millenniumindicators.un.org/unsd/mi/mi_goals.asp; **PRC:** ADB. *Asian Development Outlook 2005*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. September 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*. China Statistics Press; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available: http://millenniumindicators.un.org/unsd/mi/mi_goals.asp; UN Resident Coordinator in China. 2004. *Millennium Development Goals. China's Progress 2003*. China. **Lao PDR:** ADB. *Asian Development Outlook 2005*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. August 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. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp. **Myanmar:** ADB. *Poverty and Development Indicators Database*. Manila; IMF. 2004. IMF staff estimates. Washington, D.C.; Department of Educational Planning and Training. *Selected Basic Education Indicators, FY1998/99–FY2003/04*. Yangon; Department of Health Planning. *Health Sector. Recent Achievement in Prevention and Control of Communicable Diseases in Myanmar. FY1988/89 to FY2003/04*. Yangon; Department of Labour of Myanmar and UNFPA February 2004. *Handbook on Human Resources Development Indicators, 2003*. Yangon; Ministry of Health of Myanmar. 2004. *Health in Myanmar*. Yangon; Central Statistical Organization. 2002. *Statistical Yearbook 2002*. Yangon; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp. **Thailand:** ADB. *Asian Development Outlook 2005*. Manila; 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. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp. **Viet Nam:** ADB. *Asian Development Outlook 2005*. 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. November 2003. *Millennium Development Goals Progress Report: Closing the Millennium Gaps*. Hanoi; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available http://millenniumindicators.un.org/unsd/mi/mi_goals.asp.

Table A1.2: Economic Indicators of GMS Countries

Item	1992						2004					
	Cambodia	Lao PDR	Myanmar	Thailand	Viet Nam	Yunnan Province, PRC	Cambodia	Lao PDR	Myanmar	Thailand	Viet Nam	Yunnan Province, PRC
A. Income and Growth												
1. GDP per capita (current, \$)	220	271	—	1,945	144	293	348	402	176 ^a	2,544	500	681 ^b
2. GDP growth (%, in constant prices)	7.0	7.0	9.7	8.1	8.7	10.9	6.0	6.5	13.8 ^c	6.1	7.5	8.6 ^b
a. Agriculture	1.9	8.3	10.5	4.8	6.9	3.0	(2.4)	3.5	11.7 ^c	(4.4)	2.8	5.5 ^b
b. Industry	15.7	7.8	12.7	9.9	12.8	16.8	16.9	11.4	20.7 ^c	8.2	10.2	10.5 ^b
c. Services	11.1	3.9	7.6	7.5	7.6	13.4	7.3	7.3	14.5 ^c	6.2	7.4	8.3 ^b
B. Savings and Investments (% of GDP)												
1. Gross domestic investment	9.8	—	13.5	40.0	17.6	41.1	20.7	22.0	11.0 ^c	27.1	35.5	46.5 ^b
2. Gross national savings	—	—	12.8	33.8	—	33.2	—	—	11.0 ^c	31.5	—	35.2 ^b
C. Money and Inflation (annual % change)												
1. Consumer price index	96.1	9.9	21.9	4.2	—	5.6	3.9	10.6	36.6 ^c	2.7	9.5 ^d	1.4 ^b
2. Total liquidity (M2)	214.0	49.0	35.6	15.6	33.7	31.3 ^e	30.1	21.3	11.0 ^c	5.4	28.0	14.6 ^e
D. Government Finance (% of GDP)												
1. Revenue and grants	6.2	15.4	8.4	18.1	19.0	17.7	10.9	11.9	4.6 ^c	17.6	24.4	9.3 ^b
2. Expenditure and onlending	9.8	20.7	10.5	15.6	21.5	19.7	17.3	16.7	9.5 ^c	17.3	27.9	23.8 ^b
3. Overall fiscal surplus (deficit)	(3.6)	(5.2)	(2.1)	2.6	(2.4)	(2.0)	(6.4)	(4.8)	(4.9) ^c	0.3	(3.8)	(14.5) ^b
E. Balance of Payments												
1. Merchandise trade balance (% of GDP)	(9.0)	(11.3)	(0.3)	(3.5)	(0.6)	2.3 ^f	(14.4)	(6.2)	4.3 ^g	1.0	(11.5)	2.3 ^{b, f}
2. Current account balance (% of GDP)	(1.3)	(4.4)	(0.3)	(5.5)	(0.1)	1.3 ^e	(9.8)	(0.5)	0.2 ^{c, g}	4.5	(5.7)	3.3 ^e
3. Merchandise export (\$) growth (annual % change)	24.5	37.3	114.1	13.8	21.2	16.4 ^f	21.7	7.6	3.0 ^c	23.0	30.3	17.3 ^{b, f}
4. Merchandise import (\$) growth (annual % change)	81.0	61.1	111.0	6.0	20.4	36.4 ^f	22.2	9.5	(4.9) ^c	26.9	26.0	24.4 ^{b, f}

Item	1992						2004					
	Cambodia	Lao PDR	Myanmar	Thailand	Viet Nam	Yunnan Province, PRC	Cambodia	Lao PDR	Myanmar	Thailand	Viet Nam	Yunnan Province, PRC
F. External Payments Indicators												
1. Gross official reserves (including gold, \$ million)	—	40.9	292.2	21,182.0	—	21,230.0 ^e	812.0	225.0	781.0 ^c	49,832.0	6,027.0	609,932.0 ^e
2. External debt service (% of exports of goods and services)	4.0	4.9	8.3	13.7	—	10.2 ^e	2.3	9.4	4.3 ^c	8.4	6.7	6.0 ^e
3. Total external debt (% of GDP)	92.4	162.5	13.0	37.5	246.6	15.0 ^e	67.8	93.9	45.7 ^{c,g}	31.0	34.0	13.5 ^e
G. Memorandum Items												
1. GDP (current prices; billion local currency)	2,508.0	844.7	249.4	2,830.9	110,532.0	61.9	18,387.0	24,621.0	7,716.6 ^b	6,576.0	677,928.0	246.5 ^b
	Riels	Kips	Kyat	Baht	Dong	Yuan	Riels	Kips	Kyat	Baht	Dong	Yuan
2. Exchange rate (\$, average)	1,266.6	716.1	6.0	25.4	11,202.2	5.5 ^e	4,019.0	10,380.0	5.7	40.3	15,781.0	8.3 ^e
3. Population (million)	9.0	4.4	42.3	57.3	68.5	38.3	13.1	5.8	54.4	64.2	82.1	44.2

— = not available, FY = fiscal year, GDP = gross domestic product, GMS = Greater Mekong Subregion, IMF = International Monetary Fund, Lao PDR = Lao People's Democratic Republic, M2 = money supply, PRC = People's Republic of China.

^a For FY2002 (April 2002 to March 2003), based on IMF data.

^b For 2003.

^c For FY2003 (April 2003 to March 2004).

^d Annual percentage change (end-of-period).

^e Data refer to PRC.

^f 1992 figures based on foreign trade data and excluded border trade while figures for 2004 are customs data.

^g IMF estimates.

Sources: ADB. *Asian Development Outlook 2005*. Manila; ADB. *Key Indicators 2004*. Manila; ADB. April 2005. *Country Briefing Papers for the 38th Annual Meeting*. Manila; ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): People's Republic of China*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao People's Democratic Republic*. Manila; ADB. 2005. *Country and Strategy Program Update (2006–2008): Viet Nam*. Manila; International Monetary Fund. 2004. *Article IV Consultation Meeting*. Washington, D.C.; Statistical Bureau of Yunnan Province. 2004. *Yunnan Statistical Yearbook 2004*. China Statistics Press.

**Table A1.3a: Poverty and Social Indicators of GMS Countries
(1990)**

Item	1990					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
A. Population Indicators						
Total Population (million)	8.6	1,143.3	4.1	40.8	55.8	66.2
Annual Population Growth Rate (% change)	3.6	1.4	2.1	1.9	1.1	2.3
B. Social Indicators						
Total Fertility Rate (births per woman)	5.6	2.1	6.0	2.6	2.3	3.3 (1992)
Maternal Mortality Rate (per 100,000 live births)	900.0	88.9	650.0	100.0/ Urban/ 190.0 Rural	36.2	249.0
Infant Mortality Rate (below 1 year; per '000 live births)	80.0	38.0	120.0	47.0/ Urban/ 48.8 Rural	34.5 (1991)	44.0
Life Expectancy at Birth (years)	50.3	68.6	49.7	61.3	68.5	67.0
Female	52.0	70.5	51.0	63.0	71.0	69.0
Male	48.9	66.8	49.0	—	66.1	64.0
Adult Literacy (%)	62.0	77.8	56.5	80.7	93.2	88.0
Female	48.8	68.1	43.0	74.2	91.0	—
Male	77.7	87.0	70.3	87.4	95.5	—
Primary School Gross Enrollment Rate (%)	120.9	97.8	63.0 ^a (1990/91)	106.5	99.2 (1992)	103.0 (1991/92)
Female	108.1	—	—	104.6	—	—
Secondary School Gross Enrollment Rate (%)	32.1	66.7	31.8 (1991)	22.7		
Female	19.3	—	—	22.5		
Lower Secondary School		—	—	—	50.6 (1992)	44.0 (1991/92)
Upper Secondary School		—	—	—	26.9 (1992)	13.0 (1991/92)
Child Malnutrition (% of under age 5)	52.0	17.4	34.0	32.4	18.6	—
Population Below Poverty Line (%)	39.0 (1994)	31.3 ^b	46.0 (1992–93)	—	27.2	58.0 (1993)

Item	1990										
	Cambodia		China, People's Republic of	Lao PDR		Myanmar		Thailand		Viet Nam	
Population with Access to Safe Water (%)	13.2	(1994)	71.0		39.0		38.0/ 36.0 Urban/ Rural, (1992–93)	96.5/ 76.4 Urban/ Rural		48.0	(1988–1991)
Population with Access to Sanitation (%)	20.0	(1994)	—		24.0	(1988–1991)	44.0/ 39.0	99.0/ 83.1 Urban/ Rural		29.0	(1990)
Government Education Expenditure (% of GDP)	0.8		2.2		1.9	(1991)	2.6	2.4		1.0	
C. Poverty Indicators											
Poverty Incidence , Number of Poor (In Million)	—		85.0 ^c		2.0	(1992/93)	—	15.3		—	
Percent of Poor to Total Population	39.0	(1994)	9.4 ^c		46.0	(1992/93)	—	27.2		58.1	(1992/93)
Poverty Gap ratio	9.2	(1994)	0.43		11.3	(1992/93)	—	8.0		18.5	(1992/93)
Poverty Severity Index	3.1	(1994)	—		4.2	(1992/93)	—	3.3		—	
Inequality (Gini Index)	0.37	(1994)	0.31		0.29	(1992/93)	—	0.52		0.18 ^d	(1992/93)
Human Poverty Index	—		—		—		—	—		—	
Human Poverty Index Rank	—		—		—		—	—		—	

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

^a Refers to net enrollment rate.

^b Refers to rural population living below \$1-a-day.

^c Based on official national poverty line.

^d Based on Theil L index, a measure of inequality based on information/probability theory.

Sources: ADB. 2004. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): People's Republic of China*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao People's Democratic Republic*. Manila; ADB. 2005. *Country and Strategy Program Update (2006–2008): Viet Nam*. Manila; ADB. 2001. *Country Economic Report: Myanmar*. Manila; Central Statistical Organization. 2002. *Statistical Yearbook 2002*. Yangon; Department of Labour of Myanmar and United Nations Populations Fund (UNFPA). August 1998. *Handbook on Human Resources Development Indicators, 1998*. Yangon; National Statistical Office of Thailand. 2003. *Development Indicators*. Available: <http://www.nso.go.th>; Office of the National Economic and Social Development Board and United Nations Country Team in Thailand. 2004. *Thailand Millennium Development Goals Report 2004*. Bangkok; 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: <http://www.nscb.gov.ph/poverty/conference/papers/default.asp>.

**Table A1.3b: Poverty and Social Indicators of GMS Countries
(Latest Year)**

Item	Latest Year					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
A. Population Indicators						
Total Population (million)	13.09 (2004)	1,299.9 (2004)	5.68 (2003)	53.20 (2003)	64.20 (2004)	82.10 (2004)
Annual Population Growth Rate (% change)	1.8 (2004)	0.6 (2004)	2.8 (2003)	2.0 (2003)	0.8 (2004)	1.6 (2004)
B. Social Indicators						
Total Fertility Rate (births per woman)	3.7 (2004)	1.8 (1995–2000)	4.8 (2002)	2.9 (2001)	1.8 (2002)	2.3 (2000–2005)
Maternal Mortality Rate (per 100,000 live births)	437.0 (2000)	50.0 (2001)	530.0 (2000)	100.0/ Urban/ 180.0 Rural, (2001)	24.0 (2002)	165.0 (2002)
Infant Mortality Rate (below 1 year; per '000 live births)	96.0 (2002)	31.0 (2002)	87.0 (2002)	48.3/ Urban/ 50.1 Rural, (2001)	22.0 (2002)	30.0 (2002)
Life Expectancy at Birth (years)	—	70.9 (2002)	54.3 (2002)	—	—	69.7 (2002)
Female	63.4 (2004)	73.2 (2002)	56.0 (2002)	63.9 (2001)	74.9 (2002)	71.4 (2002)
Male	57.2 (2004)	68.8 (2002)	53.0 (2002)	61.0 (2001)	69.9 (2002)	66.7 (2002)
Adult Literacy (%)	73.6 (2004)	90.9 (2002)	66.4 (2002)	91.8 (2001)	92.6 (2000)	90.3 (2002)
Female	64.1 (2004)	86.5 (2002)	56.0 (2002–04)	91.4 (2001)	90.5 (2000)	86.9 (2002)
Male	84.7 (2004)	95.1 (2002)	77.0 (2002–04)	92.2 (2001)	94.9 (2000)	93.9 (2002)
Primary School Gross Enrollment Rate (%)	123.4 (2001)	98.6 (2002)	83.0 ^a (2001/02)	90.7 (2001)	104.8 (2002)	106.8 (2002)
Female	116.4 (2001)	—	—	—	—	—
Secondary School Gross Enrollment Rate (%)	21.3 (2001)	90.0 (2002)	31.0 ^a (2001/02)	42.5 (2001)	—	—
Female	15.9 (2001)	—	—	—	—	—
Lower Secondary School	—	—	—	—	82.2 (2002)	74.0 (2000)
Upper Secondary School	—	—	—	—	54.8 (2002)	38.0 (2000)
Child Malnutrition (% of under age 5)	45.2 (2000)	14.3 (2002)	40.0 (2000)	35.3 (2000)	8.6 ^b (2002)	34.0 (2001)
Population Below Poverty Line (%)	35.9 (1999)	16.6 (2001)	32.7 (2002–03)	22.9 (1997)	9.8 (2002)	29.0 (2002)

Item	Latest Year											
	Cambodia		China, People's Republic of		Lao PDR		Myanmar		Thailand		Viet Nam	
Population with Access to Safe Water (%)	30.0	(2000)	75.0	(2000)	37.0	(2000)	89.2/ 65.8	Urban/ Rural, (2000)	97.0/ 91.0	Urban/ Rural, 2000	56.0	(2002)
Population with Access to Sanitation (%)	21.0	(2000)	40.0	(2001)	30.0	(2000)	83.6/ 56.5	Urban/ Rural, (2000)	99.5/ 97.0	Urban/ Rural, 2000	47.0	(2000)
Government Education Expenditure (% of GDP)	2.0	(2004)	2.9	(2003)	3.2	(1999–2001)	0.7	(2002–03)	4.0	(2000)	2.0	(1999)
C. Poverty Indicators												
Poverty Incidence , Number of Poor (In Million)	—		29.0	(2003)	—		—		6.2	(2002)	—	
Percent of Poor to Total Population	35.9	(1999)	2.8 ^c	(2004)	32.7	(2002–03)	22.9	(1997)	9.8	(2002)	28.9	(2002)
Poverty Gap ratio	6.5	(1999)	0.67	(1998)	6.3 ^d	(1997/98)	—		2.4	(2002)	6.9	(2002)
Poverty Severity Index	2.0	(1999)	—		4.0	(1997/98)	—		0.9	(2002)	—	
Inequality (Gini Index)	0.45	(1999)	0.35	(2000)	0.37	(1997–98)	—		0.50	(2001)	0.20 ^e	(1999)
Human Poverty Index	42.6	(2002)	13.2	(2004)	40.3	(2002)	25.4	(2002)	13.1	(2002)	19.9	(2001)
Human Poverty Index Rank	74	(2002)	24	(2002)	66	(2002)	45	(2002)	22	(2002)	39	(2001)

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

^a Refers to net enrollment rate.

^b Excluding Bangkok.

^c Based on official national poverty line.

^d Poverty gap at \$1-a-day.

^e Based on Theil L index, a measure of inequality based on information/probability theory.

Sources: ADB. 2004. *Asian Development Outlook*. Manila; ADB. 2004. *Key Indicators 2004*. Manila; ADB. *Poverty and Development Indicators Database*. Manila; ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila. ADB. 2005. *Country Strategy and Program Update (2006–2008): People's Republic of China*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao People's Democratic Republic*. Manila; ADB. 2005. *Country and Strategy Program Update (2006–2008): Viet Nam*. Manila; Central Statistical Organization. 2002. *Statistical Yearbook 2002*. Yangon; Department of Educational Planning and Training. 2004. *Selected Basic Education Indicators, FY1998/99-FY2003/04*. Yangon; Department of Health Planning. *Health Sector. Recent Achievement in Prevention and Control of Communicable Diseases in Myanmar. FY1988/89 to FY2003/04*. Yangon; Department of Labour of Myanmar and UNFPA. March 2001. *Handbook on Human Resources Development Indicators 2001*. Yangon; Department of Labour of Myanmar and UNFPA. February 2004. *Handbook on Human Resources Development Indicators, 2003*. Yangon; National Statistical Office of Thailand. 2003. *Development Indicators*. Available: <http://www.nso.go.th>; 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: <http://www.nscb.gov.ph/poverty/conference/papers/default.asp>; National Statistical Office of Thailand. 2005. Population statistics. Bangkok. Available: <http://www.nso.go.th>; National Institute of Statistics of Cambodia. 2005. First Revision Population Projections for Cambodia 1998–2020. Phnom Penh. Available: <http://www.nis.gov.kh>; 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 Development Program. 2004. *Human Development Report 2004*. New York.

Table A1.4a: Environment Indicators of GMS Countries
(1990)

Indicator	1990					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
A. Energy Efficiency of Emissions						
1. GDP/Unit of energy use (PPP\$/kgoe)	—	1.8 (1996)	—	—	4.6 (1990)	2.7 (1990)
2. Traditional fuel use (% of total energy use)	88.0 (1993)	5.6 (1996)	89.0 (1993)	73.0 (1993)	24.0 (1993)	44.0 (1993)
3. Carbon dioxide emissions						
a. Tons	—	2,401 (1996)	—	—	—	—
b. Tons per capita	0.0 (1990)	2.0 (1996)	0.1 (1990)	0.1 (1990)	2.4 (1991)	0.3 (1990)
B. Water Pollution: Water and Sanitation						
1. % urban population with access to safe water	—	72.0 (2001)	28.0 ^a (1990)	38.0 (1992–93)	96.5 (1990)	48.0 ^a (1990)
2. % rural population with access to safe water	—	31.0 (1990)		36.0 (1992–93)	76.4 (1990)	
3. % urban population with access to sanitation	—	56.0 (1990)	11.0 (1990)	44.0 (1992–93)	99.0 (1990)	18.0 (1990)
C. Land Use and Deforestation						
1. Forest area (million hectares)	10.9 (1992)	128.6 (1996)	11.0 (1990)	34.4 (1990)	23.0 (1990)	8.6 (1993)
2. Average annual deforestation						
a. Thousand hectares	164 (1990–95)	87 (1990–95)	148 (1990–95)	387 (1990–95)	330 (1990–95)	135 (1990–95)
b. % change	1.6 (1990–95)	0.1 (1990–95)	1.2 (1990–95)	1.4 (1990–95)	2.7 (1990–95)	1.4 (1990–95)
3. Rural population density (people/km ² of arable land) ^b	226 (1990)	666 (1990)	437 (1990)	319 (1990)	258 (1990)	989 (1990)
4. Arable land (% of total land area)	20.9 (1990)	13.3 (1990)	3.5 (1990)	14.5 (1990)	34.2 (1990)	16.4 (1990)
5. Permanent cropland (% of total land area)	0.6 (1990)	0.8 (1990)	0.3 (1990)	0.8 (1990)	6.1 (1990)	3.2 (1990)
D. Biodiversity and Protected Areas						
1. Nationally protected area ^c						
a. Million hectares	3.33 (1993)	21.95 (1990)	3.31 ^d (1993)	0.17 (1990)	5.11 (1990)	0.89 (1990)
b. % of total land area	19.0 (1993)	2.3 (1990)	14.0 (1993)	0.3 (1990)	10.0 (1990)	2.7 (1990)

Indicator	1990					
	Cambodia	China, People's Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
2. Mammals (number of threatened species)	21 (1990)	30 (1990)	23 (1990)	23 (1990)	26 (1990)	28 (1990)
3. Birds (number of threatened species)	13 (1990)	83 (1990)	18 (1990)	42 (1990)	34 (1990)	34 (1990)
4. Higher plants (number of threatened species) ^E	11 (1991)	841 (1991)	3 (1991)	23 (1991)	63 (1991)	388 (1991)
5. Reptiles (number of threatened species)	6 (1990)	7 (1990)	5 (1990)	10 (1990)	9 (1990)	8 (1990)
6. Amphibians (number of threatened species)	0 (1990)	1 (1990)	0 (1990)	0 (1990)	0 (1990)	1 (1990)
7. Fish (number of threatened species) ^F	5 (1990)	7 (1990)	5 (1990)	2 (1990)	13 (1990)	4 (1990)
E. Urban Areas						
1. Urban population						
a. Million	1.21 (1990)	301.95 (1990)	0.64 (1990)	9.98 (1990)	10.1 ⁹ (1990)	12.8803 (1990)
b. % of total population	12.6 (1990)	26.4 (1990)	15.4 (1990)	24.6 (1990)	18.0 (1990)	19.5 (1990)
2. Per capita water use (liters/day)	—	208.1 (1996)	—	—	—	—
3. Wastewater treated (%)	—	17.1 (1994)	—	—	—	—
4. Solid waste generated per capita (kg/day)	—	—	—	—	—	—

CO₂ = carbon dioxide, — = not available, GDP = gross domestic product, GMS = Greater Mekong Subregion, kg = kilogram, kgoe = kilogram of oil equivalent, km² = square kilometer, Lao PDR = Lao People's Democratic Republic, PPP = purchasing power parity.

^a Percentage of total population with access to safe water.

^b Derived based on rural population and arable land area data taken from the World Bank's *World Development Indicators Online*. Available: <http://devdata.worldbank.org/dataonline/>.

^c Refers to national protection systems that are totally protected areas under International Union for the Conservation of Nature and Natural Resources (IUCN) categories I–III and partially protected areas under IUCN categories IV–V and excludes marine and coastal protected areas.

^d Comprises 20 National Biodiversity Conservation Areas declared in 1993.

^e Refers to number of known higher plants which include ferns and fern allies, conifers and cycads, and flowering plants that have been classified as threatened by IUCN.

^f Refers to freshwater fish.

^g Derived using population data and urban population ratio from the ADB. 2004. *Key Indicators 2004*. Manila.

Sources: ADB. 2005. *Country Strategy and Program Update (2006–2008): People's Republic of China*. Manila; ADB. 2000. *Environments in Transition: Cambodia, Lao PDR, Thailand, and Viet Nam*. Manila; ADB. *Key Indicators 2004*. Manila; ADB. 2005. *Poverty and Development Indicators Database*. Manila (June 5); ADB and the United Nations Environment Programme (UNEP). 2004. *Greater Mekong Subregion Atlas of the Environment*. UNEP Regional Resource Centre for Asia and the Pacific: Bangkok, Thailand; Ministry of Planning of Cambodia with funding from United Nations Development Programme (UNDP) and Swedish International Development Cooperation Agency. 2003. *Cambodia Millennium Development Goals Report 2003*; World Resources Institute (Sources: UNEP - World Conservation Monitoring Centre, Ramsar Convention Bureau. June 4, 2005. *EarthTrends Data Tables: Biodiversity and Protected Areas*. Duke University. Available:

<http://earthtrends.wri.org/datatables>; Food and Agriculture Organization. June 5, 2005. *Forest Resources Assessment Global* (table on change in forest cover). Available: <http://www.fao.org/forestry>; General Statistical Office of Viet Nam. June 3, 2005. Available: <http://www.gso.gov.vn>; Department of Labour of Myanmar and United Nations Population Fund (UNFPA). August 1998. *Handbook on Human Resources Development Indicators, 1998*. Yangon; UNDP. 2001. *State of the Environment Report 2001: Lao People's Democratic Republic*; IUCN. November 2004. *IUCN Red List of Threatened Species*. Available: <http://www.iucnredlist.org>. 5 June 2005; United Nations in Viet Nam. November 2003. *Millennium Development Goals Progress Report: Closing the Millennium Gaps*. Hanoi; Government of the Lao PDR and the United Nations. January 2004. *Millennium Development Goals Progress Report Lao PDR*. Vientiane; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available <http://millenniumindicators.un.org/unsd>; UN Economic and Social Commission for Asia and the Pacific and ADB. 2000. *State of the Environment in Asia and the Pacific 2000*. New York; Office of the National Economic and Social Development Board and United Nations Country Team in Thailand. 2004. *Thailand Millennium Development Goals Report 2004*. Bangkok; World Bank. *World Development Indicators (WDI) Online*. Available: <http://devdata.worldbank.org/dataonline>; 4 June 2005; World Resources Institute in collaboration with the UNEP and UNDP. 1992. *World Resources 1992–1993: A Guide to the Global Environment. Toward Sustainable Development*. New York.

Table A1.4b: Environment Indicators of GMS Countries
(Latest Year)

Indicator	Latest Year					
	Cambodia	China, Peoples' Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
A. Energy Efficiency of Emissions						
1. GDP/Unit of energy use (PPP\$/kgoe)	—	4.2 (2000)	—	—	5.2 (2002)	4.0 (2001)
2. Traditional fuel use (% of total energy use)	89.3 (1997)	6.0 (2000)	81.6 (2001)	—	15.9 (2001)	32.5 (2001)
3. Carbon dioxide emissions						
a. Tons	0.7 (1999)	2,800 (2000)	0.4 (2000)	—	—	46.6 (2000)
b. Tons per capita	0.05 (1999)	2.2 (2000)	0.1 (2000)	0.2 (2002)	2.5 (2001)	0.7 (2000)
B. Water Pollution: Water and Sanitation						
1. % urban population with access to safe water	54.0 (2000)	86 (2003)	76.0 (2000)	89.2 (2000)	97.0 (2000)	78.0 (2002)
2. % rural population with access to safe water	26.0 (2000)	58 (2003)	38.0 (2000)	65.8 (2000)	91.0 (2000)	44.0 (2002)
3. % urban population with access to sanitation	56.0 (2000)	69.0 (2000)	67.0 (2000)	83.6 (2000)	99.5 (2000)	82.0 (2000)
C. Land Use and Deforestation						
1. Forest area (million hectares)	9.3 (2000)	175 (2004)	126 (2000)	34.4 (2000)	13.0 (1998)	11.0 (2001)
2. Average annual deforestation						
a. Thousand hectares	561 (1990–2000)	866 (1990–2000)	527 (1990–2000)	517 (1990–2000)	112 (1990–2000)	(516) (1990–2000)
b. % change	0.6 (1990–2000)	(1.2) (1990–2000)	0.4 (1990–2000)	1.4 (1990–2000)	0.7 (1990–2000)	(0.5) (1990–2000)
3. Rural population density (people/km ² of arable land)	292 (2002)	614.7 (2003)	495 (2001)	353 (2002)	310 (2002)	1,037 (2000)
4. Arable land (% of total land area)	21.0 (2002)	12.9 (2003)	3.8 (2001)	15.0 (2002)	31.1 (2002)	17.7 (2000)
5. Permanent cropland (% of total land area)	0.6 (2002)	11 (2001)	0.4 (2001)	1.1 (2002)	6.9 (2002)	4.9 (2000)
D. Biodiversity and Protected Areas						
1. Nationally protected area ^a						
a. Million hectares	4.33 (2003)	148.2 (2004)	8.3 ^b (2003)	3.60 (2003)	8.10 (2003)	11.60 ^b (2002)

Indicator	Latest Year					
	Cambodia	China, Peoples' Republic of	Lao PDR	Myanmar	Thailand	Viet Nam
b. % of total land area	23.7 (2003)	14.8 (2004)	3.6 (2003)	5.4 (2003)	15.7 (2003)	3.5 (2002)
2. Mammals (number of threatened species)	29 (2002)	79 (2002)	27 (2000)	39 (2004)	36 (2004)	40 (2002)
3. Birds (number of threatened species)	19 (2002)	74 (2002)	19 (2000)	41 (2004)	42 (2004)	37 (2002)
4. Higher plants (number of threatened species) ^c	31 (2004)	443 (2004)	2 (2000)	38 (2004)	84 (2004)	341 (1997)
5. Reptiles (number of threatened species)	10 (2002)	31 (2002)	—	20 (2004)	19 (2004)	12 (1996)
6. Amphibians (number of threatened species)	0 (2002)	1 (2002)	—	0 (2004)	3 (2004)	1 (1996)
7. Fish (number of threatened species)	16 (2004)	32 (1992–2002)	6 (2004)	7 (2004)	36 (2004)	23 (2004)
E. Urban Areas						
1. Urban population						
a. Million	2.30 (2002)	542.8 (2004)	1.2 (2003)	14.41 (2003) 1	18.4 ^d (2002)	19.5 (2001)
b. % of total population	18.0 (2002)	41.8 (2004)	20.7 (2003)	29.2 (2003)	29.0 (2002)	25.0 (2001)
2. Per capita water use (liters/day)	—	211.0 (2003)	—	—	—	—
3. Wastewater treated (%)	—	43.6 (2004)	—	—	—	—
4. Solid waste generated per capita (kg/day)	—	—	—	—	—	—

— = not available.

GDP = gross domestic product, GMS = Greater Mekong Subregion, kg = kilogram, kgoe = kilogram of oil equivalent, km² = square kilometer, Lao PDR = Lao People's Democratic Republic, PPP = purchasing power parity.

^a Includes protected areas by International Union for the Conservation of Nature and Natural Resources (IUCN) category 1a, 1b, II, III, IV, V, VI and areas not classified by IUCN and excludes marine and littoral protected areas.

^b In thousand square kilometers.

^c Threatened species of plants refer to all species of plants, and include mosses, ferns and allies, gymnosperms, monocotyledons, and dicotyledons.

^d Derived using population data and urban population ratio from the Key Indicators 2004, ADB.

Sources: ADB. 2005. *Country Strategy and Program (2005–2009): Cambodia*. Manila; ADB. 2005. *Country Strategy and Program (2006–2008): People's Republic of China*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Lao People's Democratic Republic*. Manila; ADB. 2005. *Country Strategy and Program Update (2006–2008): Viet Nam*. Manila; ADB. *Key Indicators 2004*. Manila; ADB. 2005. *Poverty and Development Indicators Database*. Manila (June 5); ADB and the United Nations Environment Programme (UNEP). 2004. *Greater Mekong Subregion Atlas of the Environment*. UNEP Regional Resource Centre for Asia

and the Pacific: Bangkok, Thailand; World Resources Institute (Sources: UNEP - World Conservation Monitoring Centre, Ramsar Convention Bureau. June 4, 2005. *EarthTrends Data Tables: Biodiversity and Protected Areas*. Duke University. Available: <http://earthtrends.wri.org/datatables>; Food and Agriculture Organization. June 5, 2005. *Forest Resources Assessment Global* (table on change in forest cover). Available: <http://www.fao.org/forestry>; Department of Labour of Myanmar and UNFPA. 2003. *Handbook on Human Resources Development Indicators, 2003*. Yangon; Department of Labour of Myanmar and UNFPA. February 2004. *Handbook on Human Resources Development Indicators, 2003*. Yangon; Ministry of Health of Myanmar. 2004. *Health in Myanmar*. Yangon; UNDP. 2004. *Human Development Report 2004*. New York; IUCN. November 2004. *IUCN Red List of Threatened Species*. Available: <http://www.iucnredlist.org>. 5 June 2005; United Nations Statistics Division. May 20, 2005. *Millennium Indicators Database*. Available <http://millenniumindicators.un.org/unsd>; UN Economic and Social Commission for Asia and the Pacific and ADB. 2000. *State of the Environment in Asia and the Pacific 2000*. New York; Office of the National Economic and Social Development Board and United Nations Country Team in Thailand. 2004. *Thailand Millennium Development Goals Report 2004*. Bangkok; World Bank. *World Development Indicators (WDI) Online*. Available: <http://devdata.worldbank.org/dataonline>. 4 June 2005.

KUNMING DECLARATION

'A Stronger GMS Partnership for Common Prosperity' Second Greater Mekong Subregion Summit Kunming, Yunnan, People's Republic of China 4-5 July 2005

Preamble

We, the Heads of Government of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam, met in Kunming, China for the Second GMS Summit. We were pleased to be joined in our discussions by the President of the Asian Development Bank (ADB).

At the First GMS Summit in Phnom Penh three years ago, we set our vision of an integrated, harmonious and prosperous sub-region, and our vision of a GMS characterized by steady economic growth, social progress and environmental sustainability. With our joint efforts, our vision is gradually being turned into reality.

Today, we reaffirm the commitments to our vision. We are determined to carry forward our development agenda that seeks to fulfill its vast potential, lift people from poverty and promote sustainable development for all. And we resolve to achieve that goal by further enhancing connectivity, competitiveness and community building.

I. Achievements and Challenges

We are encouraged by the success of GMS cooperation over the past 13 years and appreciate the significant progress achieved so far, particularly since the first GMS Summit. We are satisfied with the evolvement of a more integrated, focused and policy-oriented cooperation process, a stronger partnership among member countries and other stakeholders, as well as practical results generated from a wide range of specific projects and initiatives.

We acknowledge our individual and collective efforts and achievements obtained in enhancing important infrastructure and reducing non-physical barriers, especially in the energy and transport sectors, in order to create a more desirable and competitive trade and investment environment. We also take note of our expedited and deepened cooperation in such fields as telecommunication, environment, tourism, agriculture and human resources development, all of which are inherent components for advancing the GMS program. In particular, we are pleased with the significant progress in the alleviation of poverty in the GMS.

We witness the regional and global situation undergoing profound changes. Threats, old and new, are intertwining. We shall carry forward our future cooperation to tackle the threats confronting us, which include poverty, development gaps and emerging threats to human security, such as terrorism and cross-border crimes, especially drug smuggling and trafficking of human beings. The spread of infectious diseases such as HIV/AIDS, Avian Flu, environmental degradation, and the menace of natural disasters are also serious threats that call for greater surveillance and response preparedness.

To meet the challenge, we shall sharpen our vision and redouble our efforts for the future. We

shall also consolidate the fundamental principles underpinning our success and reaffirm our commitment to partnership.

II. Guiding Principles for GMS Cooperation

Throughout the GMS process, some commonly accepted principles have gradually developed from our cooperation. These principles have been playing a catalytic role in maintaining the momentum of the GMS process by laying down the ground rules, shaping our common agenda, and keeping us focused on the most pressing priorities. We highly value and, when moving ahead, shall stand steadfastly by the principles.

The principle of equality and mutual respect has constituted the solid foundation for our cooperation since the inception of GMS. GMS members share common aspirations for common prosperity of the sub-region. All members, despite the diversity in geographic and economic conditions, are equal partners in GMS cooperation and can exert concerted and collaborative efforts in the pursuit of common goals.

Consensus-building in decision-making has been instrumental in enhancing solidarity in the sub-region. Coupled with flexibility on inter alia, timing and participation, this approach, to the largest possible extent, accommodates the different needs and concerns of different members while reflecting the common interests of all. We have managed to build broad-based support for our common development agenda, and above all, for advancing our process at the project-level by conducting thorough consultations and pooling our comparative advantages and strengths.

Pragmatism and an outward-looking orientation are key to bringing about the GMS vision. One of the most important lessons we have learned is that we can only be as successful as we are action-oriented, result-based and need-driven in our approach. By taking this approach, the GMS program has delivered practical results in a wide range of specific areas and brought significant benefits to our people.

The step-by-step approach has proven to be pertinent and effective in promoting the GMS cooperation. Given the enormous tasks ahead of us, we should expand and deepen our cooperation gradually, focusing on both short-term urgent priority programs and strategies based on longer-term needs. By doing so, we will cooperate in an orderly and effective manner with tangible results.

III. Road Ahead towards Sustainable Development

In line with our vision, we reaffirm our commitments in pursuing the Millennium Development Goals (MDGs). We undertake to adopt appropriate policies and measures to accelerate GMS cooperation agenda as reflected in the GMS Strategic Framework. To this end, we will redouble our efforts in the following four key areas.

Reinforcing Infrastructure for Development

Cross-border infrastructure is key to economic development and prosperity in the region. A well-built, seamless, multi-modal infrastructure is essential to the facilitation of trade, movement of people and the provision of basic services throughout the whole region. We therefore commit ourselves to fully 'connecting GMS'. To that end, we commit to sustained and greater inputs to strengthen the sub-regional infrastructure linkages through a multi-sector and holistic approach.

We support the development of a sub-regional transport sector strategy next year that will identify critical transport links not only among the GMS countries but also with our neighbors in South and Southeast Asia. We agree to complete the major transport links along the East-West corridor by 2008 and along the North-South and Southern Coastal corridors by 2010. To promote greater efficiency, we have agreed to expand cooperation in transport infrastructure to include railways, air transport and waterways.

We are encouraged by the considerable progress in negotiating the annexes and protocols of the Cross-border Transport Agreement and the commencement of its implementation. We instruct our ministers to complete the negotiations of the remaining annexes and protocols by the end of 2005 and to move with speed and purpose to implement the Agreement at an increasing number of border crossings. We will take all necessary domestic measures to ensure that the Agreement can be implemented starting in 2006.

We urge the accelerated completion of the telecommunications fiber optic network. We will work together to harness the power of ICT to transform the digital divide into a digital dividend by using it to empower people and build knowledge-based economies. The implementation of the GMS Information Super Highway will be at the core of this endeavor.

We are also committed to move swiftly to complete the work on the power trade operating agreement that will create transparent rules and regulatory framework for regional power trade. We have agreed to ensure sub-regional energy security by expanding energy cooperation to include improvement of energy efficiency and alternative sources of energy especially on biofuel by making use of our agricultural products that are available within the sub-region.

Improving Trade and Investment Environment

The GMS is committed to creating a conducive and competitive environment for trade, investment and private sector development. To strengthen market fundamentals, we will promote financial efficiency, a sound policy and institutional, legal and regulatory framework, and undertake further facilitation and harmonization of trade and investment regimes.

We endorse the GMS Strategic Framework for Action on Trade Facilitation and Investment (SFA-TFI) that commits to time-bound, specific measures to reduce trade and business transaction costs in the sub-region. We direct the ministers and officials to develop and implement concrete plans of actions to give effect to the SFA-TFI in close collaboration with our development partners, including the private sector.

We recognize the private sector as the engine of GMS growth and value its contribution. We must make greater efforts to build capacity of the GMS Business Forum and ensure a more active role for it. We welcome the fruitful outcomes from the dialogue between us and the business community on 4 July. To maximize the potential of the private sector, we will ensure that industry and business are involved in the planning and implementation of GMS programs so that these become relevant and responsive to their needs.

Strengthening Social and Environmental Infrastructure

Social infrastructure holds another key to realizing our vision for reduced disparities and common prosperity because it enables social equity and the harmonization of our community.

Hence, we affirm our unyielding commitments to accelerate domestic and sub-regional efforts to create an enabling environment for improving social infrastructure including increasing human and institutional capacity building.

We affirm that poverty alleviation remains at the core of our development efforts. Despite the considerable progress made, poverty endures. The levels of poverty are still unacceptable. The high rates of economic growth we have recently witnessed motivate us to further eradicate poverty so that the benefits of growth are equitably distributed. We shall continue to direct our regional initiatives to impact positively on the poor. In order to maximize these efforts, we shall call for more holistic community based actions which integrate all efforts from multi-sectors and stakeholders by providing them with greater opportunities for economic and social infrastructure.

We are aware that the agricultural development is essential to poverty reduction since poverty is largely a rural phenomenon across the GMS. Thus, we pledge to accelerate cooperation in the agriculture sector, giving priority to improving farmers' livelihood and ensure food security for the poor through technical assistance such as the launching of the GMS agricultural information website. We will focus on collaborative efforts on the cross-border dimensions of agriculture. We therefore call for the early convening of the meeting of the GMS agricultural ministers. We also agree to take up the issue of prevention and control of animal epidemics among GMS countries.

We emphasize the importance of knowledge and technologies in improving our competitiveness. We are also convinced that human resource development represents great potential for development in the sub-region. We are determined to better empower our people and enhance human capacities to face the challenges of globalization. Our public institutions have to be better equipped to design and manage a complex development agenda. We acknowledge the effective role of Phnom Penh Plan in building capacity and urge the expansion of this well-designed program to maximize coverage and to expose our officials to cutting edge development technologies. To bridge the knowledge gap and give us the competitive edge in world markets, we will also step up efforts at building knowledge-based society through expanded cooperation in education and training and by way of developing tertiary education institutions and promoting their networking.

In the wake of new health threats such as SARS and avian flu, we will step up cooperation in health programs. In 2005, a communicable disease control program will be established. It will strengthen surveillance and coordination systems at our borders. In this context, we urge the Ministers to consider establishing a continuing mechanism to strengthen health surveillance and coordination.

Environmental conservation and sustainable management and use of shared natural resources in the Mekong river basin are vital to the sustainable development in the sub-region. We are determined to protect our natural environment and are committed to use our natural resources wisely. We reaffirm to undertake our commitments to the environmental protection as set out in the Plan of Action to Implement the Kunming Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity adopted on 29 November 2004, Vientiane, Lao PDR. We welcome the recommendations by the ministers on the implementation of core environment program, together with local communities and development partners at their meeting in Shanghai, China in May 2005. We congratulate the GMS Environment Ministers for launching the Biodiversity Conservation Corridors initiative and the three-year action plan. This will conserve our terrestrial biodiversity and protected areas in the economic corridors as they are developed.

Tourism is a key job creator in the GMS and brings particular benefits to local communities. It is universally recognized as an area of GMS comparative advantage. We welcome the recommendations of the GMS Tourism Strategy Study to support a more holistic and coordinated approach to tourism development, including the implementation of identified high-priority projects, and the promotion of pro-poor and environment-friendly tourism. We urge the marketing of the GMS as a single tourist destination and encourage further work to develop a GMS visa.

The considerable initiatives in physical, environmental and social infrastructure, and in trade and investment, will require strengthened GMS institution capacities, and especially, in the GMS national secretariats. We are committed to strengthening those capacities to better coordinate and manage GMS Program.

Mobilizing Resources and Deepening Partnership

We have to find the significant financial resources to implement our priority development programs. The development community has become our staunch ally. We greatly value its contribution to our cooperative efforts. We will strengthen and expand our relationships with development partners to draw on their considerable reservoirs of expertise and resources. We will also intensify partnerships with the private sector, academe and civil society organizations.

We recognize and highly appreciate the unique and dynamic role that ADB has played in catalyzing and supporting the GMS program. Its task, however, has become more complex and urgent. ADB needs to play an even larger role and to support us at higher levels of resource and knowledge transfers. Its role in bringing the GMS onto the center stage of economic integration in Asia will be crucial.

We look forward to meet again at the 3rd GMS Summit in Lao PDR in 2008.

In conclusion, we pledge ourselves to a closer and stronger GMS partnership for common prosperity. We are confident that with our concerted effort the vision we embrace here will over time come to full fruition.





INTERIM GREATER MEKONG SUBREGION RCSP RESULTS FRAMEWORK (2006–2008)

Long-Term Development Goals of GMS Countries	Key Constraints to Achievement of Strategic Goals	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions ^a	Milestones/Tracking Indicators to Assess RCSP Implementation		
Pillar 1: Enhanced Connectivity					
<ul style="list-style-type: none">• Pro-poor sustainable economic growth<ul style="list-style-type: none">- Reduce poverty by half in all GMS countries by 2015	<ul style="list-style-type: none">• Lack of access to markets due to physical and non-physical barriers to cross-border movement and tourism• Limited opportunities for cross-border trade, investment, and production/supply chains	<ul style="list-style-type: none">• Reduced barriers to the movement of goods, services, and people across international borders.<ul style="list-style-type: none">- Increased intraregional trade: baseline value of \$61 billion for 2004^b- Reduced average border crossing clearance times from the current 4–5 hours to 30 minutes for commercial vehicles by 2008, and from about one hour to 5 minutes for noncommercial vehicles by 2008 at the seven pilot border crossings by 2008- Increased number of tourists visiting the GMS, especially those visiting more than one GMS country: baseline values: number of international tourist arrivals in GMS is 16.4 million (excluding Guangxi), and proportion of international visitors visiting more than one GMS country is 28.5%^c- Increased receipts in international tourism: baseline value: estimated 2004 figure of \$14.8 billion (excludes figure for Guangxi)	<ul style="list-style-type: none">• North–South Economic Corridor: Boten–Houayxay section in LAO completed by 2008, and agreement on financial arrangements for the Chiang Khong–Houayxay bridge reached by 2006• East-West Economic Corridor: eastern section (THA, LAO, VIE), including JBIC-assisted Second Mekong International Bridge completed by 2006• Southern Economic Corridor: upgrading of the Neak Leoung–Ho Chi Minh City section completed by 2005, and Poipet–Sisophon–Siem Reap section by 2007• Transport infrastructure components of the Mekong Tourism Development Project, completed by 2008• Initial implementation of the CBTA started in 2005 for three pilot border sites, and by 2006 for the remaining four pilot border sites• All CBTA annexes and protocols ratified by 2007, and full implementation started by 2007/2008 by	<p>Regional</p> <ul style="list-style-type: none">• North-South Economic Corridor: Kunming–Haiphong expressway and rail links in VIE (2005–2008), and Yunnan road and rail links (2007)• Southern Economic Corridor: Rail link in CAM (2006) and coastal road in VIE (2007)• New GMS Corridor: Northern GMS Transport Network in LAO (2007)• Pro-poor tourism infrastructure development (2007), including Luang Prabang airport (2008)• TAs for implementation of CBTA and Trade Facilitation Action Plan (2005–2007) <p>National</p> <ul style="list-style-type: none">• CAM: Transport Infrastructure Development and Maintenance (2006)• LAO: Transport Logistics System Improvement TA (2006)	<ul style="list-style-type: none">• AFD (roads and rail)• ASEAN Secretariat (transport and customs facilitation),• PRC (transport facilitation and roads)• EIB (roads)• Germany (roads)• JBIC (roads, bridges, ports)• NDF (roads)• PATA (tourism)• OPEC Fund (roads)• Thailand (roads)• UNESCAP (transport facilitation, tourism)• World Bank (trade facilitation)

Long-Term Development Goals of GMS Countries	Key Constraints to Achievement of Strategic Goals	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions ^a	Milestones/Tracking Indicators to Assess RCSP Implementation		
			<p>countries that have ratified</p> <ul style="list-style-type: none"> • Priority transport infrastructure components arising from the GMS Tourism Strategy identified by 2005 • Priority projects arising from the GMS Transport Sector Strategy Study identified by 2006 	<ul style="list-style-type: none"> • LAO: Making Markets Work Better Through Economic Integration (2008) • VIE: Central Region Transport Network (2005) 	
		<ul style="list-style-type: none"> • Increased economic activity in the transport corridors <ul style="list-style-type: none"> - Increased cross-border trade through border crossings along the GMS economic corridors: baseline value for (i) East-West Economic Corridor – Mukdahan–Savannakhet (B2.7 billion in 2002), Lao Bao–Dansavanh (average of 20 import and export shipments per day); (ii) Southern Economic Corridor – Aranyaprathet–Poipet (B4.8 billion in 2002), Bavet–Moc Bai (average of 3–6 import and export shipments per day); (iii) North-South Economic Corridor – Mae Sai–Tachilek (B1.1 billion in 2002), Chiang Khong–Houayxay (B0.7 billion in 2002)^d 	<ul style="list-style-type: none"> • North-South Economic Corridor: (i) priority initiatives for the transformation to an economic corridor identified by 2006, (ii) priority initiatives to integrate Guangxi Zhuang Autonomous Region in the GMS identified by 2005 • East-West Economic Corridor: (i) decision on the shared use of Savannakhet airport reached by 2006, (ii) EWEC officials trained by Thailand on industrial estate development by 2006. 	<p>Regional</p> <ul style="list-style-type: none"> • TAs for GMS CBTA implementation (2005 and 2007) • PPTA for Trade Facilitation and Logistics Development (2007) <p>National</p> <ul style="list-style-type: none"> • LAO: Implementation of the Northern Region Development Strategy TA (2005) • VIE: Forests for Livelihood in the Central Highlands (2006) • VIE: Rural Infrastructure for Sustainable Livelihood in the Central Region (2007) • VIE: Central Region Small and Medium Towns Urban Development (2007) 	<ul style="list-style-type: none"> • Japan (support to EWEC SOM and West-East Corridor Working Group) • Thailand (Thai-Cambodia Joint Development)

Long-Term Development Goals of GMS Countries	Key Constraints to Achievement of Strategic Goals	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions ^a	Milestones/Tracking Indicators to Assess RCSP Implementation		
Pillar 2: Improved Competitiveness					
<ul style="list-style-type: none">• A conducive environment for trade, investment, and private sector development<ul style="list-style-type: none">- Increase in trade and investment flows• Accelerated pace of regional integration<ul style="list-style-type: none">- Increase in trade and investment flows	<ul style="list-style-type: none">• Low productivity• Weaknesses in the legal and regulatory frameworks that would enable markets to function and encourage private sector participation• Weak government institutions and information systems to support business• Limited investments• Weak human resources capacity in knowledge-based products and services	<ul style="list-style-type: none">• Improved transport/trade logistics system<ul style="list-style-type: none">- Increase in the number of transport operators and freight forwarders operating along GMS economic corridors^e	<ul style="list-style-type: none">• Negotiations on the remaining annexes and protocols for the CBTA completed by 2005• Annexes and protocols related to transport and logistics commenced implementation by 2008• Feasibility of the development of logistics facilities/interchanges to promote multimodal logistics in the GMS and along the economic corridors established by 2006• Capabilities of relevant GMS ministries, freight forwarding and logistics associations, and logistics professionals, developed in modern logistics best practices and management concepts, through properly designed HRD inputs, by 2006	<div>Regional<ul style="list-style-type: none">• TAs for implementation of CBTA and Trade Facilitation Action Plan (2005–2007)• TA on Customs Harmonization Program (2006)• PPTA for Trade Facilitation and Logistics Development in the GMS (2007)</div> <div>National<ul style="list-style-type: none">• LAO: Transport Logistics System Improvement TA (2006)</div>	<ul style="list-style-type: none">• IMF• Japan• Thailand (ACMECS)• World Bank
		<ul style="list-style-type: none">• Improved public administration and institutional capacity for promoting regional economic cooperation^f	<ul style="list-style-type: none">• Additional 300 middle- and senior-level GMS officials trained annually under the PPP (2005–2008)• Twice a yearly publication of Journal of GMS Development Studies (2005–2008)• GMS mechanisms for coordination with business	<div>Regional<ul style="list-style-type: none">• TAs for PPP (2006–2008)• TA for Business Environment in the GMS (2005)• TA for Support to Implementation of SFA-TFI (Phases I and II) (2005–2006)</div>	<ul style="list-style-type: none">• PRC• France,• New Zealand

Long-Term Development Goals of GMS Countries	Key Constraints to Achievement of Strategic Goals	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions ^a	Milestones/Tracking Indicators to Assess RCSP Implementation		
			community, GMS countries and international bodies including the WTO established by 2008	• TA for Human Resources Development for Trade in the GMS (2006)	
		<ul style="list-style-type: none"> Increased availability of efficient and less-costly energy supply <ul style="list-style-type: none"> Increase in installed capacity: baseline value of 3,147 MW in 2001 (excluding Guangxi) Increase in subregional electricity trade: baseline value: power sales of Lao PDR to Thailand (from Electricite du Laos and Theun Hinboun hydropower project): 1,957,054,590 kWh in 2004 	<ul style="list-style-type: none"> Civil works for GMS energy projects commenced: for Nam Theun 2, by 2006; for Cambodia GMS Transmission, by 2005 PPTAs for power transmission projects completed (GMS Power Interconnection Phase I 2007, Phase II 2008; GMS Power Transmission PRC–LAO–THA 2007) MOU for Stage 1 of PTOA signed and implemented (3rd quarter-2005) PTOA finalized, signed, and implemented (2006–2008) 	Regional <ul style="list-style-type: none"> TA on GMS Energy Sector Strategy (2006) GMS Power Interconnection project-Phase I (2007) PPTAs for power interconnection and transmission projects (2006 and 2008) National <ul style="list-style-type: none"> VIE: Northern Power Transmission Expansion (2006) VIE: Power Generation Development (2006) VIE: Power Sector Restructuring (2006) CAM: Second Power Transmission and Distribution (2006) 	<ul style="list-style-type: none"> EIB France Japan NDF/ Norway Sweden World Bank
		<ul style="list-style-type: none"> Narrowed “digital divide” through enhanced access to ICT services in provincial, remote, and rural locations⁹ 	<ul style="list-style-type: none"> Telecommunication sector reform legislation adopted in Cambodia, Lao PDR, and Viet Nam by 2008 Trained telecommunications agency/regulatory officials in sector reform and ICT services issues by 2006 	Regional <ul style="list-style-type: none"> PPTA for ICT Phase I Project, 2005 ICT Project Phase I for CAM and LAO, 2007 	<ul style="list-style-type: none"> Japan APT ITU UN ESCAP France PRC

Long-Term Development Goals of GMS Countries	Key Constraints to Achievement of Strategic Goals	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions ^a	Milestones/Tracking Indicators to Assess RCSP Implementation		
		<ul style="list-style-type: none"> Enhanced agricultural trade, food security, and sustainable livelihoods^h 	<ul style="list-style-type: none"> GMS agricultural information website operational by 2007 Appropriate agriculture technology for improved crop production transferred to farmers during 2006–2008 Regional Cooperation Framework for transboundary animal diseases prevention and control developed by 2006 Regional/national diagnostic laboratories upgraded by 2006 Laboratory technicians and epidemiologists trained by 2006 Staff of GMS agricultural institutions trained in policy/regulatory frameworks on agricultural biotechnology, IPR, and food safety issues by 2007 	<p>Regional</p> <ul style="list-style-type: none"> TA on Agricultural Cooperative Information Network for GMS (2006) TA on Transboundary Animal Disease Control to Reduce Poverty and Enhance Market for Livestock Trade in GMS (Phase 2) (2006) <p>National</p> <ul style="list-style-type: none"> LAO: Forest Plantation Sector (2005) LAO: Participatory Livestock Development (2006) LAO: Agricultural Trade Diversification PPTA (2007) VIE: Agriculture Science and Technology (2006) VIE: Forest for Livelihood in the Central Highlands (2006) VIE: Post WTO Support (2008) 	<ul style="list-style-type: none"> FAO International Agricultural Research Centers UNEP WTO
Pillar 3: Greater Sense of Community					
<ul style="list-style-type: none"> Halting of spread of HIV/AIDS, malaria, and other communicable diseases Environmental sustainability 	<ul style="list-style-type: none"> Limited capacity for conservation, sustainable management of shared resources and social issues, and integrating environmental and social safeguards in development 	<ul style="list-style-type: none"> Improved capacity for addressing shared environmental and social issues, including those associated with increased connectivity <ul style="list-style-type: none"> Increased forest cover: baseline indicators (see Table A1.4 for latest year data on land use and 	<ul style="list-style-type: none"> EOC established/ commenced operations by 2006 BCI: pilot activities completed (2008), lessons used for BCI redesign/ implementation of scaled up activities in priority landscapes, by 2008 	<p>Regional</p> <ul style="list-style-type: none"> CEP TAs (2006–2008) Flood Management and Mitigation Project (2008) 	<ul style="list-style-type: none"> Finland Denmark Sweden United States UNEP World Wildlife Fund

Long-Term Development Goals of GMS Countries	Key Constraints to Achievement of Strategic Goals	ADB's Strategic Focus		ADB Interventions to Support the RCSP	Other Development Partners
		Outcomes that ADB Expects to Influence Through Its Interventions ^a	Milestones/Tracking Indicators to Assess RCSP Implementation		
	<ul style="list-style-type: none"> • Susceptibility to spread of infectious diseases • Limited access to education services/facilities 	deforestation on a country-by-country basis) ⁱ <ul style="list-style-type: none"> - Increase in protected area, and area covered by biodiversity conservation corridor: (see Table A1.4b for latest year data on biodiversity and protected areas on a country-by-country basis)ⁱ - Decreased number of endangered species: (see Table A1.4b for latest year data on biodiversity and protected areas on a country-by-country basis)ⁱ - Decreased number of girls and women trafficked across GMS border crossing points (e.g., through anecdotal evidence)^j 	<ul style="list-style-type: none"> • Funding for conservation/ environmental sustainability efforts secured under new mechanisms by 2006–2007 • Environmental frameworks, safeguards, and best practices for select sectors and economic corridors operational by 2007 • Initiatives for promoting safe migration for women and prevention of trafficking of girls and women in the GMS, identified and commenced implementation by 2006 	National <ul style="list-style-type: none"> • CAM: Tonle Sap Sustainable Livelihoods (2005) • CAM: Tonle Sap Lowland Stabilization (2007) 	<ul style="list-style-type: none"> • IUCN • GEF/World Bank • Mekong River Commission
		<ul style="list-style-type: none"> • Reduced risk and burden of communicable diseases, particularly among vulnerable populations <ul style="list-style-type: none"> - Decreased incidence of HIV/AIDS, malaria, and other communicable diseases: (see Table A1.3b for latest year data on adults living with HIV/AIDS on a country-by-country basis)ⁱ 	<ul style="list-style-type: none"> • 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 	Regional <ul style="list-style-type: none"> • GMS Communicable Diseases Control Project (2005) • TA on Building Ethnic Minority Capacity in the GMS to Combat Trafficking and HIV/AIDS (2006) National <ul style="list-style-type: none"> • LAO: Health Sector Development Program (2007) • VIE: HIV/AIDS Prevention among the Youth (2006) 	<ul style="list-style-type: none"> • WHO

ACMECS = Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy, ADB = Asian Development Bank, AFD = Agence Française de Développement, APT = Asia Pacific Telecommunity, ASEAN = Association of Southeast Asian Nations, BCI = Biodiversity Conservation Corridor Initiative, CAM = Cambodia, CBTA = GMS Cross-border Transport Agreement, PRC = People's Republic of China, CEP = Core Environment Program, EIB = European Investment Bank, EOC = Environment Operations Center, EWEC = East-West Economic Corridor, FAO = Food and Agriculture Organization, GDP = gross domestic product, GEF = Global Environment Facility, GMS = Greater Mekong Subregion, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, HRD = human resources development, ICT = information and communications technology, IMF = International Monetary Fund, IPR = intellectual property rights, ITU = International Telecommunications Union, IUCN = International Conservation Union or International Union for the Conservation of Nature and Natural Resources, JBIC = Japan Bank for International Cooperation, kWh = kilowatt-hour, LAO = Lao People's Democratic Republic, MOU = memorandum of understanding, MW = megawatt, NDF = Nordic Development Fund, OPEC = Organization of Petroleum Exporting Countries, PATA = Pacific Asia Travel Association, PPP = Phnom Penh Plan for Development, PPTA = project preparatory technical assistance, PTOA = power trade operating agreement, RCSP = regional cooperation strategy and program, SFA-TFI = Strategic Framework for Action–Trade Facilitation and Investment, SOM = Senior Officials' Meeting, TA = technical assistance, THA = Thailand, UNEP = United Nations Environment Programme, UNESCAP = United Nations Economic and Social Commission for Asia and the Pacific, VIE = Viet Nam, WHO = World Health Organization, WTO = World Trade Organization.

- ^a Achievement of these outcomes are the combined responsibility of the GMS governments, development partners (including the ADB), private sector, and civil society.
- ^b Based on IMF's Direction of Trade Statistics. Intraregional trade data covering Yunnan Province and Guangxi, instead of the entire PRC, will be assembled in 2006 and used as monitoring indicator.
- ^c Baseline value is based on a random sample of 2000 visitors who arrived at six airports in the GMS countries.
- ^d Other indicators such as gross provincial product, number of firms, and investment in provinces along the GMS economic corridors will be collected, to the extent that these are available, by 2006 and used as monitoring indicators.
- ^e Baseline data for selected economic corridors covered under the initial implementation of the GMS Cross-Border Transport Agreement are expected to be available by 2006.
- ^f Detailed monitorable indicator(s) is (are) expected to be developed by 2006.
- ^g Detailed monitorable indicators(s) is (are) expected to be developed by 2006 as part of the work program of the GMS Subregional Telecommunications Forum.
- ^h Baseline data on intraregional trade in agricultural products are to be developed by 2006 as part of the work program of the GMS Working Group on Agriculture.
- ⁱ Baseline data for Yunnan Province and Guangxi of the PRC will be collected, to the extent that these are available, and used as monitoring indicators.
- ^j Baseline data are expected to be obtained from ongoing regional technical assistance 6190 (ADB. 2004. *Technical Assistance for Preventing the Trafficking of Women and Children and Promoting Safe Migration in the Greater Mekong Subregion*. Manila).

Source: Asian Development Bank.

PORTFOLIO MANAGEMENT INDICATORS

Table A5.1: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 30 June 2005)

Sector	Net Loan Amount		Total		Rating ^a								Potential Problem ^b		At Risk ^c	
					Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory					
	\$ million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Energy	171.79	12.45	4	21.05	1	5.26	3	15.79	0	0.00	0	0.00	1	5.26	1	5.26
Industry and Trade	38.59	2.80	3	15.79	0	0.00	3	15.79	0	0.00	0	0.00	0	0.00	0	0.00
Transport and Communications	1169.63	84.76	12	63.16	0	0.00	11	57.89	1	5.26	0	0.00	0	0.00	0	0.00
Total	1380.01	100.00	19	100.00	1	5.26	17	89.47	1	5.26	0	0.00	1	5.26	1	5.26

— = not available, GMS = Greater Mekong Subregion, No. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^c 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 June 2005)

Sector	Loan No.	Title	Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
			OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
EN	2162	Nam Theun 2 Hydroelectric Project	20.00		4/Apr/05	30/May/05	30/May/10		2
TC	2116	PRC: Dali-Lijang Railway Project (Yunnan Province)	180.00	0.00	2/Dec/04		30/Jun/10		5
EN	2052	CAM: GMS Transmission Project	0.00	45.07	15/Dec/03		31/Dec/08		3
TC	2014	PRC: Western Yunnan Road Development	250.00	0.00	28/Oct/03	28/Oct/04	31/Mar/08		13
TC	1989	LAO: GMS: Northern Economic Corridor	0.00	33.32	20/Dec/02	9/Feb/04	30/Jun/07		19
IT	1971	VIE: GMS: Mekong Tourism Development	0.00	9.35	12/Dec/02	25/Sep/03	30/Jun/08		18
IT	1970	LAO: GMS: Mekong Tourism Development	0.00	12.04	12/Dec/02	06/Aug/03	30/Jun/08		39
IT	1969	CAM: GMS: Mekong Tourism Development	0.00	17.20	12/Dec/02	6/Aug/03	30/Jun/08		24
TC	1945	CAM: GMS: Cambodia Road Improvement	0.00	55.23	26/Nov/02	20/May/03	30/Jun/07		9
TC	1728	VIE: East-West Corridor Project	0.00	26.33	20/Dec/99	21/Sep/00	31/Dec/04	30/Jun/06	70
TC	1727	LAO: East-West Corridor Project	0.00	32.50	20/Dec/99	21/Sep/00	31/Dec/04	31/Dec/06	88
TC	1691	PRC: Southern Yunnan Road Development	250.00	0.00	24/Jun/99	18/May/00	31/Mar/04	31/Dec/04	100
TC	1660	VIE: Phnom Penh-Ho Chi Minh City Highway	0.00	97.11	15/Dec/98	09/Nov/99	30/Jun/03	30/Jun/05	94
TC	1659	CAM: Phnom Penh-Ho Chi Minh City Highway	0.00	38.94	15/Dec/98	09/Nov/99	30/Jun/05	31/Dec/05	93
TC	1503	CAM: Siem Reap Airport	0.00	13.88	12/Dec/96	13/Jun/97	30/Jun/00	31/Mar/04 ^a	100
EN	1456	LAO: Nam Leuk Hydropower Development	0.00	49.00	10/Sep/96	17/Jan/97	31/Mar/00	31/Mar/03 ^b	100
TC	1369	LAO: Champassak Road Improvement	0.00	42.33	31/Aug/95	19/Dec/95	30/Jun/00	31/Mar/01 ^c	100
EN	1329	LAO: Theun Hinboun Hydropower	0.00	57.72	8/Nov/94	19/Jan/96	30/Jun/98	14/Oct/98 ^d	100
TC	1325	PRC: Yunnan Expressway	150.00	0.00	29/Sep/94	18/May/95	31/Jan/99 ^e		100
Total			850.00	530.11					

ADF = Asian Development Fund; CAM = Cambodia, PRC = People's Republic of China, EN = energy; GMS = Greater Mekong Subregion, IT = Industry and Trade, LAO = Lao People's Democratic Republic, No. = number; OCR = ordinary capital resources; PCR = project completion report, TC = transport and communications, VIE = Viet Nam.

^a Project closed retroactively on 17 April 2003; PCR circulated 28 December 2004.

^b Actual closing date 13 March 2003; PCR circulated August 2004.

^c Actual closing date of 26 July 2001; PCR circulated 22 October 2001.

^d Actual closing date; PCR circulated December 2000.

^e Actual closing date 30 June 2000; PCR circulated 22 August 2001.

Source: Asian Development Bank.

Sector	Loan No.	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
					IP	DO		
EN	2162	Nam Theun 2 Hydroelectric Project	7.75	7.75	S	S	No	No
TC	2116	PRC: Dali-Lijang Railway Project (Yunnan Province)	—	—	S	S	No	No
EN	2052	CAM: GMS Transmission Project	—	—	S	S	Yes	Yes
TC	2014	PRC: Western Yunnan Road Development	202.49	28.09	S	S	No	No
TC	1989	LAO: GMS: Northern Economic Corridor	20.09	7.82	S	S	No	No
IT	1971	VIE: GMS: Mekong Tourism Development	0.26	0.37	S	S	No	No
IT	1970	LAO: GMS: Mekong Tourism Development	2.33	1.81	S	S	No	No
IT	1969	CAM: GMS: Mekong Tourism Development	1.49	1.01	S	S	No	No
TC	1945	CAM: GMS: Cambodia Road Improvement	4.21	1.65	S	S	No	No
TC	1728	VIE: East-West Corridor Project	18.20	10.51	S	S	No	No
TC	1727	LAO: East-West Corridor Project	21.54	19.88	S	S	No	No
TC	1691	PRC: Southern Yunnan Road Development	219.60	250.00	S	S	Completed	
TC	1660	VIE: Phnom Penh-Ho Chi Minh City Highway	85.59	74.10	S	HS	No	No
TC	1659	CAM: Phnom Penh-Ho Chi Minh City Highway	37.00	33.92	S	S	No	No
TC	1503	CAM: Siem Reap Airport	13.52	13.68	PS	S	Completed	
EN	1456	LAO: Nam Leuk Hydropower Development	47.54	49.00	S	S	Completed	
TC	1369	LAO: Champassak Road Improvement	41.50	42.24	S	S	Completed	
EN	1329	LAO: Theun Hinboun Hydropower	57.71	57.71	HS	HS	Completed	
TC	1325	PRC: Yunnan Expressway	121.40	107.76	S	S	Completed	
Total			904.63	707.31				

— = data not available, CAM = Cambodia, PRC = People's Republic of China, DO = development objectives, EN = energy, IT = Industry and Trade, HS = highly satisfactory, IP = implementation progress, LAO = Lao People's Democratic Republic, No. = number, TC = transport and communications, PS = partly satisfactory, S = satisfactory, VIE = Viet Nam.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b 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 2006–2008

Table A6.1: GMS Indicative Assistance Pipeline for Lending Products, 2006–2008

Sector Project/Program Name	Countries Involved	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				Co- financing
							ADB			Gov't	
							OCR	ADF ^a	Total		
2006 Firm Loans											
Transport and Communication											
1. GMS Hanoi-Lao Cai Railways Upgrade	VIE	GI	ECO/RC	MKID	2002	160.0		60.0	60.0	20.0	80.0
2. GMS Rehabilitation of the Railway in Cambodia	CAM	GI	ECO/GOV /RC	MKID	2005	46.0		20.0	20.0	6.0	France 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
2007 Firm Loans											
Energy											
1. GMS Power Interconnection (Phase I)	LAO	GI	ECO/RC	MKID	2003	60.0		15.0	15.0	5.0	40.0
2. GMS Power Interconnection (Phase I)	VIE	GI	ECO/RC	MKID	2003	65.0	30.0		30.0	10.0	25.0
Subtotal						125.0	30.0	15.0	45.0	15.0	AFD 65.0
Industry and Trade											
3. GMS Pro-poor Tourism	CAM	TI	ISD/RC	MKSS	2005	15.0		10.0	10.0	5.0	
4. GMS Pro-poor Tourism	LAO	TI	ISD/RC	MKSS	2005	12.5		10.0	10.0	2.5	tbd
5. GMS Pro-poor Tourism	VIE	TI	ISD/RC	MKSS	2005	13.0		10.0	10.0	3.0	
Subtotal						40.5		30.0	30.0	10.5	
Transport and Communications											
6. GMS Southern Coastal Corridor	VIE ^b	GI	ECO/RC	MKID	2004	100.0		75.0	75.0	25.0	
7. GMS Information and Communications Technology Project Phase I	CAM	GI	ECO/RC	MKID	2005	19.0		15.0	15.0	4.0	tbd
8. GMS Information and Communications Technology Project Phase I	LAO	GI	ECO/RC	MKID	2005	25.0		20.0	20.0	5.0	
9. GMS Kunming-Haiphong Expressway Phase I	VIE	GI	ECO/RC	MKID	2002	160.0	110.0		110.0	50.0	
10. Northern GMS Transport Network Improvement	LAO	TI	ECO/RC	MKID	2005	35.0		28.0	28.0	7.0	tbd

Sector Project/Program Name	Countries Involved	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
							ADB			Gov't	Co- financing
							OCR	ADF ^a	Total		
2007 Firm Loans—continued											
11. Yunnan Yuxi-Mengzi Railway	PRC	GI	ECO	ECTC	2005	754.0	250.0		250.0	504.0	
12. Yunnan Roads Development IV (Wuding-Kunming)	PRC	GI	ECO	ECTC	2006	576.0	200.0		200.0	72.0	304.0
Subtotal						1,669.0	560.0	138.0	698.0	667.0	304.0
Total 2007						1,834.5	590.0	183.0	773.0	692.5	369.0
2008 Firm Loans											
Agriculture and Natural Resources											
1. GMS Flood Management and Mitigation	CAM	GI	ECO/RC	MKAE	2007	25.0		20.0	20.0	5.0	
2. GMS Flood Management and Mitigation	LAO	GI	ECO/RC	MKAE	2007	25.0		20.0	20.0	5.0	tbd
3. GMS Flood Management and Mitigation	VIE	GI	ECO/RC	MKAE	2007	80.0		30.0	30.0	20.0	30.0
Subtotal						130.0		70.0	70.0	30.0	30.0
Transport and Communications											
4. GMS Kunming-Haiphong Expressway (Phase II)	VIE	GI	ECO/RC	MKID	2002	450.0	150.0	50.0 ^c	200.0	130.0	120.0
5. GMS Luang Prabang Airport Improvement	LAO	GI	ECO/RC	MKID	2006	12.5	10.0		10.0	2.5	
Subtotal						462.5	160.0	50.0	210.0	132.5	120.0
Total 2008						592.5	160.0	120.0	280.0	162.5	150.0
Overall Total 2006–2008						2,633.0	750.0	383.0	1,133.0	881.0	619.0

ADB = Asian Development Bank; ADF = Asian Development Fund; AFD = Agence Française de Développement; CAM = Cambodia; ECO = sustainable economic growth; PRC = People's Republic of China; ECTC = East and Central Asia Department Transport and Communications Division; GI = general intervention; GMS = Greater Mekong Subregion; GOV = governance; Gov't = Government; ISD = inclusive social development; LAO = Lao People's Democratic Republic; MKAE = Mekong Department Agriculture Environment, and Natural Resources Division; MKID= Mekong Department Infrastructure Division; MKSS = Mekong Department Social Sectors Division; OCR = ordinary capital resources; RC = regional cooperation; tbd = to be determined; TI = targeted intervention; VIE = Viet Nam.

^a Subject to funds availability.

^b Cambodian component is part of the proposed CAM: Transport Infrastructure Development and Maintenance Project for 2006.

^c The figure will be subject to further review.

Source: Asian Development Bank.

Table A6.2: GMS Indicative Assistance Pipeline for Non-Lending Products and Services, 2006–2008

Sector Assistance Name	Countries Involved	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source ^a	Amount (\$'000)	
2006								
Agriculture and Natural Resources								
1. Support for Navigation Program for MRC ^b	CAM/LAO/ THA/VIE	MKAE	RETA/ADTA	TASF	1,000.0	PRC	500.0	1,500.0
2. Transboundary Animal Disease Control to Reduce Poverty and Enhance Market for Livestock Trade in GMS (Phase 2)	GMS	MKAE	RETA/ADTA	TASF	200.0	PRC	300.0	500.0
3. Agricultural Cooperative Information Network in the Greater Mekong Subregion ^b	GMS	MKAE	RETA/ADTA	TASF	800.0	PRC	500.0	1,300.0
Subtotal					2,000.0		1,300.0	3,300.0
Education								
4. GMS Phnom Penh Plan for Development Management, Phase III	GMS	MKSS	RETA/ADTA			PRC	500.0	500.0
Subtotal							500.0	500.0
Energy								
5. GMS Northern Power Transmission Project	PRC/LAO/ THA	MKID	RETA/PPTA	tbd	800.0			800.0
6. GMS Power Interconnection Phase II	LAO/VIE	MKID	RETA/PPTA	tbd	700.0			700.0
Subtotal					1,500.0			1,500.0
Health, Nutrition, and Social Protection								
7. Building Ethnic Minority Capacity in the GMS to Combat Trafficking and HIV/AIDS	CAM/LAO	MKRD	RETA/ADTA			Sida	400.0	400.0
Subtotal							400.0	400.0
Industry and Trade								
8. GMS Industrial Standards Harmonization	GMS	MKGF	RETA/ADTA	TASF	800.0			800.0
9. Support to Implement the Strategic Framework for Action on Trade Facilitation and Investment (Phase 2)	GMS	MKGF	RETA/ADTA	TASF	400.0	PRC	400.0	800.0
10. GMS Customs Harmonization Program ^b	GMS	MKGF	RETA	tbd	800.0			800.0
11. Human Resources Development for Trade in GMS ^b	GMS	MKGF	RETA/ADTA	TASF	250.0	PRC	250.0	500.0
Subtotal					2,250.0		650.0	2,900.0
Transport and Communications								
12. GMS Luang Prabang Airport Improvement	LAO	MKID	PPTA	tbd	600.0			600.0

Sector Assistance Name	Countries Involved	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source ^a	Amount (\$'000)	
2006—continued								
13. Yunnan Roads Development IV (Wuding-Kunming)	PRC	ECTC	PPTA	TASF	500.0			500.0
14. GMS Information and Communication Technology Project Phase I	CAM/LAO	MKID	RETA/PPTA			France	800.0	800.0
Subtotal					1,100.0		800.0	1,900.0
Total 2006^c					6,850.0		3,650.0	10,500.0
2007								
Agriculture and Natural Resources								
1. GMS Flood Management and Mitigation	CAM	MKAE	PPTA	tbd	1,200.0			1,200.0
2. GMS Flood Management and Mitigation	LAO	MKAE	PPTA	tbd	800.0			800.0
3. GMS Flood Management and Mitigation	VIE	MKAE	PPTA	tbd	1,200.0			1,200.0
4. GMS Core Environment Program (Phase 1, Supplemental)	GMS	MKAE	RETA/ADTA	TASF	1,000.0			1,000.0
Subtotal					4,200.0			4,200.0
Education								
5. GMS Phnom Penh Plan for Development Management, Phase IV	GMS	MKSS	RETA/ADTA	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								
6. Trade Facilitation and Logistics Development in the GMS	CAM/LAO/ VIE	MKGF	RETA/PPTA	TASF	800.0			800.0
Subtotal					800.0			800.0
Multisector								
7. Mid –Term Review of the GMS Strategic Framework	GMS	MKOC	RETA/ADTA	TASF	500.0			500.0
8. Implementing the Agreement for Facilitation of the Cross-Border Transport of Goods and People in the GMS – Phase III	GMS	MKOC	RETA/ADTA	TASF	200.0	PRC	300.0	500.0
Subtotal					700.0		300.0	1,000.0
Transport and Communications								
9. Second East-West Transport Corridor	LAO/ VIE	MKID	RETA/SSTA	TASF	150.0			150.0
Subtotal					150.0			150.0
Total 2007^d					6,850.0		3,300.0	10,150.0

Sector Assistance Name	Countries Involved	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source ^a	Amount (\$'000)	
2008								
Agriculture and Natural Resources								
1. Expansion of Subregional Cooperation in the Agriculture Sector in the GMS (Phase 2)	GMS	MKAE	RETA/ADTA	TASF	1,000.0			1,000.0
2. Support for Navigation Program (Phase 2)	CAM/LAO/ VIE	MKAE	RETA/PPTA	TASF	1,000.0			1,000.0
Subtotal					2,000.0			2,000.0
Education								
3. GMS Phnom Penh Plan for Development Management, Phase V	GMS	MKSS	RETA/ADTA	TASF	500.0			500.0
Subtotal					500.0			500.0
Energy								
4. GMS Northern Region Power Supply	LAO	MKID	PPTA	tbd	800.0			800.0
Subtotal					800.0			800.0
Multisector								
5. Managing for Development Results in the GMS	GMS	MKOC	RETA/ADTA	TASF	2,000.0			2,000.0
Subtotal					2,000.0			2,000.0
Transport and Communications								
6. Second East-West Transport Corridor	LAO/ VIE	MKID	RETA/PPTA	TASF	800.0			800.0
Subtotal					800.0			800.0
Total 2008 ^e					6,100.0			6,100.0
Overall Total, 2006–2008 ^f					19,800.0		6,950.0	26,750.0

ADB = Asian Development Bank; ADTA = advisory technical assistance; CAM = Cambodia; PRC = People's Republic of China; ECTC = East and Central Asia Department Transport and Communications Division; GMS = Greater Mekong Subregion; HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome; LAO = Lao People's Democratic Republic; MKAE = Mekong Department Agriculture Environment, and Natural Resources Division; MKGF = Mekong Department Governance, Finance, and Trade Division; MKID = Mekong Department Infrastructure Division; MKOC = Mekong Department Operations Coordination Division; MKRD = Mekong Department; MKSS = Mekong Department Social Sectors Division; MRC = Mekong River Commission; PPTA = project preparatory technical assistance; RETA = regional technical assistance; Sida = Swedish International Development Cooperation Agency; TASF = technical assistance special fund; tbd = to be determined; THA = Thailand; VIE = Viet Nam.

^a Possible sources of cofinancing.

^b From 2005 standby.

^c Excluding single-country PPTAs, 2006 pipeline includes 12 GMS RETA projects with estimated total ADB financing of \$5.75 million.

^d Excluding single-country PPTAs, 2007 pipeline includes 6 GMS RETA projects with estimated total ADB financing of \$3.65 million.

^e Excluding 1 single-country PPTA, 2008 pipeline includes 5 GMS RETA projects with estimated total ADB financing of \$5.30 million.

^f Excluding single-country PPTAs, 2006-2008 pipeline includes 23 GMS RETA projects with estimated total ADB financing of \$14.70 million.

Source: Asian Development Bank.

GMS ASSISTANCE PIPELINE FOR 2005

Table A7.1: GMS Assistance Pipeline for Lending Products, 2005

Sector Project/Program Name	Countries Involved	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Cost (\$ million)					
						Total	OCR	ADB ADF ^a	Total	Gov't	Co- financing
2005 Firm Loans											
Energy											
1. GMS Nam Theun 2 Hydropower Development Project ^b	LAO	GI	ECO/PSD /RC	MKID	2004	1,250.0 ^c	20.0 ^d	0.0	20.0	0.0 ^e	1,230.0
Subtotal						1,250.0	20.0		20.0	0.0	1,230.0
Health, Nutrition and Social Protection											
2. GMS Communicable Disease Control in Border Areas	CAM	TI	ISD/RC/ GAD	MKSS	2004	9.0		9.0 ^f	9.0		
3. GMS Communicable Disease Control in Border Areas	LAO	TI	ISD/RC/ GAD	MKSS	2004	6.0		6.0 ^f	6.0		
4. GMS Communicable Disease Control in Border Areas	VIE	TI	ISD/RC/ GAD	MKSS	2004	15.0		15.0 ^f	15.0		
Subtotal						30.0		30.0	30.0		
Transport and Communications											
5. GMS Kunming-Haiphong Expressway (Engineering Loan)	VIE	GI	ECO/RC	MKID	2002	5.5		4.0	4.0	1.5	
Subtotal						5.5		4.0	4.0	1.5	
Total 2005						1,285.5	20.0	34.0	54.0	1.5	1,230.0

ADB = Asian Development Bank; ADF = Asian Development Fund; CAM = Cambodia; ECO = sustainable economic growth; GAD = gender and development; GI = general intervention; GMS = Greater Mekong Subregion; Gov't = Government; ISD = inclusive social development; LAO = Lao People's Democratic Republic; MKID = Mekong Department Infrastructure Division; MKSS = Mekong Department Social Sectors Division; OCR = ordinary capital resources; PSD = private sector development; RC = regional cooperation; TI = targeted intervention; VIE = Viet Nam.

^a Subject to funds availability.

^b Loan 2162 LAO: Nam Theun 2 Hydroelectric Project approved on 4 April 2005.

^c A combination of loan facilities amounting to about \$900 million and shareholders' equity of about \$350 million excluding equity allocation of \$200 million.

^d Excluding \$50 million direct loan to the project developers through private sector operations, and \$50 million political risk guarantee. Private Sector Operations Department's figures are included in the cofinancing column.

^e Government participation in the project is through equity injection into the project company. Aside from ADB loan (up to \$20 million), the Government's equity injection was financed by loans and grants from the International Development Association (grant up to \$20 million), European Investment Bank (loan up to €40.0 million or equivalent \$52.0 million) and Agence Française de Développement (grant funds of €5.0 million or equivalent \$6.5 million) which are reflected in the cofinancing column.

^f Proposed for full ADF grant financing.

Source: Asian Development Bank.

Table A7.2: GMS Assistance Pipeline for Nonlending Products and Services, 2005

Sector Assistance Name	Countries Involved	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source ^a	Amount (\$'000)	
2005 Firm								
Agriculture and Natural Resources								
1. Regional Environmental Compliance and Enforcement Network ^b	GMS	MKAE	RETA/ADTA			GCF/Others	680.0	680.0
2. Expansion of Subregional Cooperation in the Agriculture Sector in the GMS	GMS	MKAE	RETA/ADTA	TASF	500.0			500.0
3. GMS Core Environment Program (Phase 1)	GMS	MKAE	RETA/ADTA	TASF	1,000.0	Netherlands/PRF/ Sida/ USAID	31,500.0	32,500.0
4. Developing New Policy Paradigms for Sustainable Livelihoods Protection and Natural Resources Management Among Ethnic Minorities in GMS ^c	GMS	MKAE	RETA/ADTA			NPRS	150.0	150.0
5. Preparing Environmental Inputs for Second GMS Summit ^d	GMS	MKAE	RETA/ADTA	TASF	90.0			90.0
Subtotal					1,590.0		32,330.0	33,920.0
Education								
6. GMS Phnom Penh Plan for Development Management - Phase II ^e	GMS	MKSS	RETA/ADTA	TASF	800.0	PRC/ France/ New Zealand	2,700.0	3,500.0
Subtotal					800.0		2,700.0	3,500.0
Energy								
7. GMS Energy Sector Strategy Study	GMS	MKID	RETA/ADTA	TASF	1,000.0	France	500.0	1,500.0
Subtotal					1,000.0		500.0	1,500.0
Health, Nutrition, and Social Protection								
8. HIV/AIDS Vulnerability and Risk Mitigation among Ethnic Minority Groups through Communication Strategies (formerly GMS Poverty Reduction through Education of Ethnic Minorities) ^f	GMS	MKSS	RETA/ADTA			PRF/ UNESCO	1,222.0	1,222.0
9. Strengthening Malaria Control Strategies for Ethnic Minorities in GMS ^g	GMS	MKSS	RETA/ADTA			PRF/WHO	880.0	880.0
10. Communicable Diseases Control in Border Areas in the GMS (Supplemental) ^h	CAM/LAO/ VIE	MKSS	RETA/PPTA			Belgium	250.0	250.0
Subtotal							2,352.0	2,352.0

Sector Assistance Name	Countries Involved	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source ^a	Amount (\$'000)	
2005 Firm—continued								
Industry and Trade								
11. Support to Implementation of the Strategic Framework for Trade Facilitation and Investment in GMS (Phase 1)	GMS	MKGF	RETA/ADTA	TASF	400.0	PRC	400.0	800.0
12. Support Development of Action Plan in Trade and Investment Facilities ⁱ	GMS	MKGF	RETA/ADTA	TASF	150.0			150.0
13. Pro-Poor Tourism Improvements	CAM/LAO/VIE	MKSS	RETA/PPTA	TASF	900.0			900.0
14. Business Environment in GMS	GMS	MKGF	RETA/ADTA	TASF	300.0	PRC	200.0	500.0
Subtotal					1,750.0		600.0	2,350.0
Multisector								
15. Implementing the Agreement for Facilitation of the Cross-Border Transport of Goods and People in the GMS- Phase II	GMS	MKOC	RETA/ADTA	TASF	400.0	PRC	400.0	800.0
16. Enhancing the Development Effectiveness of the GMS Economic Cooperation Program (formerly Supporting GMS Sector Working Groups)	GMS	MKOC	RETA/ADTA	TASF	2,500.0			2,500.0
17. Investment Study on the GMS North-South Economic Corridor	GMS	MKOC	RETA/ADTA	TASF	100.0	PRC	400.0	500.0
Subtotal					3,000.0		800.0	3,800.0
Transport and Communications								
18. GMS Southern Coastal Corridor ^j	CAM/VIE	MKID	RETA/PPTA		1,000.0			1,000.0
19. GMS Rehabilitation of Railways in Cambodia	CAM	MKID	PPTA	tbd	500.0			500.0
20. GMS Restructuring of the Railways in Cambodia	CAM	MKID	ADTA			France	1,500.0	1,500.0
21. Northern GMS Transport Network Improvement	LAO	MKID	PPTA	tbd	800.0			800.0
22. GMS Hanoi Lao Cai Railways (Supplemental)	VIE	MKID	PPTA	tbd	350.0			350.0
23. Yunnan Yuxi-Mengzi Railway	PRC	ECTC	PPTA	TASF	500.0			500.0
Subtotal					3,150.0		1,500.0	4,650.0
Total 2005 (Firm)^k					11,290.0		40,782.0	52,072.0

Sector Assistance Name	Countries Involved	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source ^a	Amount (\$'000)	
2005 Standby								
Agriculture and Natural Resources								
1. Support for Navigation Program for MRC	GMS	MKAE	RETA/ADTA	TASF	1,000.0			1,000.0
2. Agricultural Cooperative Information Network in the Greater Mekong Subregion	GMS	MKAE	RETA/ADTA	TASF	800.0	PRC	500.0	1,300.0
Subtotal					1,800.0		500.0	2,300.0
Trade and Industry								
3. GMS Customs Harmonization Program	GMS	MKGF	RETA	tbd	800.0			800.0
4. Human Resources Development for Trade in GMS	GMS	MKGF	RETA/ADTA	TASF	250.0	PRC	250.0	500.0
Subtotal					1,050.0		250.0	1,300.0
Total 2005 (Standby)					2,850.0		750.0	3,600.0
Grand Total 2005 (Firm + Standby)					14,140.0		41,532.0	55,672.0

ADB = Asian Development Bank; ADTA = advisory technical assistance; CAM = Cambodia; PRC = People's Republic of China; ECTC = East and Central Asia Department Transport and Communications Division; GCF = Governance Cooperation Fund; GMS = Greater Mekong Subregion; HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome; LAO = Lao People's Democratic Republic; MKAE = Mekong Department Agriculture Environment, and Natural Resources Division; MKGF = Mekong Department Governance, Finance, and Trade Division; MKID = Mekong Department Infrastructure Division; MKOC = Mekong Department Operations Coordination Division; MKSS = Mekong Department Social Sectors Division; MRC = Mekong River Commission; NPRS = Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies; PPTA = project preparatory technical assistance; PRF = Poverty Reduction Fund; RETA = regional technical assistance; Sida = Swedish International Development Cooperation Agency; SSTA = small-scale technical assistance; TASF = technical assistance special fund; tbd = to be determined; UNESCO = United Nations Educational, Scientific and Cultural Organization; USAID = United States Agency for International Development; USEPA = United States Environmental Protection Agency; VIE = Viet Nam; WB = World Bank; WHO = World Health Organization.

^a Possible sources of cofinancing for projects that are still to be approved.

^b Approved as RETA 6234 on 9 March 2005. Financing Plan included cofinancing from GCF (\$250,000), International Network for Environmental Compliance and Enforcement (\$20,000), Organisation for Economic Cooperation and Development (\$40,000), USAID (\$300,000), USEPA (\$50,000) and World Bank (\$20,000).

^c Approved as RETA 6242 on 17 May 2005.

^d Approved as RETA 6238 on 5 April 2005.

^e Approved as RETA 6237 on 1 March 2005. Financing Plan included cofinancing from PRC Fund (\$500,000), France (\$1,900) and New Zealand (\$300,000).

^f Approved as RETA 6247 on 1 July 2005.

^g Approved as RETA 6243 on 23 May 2005. Financing Plan included cofinancing from PRF (\$750,000) and WHO (\$130,000).

^h Approved as Supplementary to RETA 6194 on 27 April 2005.

ⁱ Approved as RETA 6231 (SSTA) on 10 February 2005.

^j Approved as RETA 6235 (PPTA) on 10 March 2005.

^k Excluding single-country ADTA and PPTAs, 2005 pipeline includes 18 GMS RETA projects with estimated total ADB financing of \$9.14 million.

Source: Asian Development Bank.

CONCEPT PAPERS FOR LENDING PRODUCTS, 2005

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

- (i) Table A8.1: GMS Hanoi–Lao Cai Railways Upgrade
- (ii) Table A8.2: GMS Rehabilitation of the Railway in Cambodia

Table A8.1: GMS: Hanoi–Lao Cai Railways Upgrade**Date: 29 April 2004**

1. Type/modality of assistance <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 type="checkbox"/> Nonlending <input 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	
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Railways b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic areas 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 Subthemes: Promoting economic efficiency and enabling markets, and fostering physical infrastructure development	
3. Coverage <input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development	
4. Responsible division/department: Infrastructure Division/Mekong Department	
5. Responsible ADB officer: P. Broch, Transport/Project Economist	
6. Description of assistance a. Background and link to country/regional strategy: The 296 km railway between Hanoi and Lao Cai on the border with the PRC railway forms a strategic link in the Kunming–Haiphong Transport Corridor. Developing the transport corridor is a high-priority subregional transport project under the GMS Economic Cooperation Program. Implementation of the project is in line with the GMS program's strategy to develop efficient multimodal infrastructure links between the GMS countries. The fourth meeting of the Subregional Transport Forum in Vientiane in May 1998 agreed to develop the corridor by improving roads, railways, and inland waterways. The GMS: Hanoi–Lao Cai Railway Upgrading Project has been specifically developed to support this strategy. The Hanoi–Lao Cai railway is also part of the Singapore–Kunming Railway Link, which is a flagship project of ASEAN. Another section of the Singapore–Kunming Railway Link will be improved under the GMS: Rehabilitation of the Railway in Cambodia.	

<p>b. Goal and purpose: The goals of the Hanoi–Lao Cai Railway upgrading project are to (i) facilitate trade and enable economic growth in Yunnan Province and northwestern Viet Nam; (ii) facilitate access to and from Haiphong port for Yunnan Province, especially for containers; (iii) reduce transport costs; (iv) improve traffic safety; and (v) secure sufficient railway capacity to handle future traffic demand. The purpose of the project is to upgrade the railway to achieve safe, regular, and cost-efficient operation. At the same time, it aims to increase capacity to meet requirements for the coming 10–15 years.</p> <p>c. Components, outputs, specific deliverables: The investment project proposal for upgrading the Hanoi–Lao Cai railway encompasses (i) rehabilitation and stabilization of the railway embankment, and minor realignment to reduce steep grades and eliminate sharp curves; (ii) rehabilitation of bridges and culverts; (iii) spot rehabilitation of track; (iv) establishment of non-level road crossings where the railway passes major roads and highways; (v) upgrade of signals and communications, (vi) lengthening and capacity enhancement of stations, including the construction of new passage stations to increase line capacity; and (vii) support with upgrading of rolling stock. The project will incorporate components to secure full compensation of people adversely affected by the construction of realignments, overpasses, and expansion of station capacity; and will secure responsible environmental management during construction and subsequent operation. The detailed project will be developed in a project preparatory TA to be executed in 2005–2006.</p> <p>d. Expected results and deliverables: The project will upgrade the Hanoi–Lao Cai railway to achieve (i) a secure and safe railway line, (ii) capacity upgrading to meet demand for the next 10–15 years, (iii) increased average main line speed of about 60 km per hour, and (iv) significantly reduced unit transport cost.</p> <p>e. Social or environmental issues or concerns: Special attention will be paid to ethnic minority issues and to resettlement in connection with realignment and expansion of stations.</p> <p>f. Plans for disseminating results/deliverables: Reports will be provided to the concerned Government agencies in Viet Nam, ADB, and the Government of the PRC to ensure coordination with the development of the railway line between Hekou and Kunming.</p>
<p>7. Proposed executing/implementing agencies: The Ministry of Transport through the Railway Project Implementation Unit under Viet Nam Railways.</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Extensive consultations with the GMS countries have produced a list of high-priority subregional projects. The Kunming–Haiphong transport corridor is 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. The ninth GMS ministerial conference, held in Manila in January 2000, endorsed this decision.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2005</p> <p>b. Expected date of submission for approval Lending: April 2006 Nonlending (project preparatory): Nonlending (other than project preparatory):</p> <p>a. Period and duration of assistance Lending: 2006–2010 Nonlending:</p>
<p>10. Financing Plan</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input checked="" type="checkbox"/> Asian Development Fund: \$60 million <input checked="" type="checkbox"/> Other: Government, \$20 million; Cofinancing: France, \$80 million</p>

Source	Amount (\$ million)
ADB Financing	60.0
Government Financing	20.0
Other Financing (France)	80.0
Total Cost	160.0

Source: Asian Development Bank estimates.

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

Table A8.2: GMS: Rehabilitation of the Railway in Cambodia**Date: 3 June 2004**

1. Type/modality of assistance <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:	
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and communications Subsector: Railways b. For project preparatory and lending, classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic areas <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 checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development Subthemes: Promoting economic efficiency and enabling markets, fostering physical infrastructure development, public governance, and policy/institutional/legal/regulatory reforms, and public-private partnerships	
3. Coverage <input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development	
4. Responsible division/department: Infrastructure Division/ Mekong Department	
5. Responsible ADB officer: P. Broch, Transport/Project Specialist	
6. Description of assistances a. Background and link to country/regional strategy: ASEAN has requested ADB's support in establishing the Singapore–Kunming railway link, which is an ASEAN flagship project. The strategy for implementation of the flagship project is gradual rehabilitation and upgrading of the constituent national railway lines to the extent implied by national development priorities, and establishment of requisite missing rail links. A central part of the flagship project is the railway through Cambodia and Viet Nam, which provides the strategic link between the existing railway networks in Singapore, Malaysia, Thailand, and Myanmar in the west, and the railway networks in Viet Nam and Yunnan Province, PRC in the east. The railway link through Cambodia is also an integral part of the GMS Southern Economic Corridor, which is one of 11 Flagship Programs under GMS program.	

The Cambodia Transport Sector Strategy Study¹ concluded that, as a result of 2 decades of war, the railway is in poor condition and will need to be rehabilitated before the full benefits from rail traffic can be realized. Access to safe and regular regional railway traffic would benefit Cambodia by (i) reducing heavy truck traffic on the road network, thus lowering future maintenance and expansion costs; (ii) reducing the transport of fuel and other dangerous goods by road, thus lowering road traffic risks; (iii) providing cheap transport for bulk cargo, such as cement and fuel, thus lowering the cost of importing and distributing such basic products; and (iv) by increasing the competitive pressure on existing transport systems, primarily road transport and the port in Sihanoukville, through the establishment of alternative routes and means of transport, which would help to reduce the scope for monopoly pricing. The study suggested that railway operations in Cambodia could become financially viable if the railway was rehabilitated and restructured with decisive private sector involvement. Finally, the strategy study noted that railway operations are not financially viable under the present circumstances, and cannot generate the funds required for rehabilitation from its own sources. The previous decade of intensive investment in the road sector in Cambodia was aimed at reestablishing the country's core road network, which will be completed in about 2006. A reorientation of transport sector investments is already taking place, focusing on (i) deepening the road network through rehabilitation of the secondary road network, which has been neglected largely; and (ii) increasing the competitiveness and efficiency of the transport sector through the development of a more diversified transport market offering a wider range of transport routes and modes. Increased diversity would improve the efficiency of the transport sector through a reduction in the scope for monopoly pricing by offering realistic alternatives. It also would enable a broader range of transport services that better match demand for various types of transport.

- b. Goal and purpose:** The objectives of the project are to (i) support integration of Cambodia into the regional/subregional railway network in the western parts of the subregion by providing railway access to Thailand; (ii) increase the efficiency of transport services within Cambodia and to its neighbors by providing efficient alternative routes and modes of transport for Cambodia's import and export trade; (iii) reduce the cost of road maintenance and traffic risks by transferring heavy and dangerous cargo to a safe and reliable railway system; (iv) pave the way for further subregional integration by facilitating achievement of the Singapore–Kunming railway link; and (v) increase the transparency and eliminate the financial losses from the railway by restructuring the railway into a PPP, and by establishing a transparent regulatory framework for the railway.
- c. Components, outputs, specific deliverables:** These include: (i) processing of the loan during 2005 for approval in early 2006, (ii) completion of civil works by 2010 leading to complete rehabilitation of the railways permanent way, including bridges and other structures, and (iii) reconstruction of about 50 km of railway to the border with Thailand, which was destroyed during the war. This will reestablish railway connection between Cambodia and the railway network in western GMS. A parallel advisory TA will be executed in 2005–2006 for restructuring of the railway sector.
- d. Expected results and deliverables:** The expected outcome from the advisory TA would be a restructured railway operator with joint public and private ownership, which could develop further the railway in commercial, technical, and financial terms to become a fully modernized and efficient transport provider. The process also would provide an example of transparent execution of restructuring through the establishment of PPPs, which could be emulated in other sectors in Cambodia and throughout the subregion. The expected outcome from the loan project would be about 600 km of rail rehabilitated to a safe standard with a travel speed of about 50 km per hour, and about 48 km of lost railway reestablished to a similar standard. It could provide the foundation for future development on commercial terms. The expected outcome from the restructuring TA would be the establishment of a functioning railway regulator that could efficiently oversee and promote the subsector's future development.
- e. Social or environmental issues or concerns:** Instances of encroachment on the existing railway right of way will require resettlement. The extent and severity of the issue will be reviewed as part of project preparation, and a resettlement plan will be developed and implemented accordingly under the resettlement framework agreed between the Government of Cambodia and ADB. Minority, gender, and poverty issues will be reviewed as part of project processing, and mitigating measures will be developed and implemented if deemed necessary. A concern would be retrenchment in RRC as part of the PPP process, where adequate compensation schemes might need to be developed and funded. The project is for rehabilitation and reestablishment of track in the existing alignment. Thus, major environmental concerns are not foreseen. However, possibilities for improvement of drainage arrangements where the railway passes the flood plains of Tonle Sap will be assessed as part of project preparation.

¹ ADB. 2001. *Technical Assistance for Cambodia for the Transport Sector Strategy*. Manila.

- f. Plans for disseminating results/deliverables:** The PPP process and recommendations will be documented exhaustively to allow monitoring and emulation of the process elsewhere. The PPP process, as well as the environmental and social assessments, will require extensive consultation with a wide range of stakeholders, including (i) concerned Government institutions in Cambodia and Thailand; (ii) current and potential railway users; (iii) potential private investors; (iv) staff and management of RRC; (v) general population living in the vicinity of the railway; and (vi) local authorities affected by the project, notably in Poipet.

7. Proposed executing/implementing agencies: Ministry of Public Works and Transport

- 8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** During a reconnaissance mission in May 2003, the proposal was discussed with (i) representatives from the concerned ministries in Cambodia and Thailand, as well as with relevant officials of ASEAN, regarding interest in and likely degree of support for the proposal; (ii) RRC and the State Railways of Thailand, concerning the mode of implementation; and (iii) current and potential for private sector users of the railway in Cambodia and Thailand, concerning their demand for improved railway services and their willingness to participate and invest in a PPP. A memorandum of understanding outlining the project was signed with the Ministry of Public Works and Transport in Cambodia. In September 2004, the Government formally asked ADB to support the restructuring and rehabilitation of the railway.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSP Update (2002–2004), CSP Update (2004–2006), and RCSP (2004).
- b. Expected date of submission for approval
 - Lending: January 2006
 - Nonlending (project preparatory): January 2005
 - Nonlending (other than project preparatory):
- c. Period and duration of assistances
 - Lending: 2006–2010 (5 years)
 - Nonlending: 2005

10. Financing Plan

- a. For lending
 - ☐ Ordinary capital resources:
 - ☒ Asian Development Fund: \$20.0 million
 - ☒ Other: Cofinancing and material support from ASEAN countries.

Government of Thailand, which will establish required infrastructure in Thailand, may consider wider support if broader ASEAN support is forthcoming. Government of Malaysia has offered reclaimed rail for reconstruction of the 48 km to the border of Thailand, and might provide additional track and inputs for rehabilitation of other parts of the railway. JBIC has expressed interest in financing part of the rehabilitation project, amounts to be determined.

Source	Amount (\$ million)
ADB Financing	20.0
Government Financing	6.0
Other Financing	20.0
Total Cost	46.0

Source: Asian Development Bank estimates.

- b. For nonlending
 - ☐ No resources required, other than ADB staff
 - ☐ ADB's administrative budget:
 - ☒ Grant TA funds: \$0.5 million
 - ☐ Other:

Source	Amount (\$)
ADB Financing	500.0
Government Financing	
Other Financing	
Total Cost	500.0

Source: Asian Development Bank estimates.

ADB = Asian Development Bank, ADF = Asian Development Fund, ASEAN = Association of Southeast Asian Nations, CSP = country strategy and program, JBIC = Japan Bank for International Cooperation, GMS = Greater Mekong Subregion, km = kilometer, PPP = public-private partnership, RCSP = regional cooperation strategy and program, RRC = Royal Railways of Cambodia, TA = technical assistance.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES, 2006

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

- (i) Table A9.1: Support for Navigation Program for Mekong River Commission
- (ii) Table A9.2: Transboundary Animal Disease Control to Reduce Poverty and Enhance Market for Livestock Trade in GMS (Phase 2)
- (iii) Table A9.3: Agricultural Cooperative Information Network in the Greater Mekong Subregion
- (iv) Table A9.4: GMS Phnom Penh Plan for Development Management, Phase III
- (v) Table A9.5: GMS Northern Power Transmission Project
- (vi) Table A9.6: GMS Power Interconnection Phase II
- (vii) Table A9.7: Building Ethnic Minority Capacity in the Greater Mekong Subregion to Combat Trafficking and HIV/AIDS
- (viii) Table A9.8: GMS Industrial Standards Harmonization
- (ix) Table A9.9: Support to Implement the Strategic Framework for Action on Trade Facilitation and Investment (Phase 2)
- (x) Table A9.10: GMS Customs Harmonization Program
- (xi) Table A9.11: Human Resources Development for Trade in GMS
- (xii) Table A9.12: GMS Luang Prabang Airport Improvement
- (xiii) Table A9.13: Yunnan Roads Development IV (Wuding–Kunming)
- (xiv) Table A9.14: GMS Information and Communication Technology Project Phase I

Table A9.1: Support for Navigation Program for Mekong River Commission**Date: 4 August 2005**

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input 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 type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other: Feasibility studies and pilot intervention</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p> Sector: Transport and communications</p> <p> Subsector: Inland water transport</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 areas</p> <p> Themes</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input checked="" 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 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 type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Promoting economic efficiency and enabling markets, public governance, and natural resources conservation</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input 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 type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input 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 type="checkbox"/> Capacity development							
<p>3. Coverage</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>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/Mekong Department</p>								
<p>5. Responsible ADB officers: I. Makin, Project Engineer</p>								
<p>6. Description of assistance</p> <p>a. Background and link to country/regional strategy: The Mekong River flows through six countries and has been used as a natural transport link for centuries. Today, however, regional and international traders use the river little, leaving largely untapped a vast potential for trade facilitation and regional economic growth. In 2003, the MRC developed its navigation program in 2003, which aims to (i) promote freedom of navigation in the lower Mekong River system, (ii) assist in coordination and cooperation toward developing effective and safe waterborne transport, and (iii) increase international trade opportunities for the mutual benefit of the MRC member countries (Cambodia, Lao PDR, Thailand, and Viet Nam). The program reflects the desire of MRC's member countries to realize the potential of Mekong River and its 18,000 kilometers of waterway as a trade route, in accordance with the 1995 MRC Agreement on Freedom of Navigation (Article 9). Other relevant agreements affecting the riparian countries are the 1998 bilateral agreement between Cambodia and Viet Nam, the GMS Cross-Border Transport Agreement (originally signed on 26 November 1999) for facilitation of the cross-border transport of goods and people,</p>								

and the 2000 Upper Mekong-Lancang Agreement and Protocols between the PRC, Myanmar, Lao PDR, and Thailand.

The improvement of IWT under the program would be realized through five components: (i) socioeconomic analysis and regional transport planning; (ii) legal framework for cross-border navigation; (iii) traffic safety and environmental sustainability; (iv) information, promotion, and coordination; and (v) institutional development.

ADB participated in workshops and contributed to the formulation of the program in 2002–2003. In September 2003, ADB indicated its willingness to assist in the implementation of key parts of the program where ADB has specific knowledge and a comparative advantage. These areas are the socioeconomic analysis and regional transport analysis, where ADB's longstanding involvement at national and subregional level gives it a unique position to ensure proper integration of IWT with other transport modes; and parts of the legal framework for cross-border navigation, where ADB has substantial experience from its ongoing land-based cross-border work under the GMS umbrella.

Given that the road networks have been rehabilitated extensively over the past 10–15 years, the improvement of IWT is timely. Hence, a more broad-based approach to development of the transport sector is appropriate. It would be directed toward multimodal transport, and a widening of the supply of modal and route choices, to make the transport sector in the subregion more efficient and competitive.

- b. Goal and purpose:** The goal of the TA is to increase economic development in MRC member countries. Its purpose is to improve IWT in these countries through improvement of the legal framework for cross-border navigation on the Mekong River. Specifically, the TA would help develop efficient cross-border agreements. The TA also would (i) increase the general efficiency of cross-border IWT in the subregion, (ii) support subregional integration of commercial freight and passenger traffic, and (iii) pave the way for further development and diversification of tourism at the subregional level. It would help remove legal and regulatory obstacles, streamline documentation and procedures, and reduce the costs and delays associated with cross-border traffic.
- c. Components and outputs:** The three proposed subcomponents are: (i) negotiation and ratification of agreements for common IWT border crossing procedures (including agreements on mutual recognition of vessel and crew certification; insurance, guarantee, and other financial instruments; customs and visa documentation; and customs seals); (ii) provision of training and other support to establish the requisite inspection procedures in the major river ports, including inspection-free handling of vessels at the river borders, to be executed as part of the implementation of the agreement; and (iii) dissemination and institutional strengthening.

By developing and negotiating cross-border procedures and agreements between the MRC countries, the TA would produce some of the outputs identified under the navigation program's second component: Legal Framework for Cross-Border Navigation. To the extent relevant, these agreements will be extended to include other GMS countries.
- d. Expected results and deliverables:** The expected outcomes would be (i) a cross-border agreement and associated protocols for IWT, ratified by all four MRC countries; and (ii) requisite procedures in place for inspection-free border clearance of vessels, crew, passengers, and cargo, as well as appropriate inspection procedures in the major river ports.
- e. Social or environmental issues or concerns:** The IWT cross-border agreements will include common regulation concerning navigation, seaworthiness of vessels, securing of cargo, and safety of crew and passengers. This will minimize the risk of spillage or wreckage of vessels, and will protect fishing and other livelihood activities of riparian peoples. Such regulations will be based on the findings and recommendations of ADB's regional TA for Socio-Economic Study and Regional Masterplan for the Development of Navigation on the Mekong River.
- f. Plans for disseminating results/deliverables:** The provisions and procedures of the IWT cross-border agreements will be disseminated extensively to concerned stakeholders in the ports, cargo shipping, passenger transport, and tourism sectors through activities under the third subcomponent. The process will require extensive consultation with a wide range of stakeholders, including the concerned Government institutions, and current and potential commercial IWT users and operators.

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) _____

<p>7. Proposed executing/implementing agencies: MRC will be the Executing Agency. The development and negotiation of the agreements will be integrated with ADB's ongoing assistance for the implementation of the GMS Cross-Border Transport Agreement.</p>										
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The MRC navigation program has been developed in close cooperation with the governments of the MRC countries through their national Mekong River Committees, and has also involved extensive consultations with representatives from Myanmar and the PRC, external aid/funding agencies, and concerned nongovernment organizations through multilateral workshops as well as bilateral consultation and peer review.</p>										
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004 (RCSP)</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 2006</p> <p>c. Period and duration of assistance Lending: Nonlending: 2005–2009 (5 years)</p>										
<p>10. Financing Plan</p> <p>a. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$1,000,000</p> <p><input checked="" type="checkbox"/> Other: PRC Fund, \$500,000 (to be confirmed)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td>1,000,000</td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing (PRC)</td> <td>500,000</td> </tr> <tr> <td>Total Cost</td> <td>1,500,000</td> </tr> </tbody> </table> <p style="text-align: center;">Source: Asian Development Bank estimates.</p>	Source	Amount (\$)	ADB Financing	1,000,000	Government Financing		Other Financing (PRC)	500,000	Total Cost	1,500,000
Source	Amount (\$)									
ADB Financing	1,000,000									
Government Financing										
Other Financing (PRC)	500,000									
Total Cost	1,500,000									

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, GMS = Greater Mekong Subregion, IWT = inland water traffic, Lao PDR = Lao People's Democratic Republic, MRC = Mekong River Commission, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance.

Table A9.2: Transboundary Animal Disease Control to Reduce Poverty and Enhance Market for Livestock Trade in the Greater Mekong Subregion (Phase 2)¹

Date: 4 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input 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 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 checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Livestock</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 areas</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 checked="" type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Increase regional trade</td> <td></td> </tr> </table> <p>Subthemes: Promoting macroeconomic stability, and developing rural areas</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development	<input checked="" type="checkbox"/> Other: Increase regional trade	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability									
<input checked="" type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation									
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development									
<input checked="" type="checkbox"/> Other: Increase regional trade										
<p>3. Coverage</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>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/Mekong Department</p>										
<p>5. Responsible ADB officer(s): M. de Alwis, Senior Financial Specialist</p>										
<p>6. Description of assistance</p> <p>a. Background and link to country/regional strategy: Poverty and livestock diseases in GMS. Over 50 million in the GMS live below the poverty line. In many parts of Cambodia, Lao PDR, and Viet Nam, poverty rates are 50% or more. More than 70% of the poor in the GMS are smallholder farmers who depend on livestock as an important source of cash income, as well as the storage of wealth. Many infectious TADs, such as FMD, CSF, ND, and HS kill animals and/or</p>										

¹ This concept paper is to fund the Phase II of the ongoing RETA 6192: (ADB. 2004. *Technical Assistance for Transboundary Animal Disease Control in the Greater Mekong Subregion*. Manila). This paper describes both phases to provide overview of the whole project.

reduce productivity. These diseases threaten livelihoods of the poor people, drain public sector resources, hinder efforts to alleviate poverty, and restrict regional and international trade. Moreover, diseases that can be transmitted from animals to humans, such as avian influenza, tuberculosis, and brucellosis, reduce capacity of poor families to generate income. The morbidity and mortality rates of livestock due to TADs can be 50–70% in many parts of the GMS.² The impact of these diseases on the incomes of poor households is felt locally and nationally, as well as within the region.

Livestock trade and diseases. Cross-border trade in livestock among GMS countries is significant and rising. Estimates from Yunnan suggest that trade in livestock and livestock products in the recent years has totaled \$484.0 million with Myanmar, \$136.0 million with Viet Nam, \$32.0 million with Thailand, \$20.0 million with Lao PDR, and about \$1.0 million with Cambodia. Similar trade between Lao PDR and Thailand is estimated to be more than \$25.0 million (see footnote 2). Infectious diseases spread widely within the countries and across the regions with the traveling livestock. Participatory poverty assessment surveys have shown that 70% of producers rank animal diseases as a major constraint to their household incomes.³ Regional solutions have not been developed, putting poor livestock producers at greater risk. This threatens trade in animal products in the region as the transport of infected animals and livestock products potentially could spread diseases into uninfected areas. Controlling such diseases is a strong incentive for regional cooperation in this project. A number of livestock projects are ongoing in different countries of the GMS. However, the coordination among them is limited or nonexistent. A regional approach needs to be adopted to control transboundary animal diseases in the GMS.

- b. Goal and purpose:** The goal is to reduce poverty and improve livelihoods of the poor in GMS by increasing livestock productivity; and by enhancing local, regional, and international trade in livestock and livestock products through control of transboundary animal diseases. The purpose is to increase incomes of poor livestock farmers, who represent the majority of the poor in GMS, by developing a regional cooperation framework and implementing relevant interventions to control transboundary animal diseases.

c. Components and outputs:

Phase I

- (i) Development of a regional collaboration framework to control transboundary animal diseases.
- (ii) Formulation of a common set of policies and regulations for the management of animal movement in the GMS.
- (iii) Establishment of a common disease information system to be shared by the participating countries.
- (iv) Strengthening regional capacity in animal disease diagnosis, surveillance, and control.
- (v) Formulation of national and regional disease control strategies in the GMS countries.
- (vi) Establishment of a regional laboratory and a network of national diagnostic laboratories supporting FMD and CSF control.

Phase II

- (i) A minimum of 200,000 livestock immunized, representing approximately 20,000–30,000 smallholder farmers.
- (ii) Reduction in FMD and CSF incidence of at least 20% in four disease-control zones.
- (iii) Participation of the private sector as a leading player in providing and backstopping quality and cost-effective animal health care services on a sustainable basis.

d. Expected results and deliverables:

Phase I

- (i) The regional coordination mechanism will enable the formulation of a focused and well-targeted program integrating fragmented and uncoordinated activities related to disease control and delivery of veterinary services.
- (ii) The animal movement within GMS will be mapped, and the drivers for these movements determined.
- (iii) Informal trade in livestock will be reduced greatly, and disease incidence in the region will decline.
- (iv) The economic impact studies will identify clearly the policy and disease control options to benefit the poor.
- (v) The GMS will have a cadre of well-qualified veterinarians, technicians, extension workers, and farmers contributing to planning and implementing rational disease control programs nationally and regionally.
- (vi) Harmonized disease information system in the GMS will generate accurate geo-referenced data on disease prevalence and transmission, enabling development of rational disease-control programs.
- (vii) Well-defined national disease-control plans providing inputs to the overall regional plan will be in operation.

² ADB. 2002. *Review of the Livestock Sector in the Lao People's Democratic Republic—Economic and Sector Study*. Manila.

³ ADB. 2001. *Participatory Poverty Assessment: Lao People's Democratic Republic*. Manila.

Phase II

- (i) The private sector, including farmers, livestock traders, and pharmaceutical companies, will collaborate with the regional program in effective control of the disease. The long-term benefits of their inputs to this program will be quantified, and they will become active participants and investors in this partnership. They will play an important role in facilitating animal movement management, identification and reporting of disease outbreaks, quality assurance of vaccines and diagnostics, and delivery of animal health services.
- (ii) FMD and CSF incidence will be reduced significantly; poor farmers will increase productivity from their animals. They will be able to participate more actively in domestic and regional trade in livestock and its products, generating higher incomes and improving significantly their living standards.

e. Social or environmental issues or concerns:

- (i) Environmental degradation will be reduced, as the need for livestock overstocking will decline due to decreased disease risk and improved livestock productivity.
- (ii) The outcomes will reduce variability in returns and increase in incomes for smallholder livestock producers.

f. Plans for disseminating results/deliverables:

- (i) A participatory approach will be used for the promotion, adoption, and dissemination of the results and deliverables, involving international agencies, government institutions, the private sector, farmers, and the NGOs.
- (ii) Representatives from each of the GMS countries will be members of a committee that will manage the regional coordination unit.
- (iii) The countries in the GMS will be responsible for the harmonization and regulatory mechanisms for animal movement control, animal identification, and quarantine mechanisms.
- (iv) The livestock departments in each country will be responsible for the animal disease information system, supported by FAO, OIE and JICA. The results derived from the analysis of the data will be shared through the regional coordination mechanism.
- (v) Livestock departments, NGOs (VSF), and the private sector (e.g., Intervet, Merial) will be responsible for delivery of control programs.
- (vi) Regional diagnostic laboratories (e.g., National Institute Animal Health, Thailand), livestock departments, NGOs, and the private sector will share responsibility for training veterinarians, extension workers, and farmers in disease identification, diagnosis, and reporting.

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 agencies: FAO is the Executing Agency. The livestock departments of the five participating GMS countries are the implementing agencies.

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

Participatory poverty assessment surveys have shown that 70% of the farmers rank livestock diseases as a major constraint to their household incomes (footnote 3). The GMS Economic Cooperation Program has initiated investments in the agriculture sector by creating a WGA that met in January 2003 in Manila. At that meeting, the WGA commented on several project concepts that had been prepared through extensive regional consultation, and approved some for development. One of these concepts, which WGA ranked as one of its priority projects, concerned livestock disease control with a focus on regional approaches and transboundary issues. Between 2002 and 2003, nine formal meetings, workshops, and consultations were held involving the GMS and other Southeast Asian countries in the region through WGA, FAO, OIE, JLTA, and JICA. The principal participants were senior administrators and technical staff of the departments of livestock, animal health, and veterinary services. In addition, formal meetings have been held with the private sector (i.e., livestock traders, pharmaceutical companies, and commercial farmers and feeds companies), external aid/funding agencies (EU and JICA), and an NGO (VSF).

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2005 (RCSP Update)
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): June 2006
- c. Period and duration of assistance
 - Lending:
 - Nonlending: January 2007 to December 2008, 2 years

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: \$200,000
 - ☐ Other: PRC Fund, \$300,000 (to be confirmed)

Source	Amount (\$)
ADB Financing	200,000
Government Financing	
Other Financing (PRC)	300,000
Total Cost	500,000

Source: Asian Development Bank estimates.

ADB = Asian Development Bank, ADF = Asian Development Fund, CSF = classic swine fever, CSP = country strategy and program, EU = European Union, FAO = Food and Agriculture Organization, FMD = foot and mouth disease, GMS = Greater Mekong Subregion, HS = hemorrhagic septicemia, JICA = Japan International Cooperation Agency, JLTA = Japan Livestock Technology Association, Lao PDR = Lao People's Democratic Republic, ND = Newcastle disease, NGO = nongovernment organization, OIE = Office International des Epizooties, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance, TAD = transboundary animal diseases, VSF = Veterinaires san Frontieres, WGA = working group on agriculture, TA = technical assistance.

Table A9.3: Agricultural Cooperative Information Network in the Greater Mekong Subregion

Date: 4 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input 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 type="checkbox"/> Project preparatory</p> <p><input checked="" 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 checked="" type="checkbox"/> Other: Regional cooperation</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Agriculture and natural resources</p> <p>Subsector: Agriculture sector development</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 areas</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>Subthemes: Promoting macroeconomic stability, and addressing information and communication technology issues</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>3. Coverage</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>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/Mekong Department</p>								
<p>5. Responsible ADB officer: M. de Alwis, Senior Financial Specialist</p>								
<p>6. Description of assistance</p> <p>a. Background and link to country/regional strategy: At the 13th GMS Ministerial Conference in Vientiane in December 2004 and in the Second GMS Summit in Kunming 2005, the GMS countries reiterated the importance of the agriculture sector in the region. They agreed on the sector's vital role in addressing the needs of the rural poor and promoting agro-industry development. As part of the information dissemination activities of the WGA, the Ministry of Agriculture of the PRC organized in December 2004 a workshop on regional agriculture information network to exchange information on agricultural information networks of the GMS countries, and to discuss possible establishment of a Web</p>								

<p>site on agricultural production and markets and e-trade for agricultural products in the region. The workshop agreed to consider this proposal within the respective countries, and take subsequent steps to formulate a project for regional cooperation in this area. The proposed TA will contribute to expanding regional cooperation among the GMS countries in the agriculture sector in line with their needs expressed at the Second GMS Summit, and to promoting the development of ICT in the sector. The TA will help establish an efficient information exchange program in the region, which will disseminate a large amount of quality information in the agriculture sector. It also will strengthen the ICT capacity among the key stakeholders in the agriculture sector in the GMS countries, including (i) staff and researchers of the relevant government agencies, (ii) universities and research institutes, (iii) extension agents, (iv) cooperatives, (v) traders, (vi) enterprises, and (vii) civil society organizations. Further, the TA will reduce the disparity in the capacity and skills. This will be particularly useful for small-scale, microenterprises, and organizations active in the sector. The TA will build on the discussions at the WGA meetings, and ensure close coordination with the information networks of the GMS countries and other regional networks.</p> <p>b. Goal and purpose: The proposed TA aims to contribute to the expansion of regional cooperation in the agriculture sector among the GMS countries, thereby promoting sustainable economic growth and poverty reduction in the region. The purpose of the TA is to increase the flow of agricultural information, and promote agricultural trade and competitiveness among the GMS countries through the use of improved ICT networks.</p> <p>c. Components and outputs: The TA will help (i) design the required database and build the proposed Web site; (ii) conduct training programs and consultation workshops in the GMS countries; (iii) improve data collection and compilation, as well as the quality of information contents and flow; (iv) strengthen the ICT capacity of the relevant institutions in the GMS countries; and (v) facilitate high-level talks on ICT development in the agriculture sector. The TA outputs will include the regional Web site and database on agricultural products and markets, improved ICT capacity and skills of key stakeholders, and policy consensus in the region.</p> <p>d. Expected results and deliverables: The TA will promote the regional cooperation and information flows in the agriculture sector among the GMS countries. The Web site will provide updated agricultural information on the activities of the GMS countries, WGA, policies, regulations, technology development, trade, and market updates, etc.</p> <p>e. Social or environmental issues or concerns: The TA will have positive social and environmental impact by widely disseminating accurate and quality information on agricultural products and markets.</p> <p>f. Plans for disseminating results/deliverables:</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input checked="" type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input checked="" type="checkbox"/> Others (specify): WGA website</p>
<p>7. Proposed executing/implementing agency or agencies: The Ministry of Agriculture of the PRC and the relevant agencies of the GMS governments will act as implementing agencies.</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultation on the proposed TA was initiated at the workshop organized in December 2004 (Section 6a).</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005 (RCSP Update)</p> <p>b. Expected date of submission for approval</p> <p>Lending:</p> <p>Nonlending (project preparatory):</p> <p>Nonlending (other than project preparatory): to be determined</p> <p>c. Period and duration of assistance</p> <p>Lending:</p> <p>Nonlending: 2 years from April 2006</p>

10. Financing Plan

- a. For nonlending
- ☐ No resources required, other than ADB staff
 - ☐ ADB's administrative budget:
 - ☒ Grant TA funds
 - ☒ Other: PRC Fund, \$500,000 (to be confirmed)

Source	Amount (\$)
ADB Financing	800,000
Government Financing	
Other Financing (PRC)	500,000
Total Cost	1,300,000

Source: Asian Development Bank estimates.

ADB = Asian Development Bank, ADF = Asian Development Fund, PRC = People's Republic of China, CSP = country strategy and program, GMS = Greater Mekong Subregion, ICT = information and communications technology, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance, WGA = working group on agriculture.

Table A9.4: Greater Mekong Subregion Phnom Penh Plan for Development Management (Phase III)

Date: 4 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p style="margin-left: 20px;"> <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: </p> <p><input checked="" type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"> <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: Project Implementation </p>		
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Multisector Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"> <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention </p> <p>c. Key thematic areas</p> <p style="margin-left: 20px;">Themes:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Gender and development </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Environmental sustainability <input checked="" type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input checked="" type="checkbox"/> Capacity development </td> </tr> </table> <p style="margin-left: 20px;">Subthemes: Promoting economic efficiency and enabling markets, public governance, and institutional development</p>	<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
<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	
<p>3. Coverage</p> <p style="margin-left: 20px;"> <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development </p>		
<p>4. Responsible division/department: Social Sectors Division/ Mekong Department</p>		
<p>5. Responsible ADB officer(s): S. Brar, Senior Education Specialist</p>		
<p>6. Description of assistance</p> <p>a. Background and link to country/regional strategy: At the first GMS Summit of Leaders in Phnom Penh, Cambodia in November 2002, ADB was asked to help build badly needed human capacity in the GMS. In response, ADB, in collaboration with the GMS countries, designed the PPP. ADB provided support of \$0.8 million,¹ while the NZAID also supported the program.² PPP is focused on public policy and development management. It aims to impart knowledge and skills to middle and senior GMS civil</p>		

¹ October 2002. *GMS: Phnom Penh Plan for Development Management*. Manila.

² NZAID contributed NZ\$500,000 in March 2003.

servants to support the enhanced design and management of development programs at national and subregional levels. A second phase RETA for \$3.5 million was approved on 1 March 2005 with financing from ADB, France, New Zealand, and the PRC Fund.³

Since its inception, PPP has delivered 20 demand-based learning programs, benefiting more than 300 middle and senior GMS officials. A Learning Resource Center 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 has been established in partnership with the GMSARN. The biannual Journal of GMS Development Studies has started publication, and a PPP Web site has been established. A PPP Fellowship Program, which sends promising alumni to programs of higher learning at international institutions, also has been launched.

The PPP has been successful because of sustained ownership, commitment, and participation of the GMS countries. It has established a niche as one of the few GMS-focused capacity building initiatives with carefully chosen learning programs that promote regional cooperation. However, as the capacity building needs of the GMS countries are extensive, the PPP needs to be considerably enlarged if it is to make a sustained impact on the subregion's pool of skilled human resources. Consequently, at the 13th GMS Ministerial meeting in December 2004, the GMS countries recognized the value provided by PPP and requested that it be continued with an expanded scope.

- b. Goal and purpose:** The broad goal of the PPP is to continue the original objective of improving efficiency and effectiveness of development management in the GMS. About 300 civil servants each year from the six GMS members will be trained, and will have the opportunity to learn, study, and become more familiar with each other.

The specific objectives of PPP are to (i) strengthen technical competence, as well as 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 an enhanced understanding and awareness of, and cooperative spirit in, the GMS; (iv) reinforce partnerships and strengthen cooperation among GMS countries; (v) provide lifelong learning opportunities for alumni; (vi) develop institutional capacities through twinning arrangements, as well as knowledge sharing and technology transfer between capacity building partners; (vii) promote GMS-anchored research and intellectual capital development that will assist capacity building and policy development interventions; and (viii) promote knowledge sharing and encourage access to development information.

- c. Components and outputs:** PPP has several components and activities premised on capacity building being a long-term process that will require strong commitment and ownership of the GMS countries. The key activities to be financed will include:

- (i) **Learning programs.** Two types of learning programs will be implemented: short, high-impact courses for high-level officials, and in-depth training programs. Up to 16 in-depth training programs, covering general development issues as well as specialized topics, will be offered each year. Over the next 2 years, 600 civil servants from the GMS countries are expected to participate in these programs.
- (ii) **Intellectual capital development.** The Journal of GMS Development Studies, which will promote research on regional cooperation issues in the GMS, will be published twice a year. Joint research activities also will be conducted with the GMS Academic and Research Network.
- (iii) **Advocacy and knowledge sharing.** Awareness and interest in the PPP will be promoted through a PPP Web site and newsletter. Learning resource centers, where interested people can learn more about the GMS, will be established in selected GMS countries.
- (iv) **Institutional networking.** Different institutions included in the PPP network will contribute to capacity building by providing facilities, joint programs offerings, and knowledge sharing opportunities.
- (v) **Core of GMS champions.** Human capacity will be built through the development of a PPP alumni network, which will be used to encourage long-term learning opportunities.

- d. Expected results and deliverables:** Up to 16 in-depth training programs, covering general development issues as well as specialized topics, will be offered each year. Over the next 2 years, 600 civil servants from the GMS countries are expected to participate in these programs. The Journal of GMS Development Studies will be published twice a year. Learning resource centers, where interested people can learn more about the GMS, will be established in selected GMS countries. The PPP newsletter will be released three times a year, and the Web site will be updated monthly.

³ ADB. 2005. *Technical Assistance for Greater Mekong Subregion Phnom Penh Plan for Development Management*. Manila.

<p>e. Social or environmental issues or concerns: not applicable</p> <p>f. Plans for disseminating results/deliverables: Awareness and interest in the PPP will be promoted through the PPP Web site, 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 updates on the PPP. Quarterly update reports will be submitted to the GMS governments and organizations that will provide funding to the PPP.</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input checked="" type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>
<p>7. Proposed executing/implementing agency or agencies: Asian Development Bank</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</p> <p>At the 13th GMS Ministerial Meeting in Vientiane on 16 December 2004, the GMS ministers reviewed the accomplishments under first phase of the PPP. The ministers asked ADB to extend support for this program and to expand its scope. The GMS national coordinators, who are members of the PPP steering committees, conduct periodic reviews of the PPP to ensure its relevance and responsiveness to the needs of the GMS countries. The steering committee oversees the implementation of the PPP, while a PPP advisory board, composed of distinguished scholars and educators, will provide strategic direction and technical guidance.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005 (RCSP Update)</p> <p>b. Expected date of submission for approval</p> <p>Lending:</p> <p>Nonlending (project preparatory):</p> <p>Nonlending (other than project preparatory): 2006</p> <p>c. Period and duration of assistance</p> <p>Lending:</p> <p>Nonlending: 2006–2007</p>
<p>10. Financing Plan</p> <p>a. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input type="checkbox"/> Grant TA funds:</p> <p><input checked="" type="checkbox"/> Other: PRC Fund, \$500,000 (to be confirmed)</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, PRC = People's Republic of China, CSP = country strategy and program, GMS = Greater Mekong Subregion, GMSARN = Greater Mekong Subregion Academic Research Network, NZAID = New Zealand Agency for International Development, PPP = Phnom Penh Plan for Development Management, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, RETA = regional technical assistance, TA = technical assistance.

Table A9.5: Greater Mekong Subregion Northern Power Transmission Project**Date: 4 August 2005**

1. Type/modality of assistance <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:
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Power b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic areas 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: Fostering physical infrastructure development
3. Coverage <input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Infrastructure Division/Mekong Department
5. Responsible ADB officer: T. Luo, Energy Sector Specialist
6. Description of assistances a. Background and link to country/regional strategy: Expanding rural electrification coverage is critical to the development of rural areas and the reduction of rural poverty in the poor northern region of Lao PDR. The Government's policy also has prioritized the expansion of electricity coverage in all provinces to promote socioeconomic development. Over the past years, ADB has invested considerably in hydropower projects and the development of transmission networks in selected northern provinces. In addition, ADB has promoted the regional power trade through interconnections with neighboring countries as part of the GMS program. The proposed project would be an integral part of national power development, as well as power exchange with neighboring countries to supply electricity to the northern region. b. Goal and purpose: The project will be designed to extend the existing transmission and distribution facilities in the northern areas of Lao PDR, and to develop and strengthen cross-border transmission lines

<p>between the Lao PDR and Thailand and PRC. The project aims to provide electricity to rural areas that do not have access to the power grid, and to improve the reliability of power supply of the connected system. The ultimate goal of the project is to promote pro-poor economic and social development through improved access to electricity.</p> <p>c. Components, outputs, specific deliverables: Construction of 115 kV transmission lines and associated substations, erection of medium- (22 kV) and low-voltage (380 Voltage) distribution facilities, and other assistance on consulting services, operational improvement, and project benefit monitoring.</p> <p>d. Expected results and deliverables: The project will increase substantially the electrification ratio in the northern region through the extension of existing transmission and distribution lines in Lao PDR, as well as through power interconnection with neighboring countries, As such, it will improve the living quality and income level of rural population.</p> <p>e. Social or environmental issues or concerns: The project will generate minor environmental impacts and no major adverse social impacts. Proper social measures with special emphasis on providing electricity services for the poor and vulnerable groups will be designed and incorporated into the project to ensure the balanced sharing of project benefits by the rural population.</p> <p>f. Plans for disseminating results/deliverables: Stakeholder consultations and workshop</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input checked="" type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>
<p>7. Proposed executing/implementing agencies: EdL</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</p> <p>To be developed during preparatory TA.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004 (RCSP)</p> <p>b. Expected date of submission for approval</p> <p>Lending: to be determined</p> <p>Nonlending (project preparatory): 3rd quarter 2006</p> <p>Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance</p> <p>Lending: 4 years</p> <p>Nonlending: 2006–2007</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: to be determined</p> <p><input type="checkbox"/> Other:</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$800,000</p> <p><input type="checkbox"/> Other</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, EdL = Electricité du Laos, PRC = People's Republic of China, CSP = country strategy and program, GMS = Greater Mekong Subregion, kV = kilovolt, Lao PDR = Lao People's Democratic Republic, RCSP = regional cooperation strategy and program, TA = technical assistance.

Table A9.6: Greater Mekong Subregion Power Interconnection (Phase II)**Date: 4 August 2005**

1. Type/modality of assistance <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:
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Power b. Targeting classification <input type="checkbox"/> Targeted intervention <input type="checkbox"/> General intervention c. Key thematic areas 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: Fostering physical infrastructure development
3. Coverage <input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Infrastructure Division/Mekong Department
5. Responsible ADB officer: T. Luo, Energy Sector Specialist
6. Description of assistances a. Background and link to country/regional strategy: Under the GMS Economic Cooperation Program, the regional indicative master plan on power interconnection has been undertaken to guide each GMS country's power system plans in connecting with the subregional power grid system, which would allow power trade to take place. The project preparatory TA will prepare the feasibility study, while the ensuing investment loan will establish power interconnection between the Savannakhet (Lao PDR) and PleiKu (Viet Nam), taking into account the existing interconnection between the Lao PDR and Thailand. b. Goal and purpose: The project will enable the interconnection of the power systems of Lao PDR, Thailand, and Viet Nam, facilitating the operation of regional power trade between these countries. c. Components and outputs: Subject to the recommendations by the project preparatory TA, the 500 kilovolt, 466-kilometer transmission line and ancillary facilities will be constructed between PleiKu (Viet Nam) and Savannakhet (Lao PDR) by 2010.

<p>d. Expected results and deliverables: The project preparatory TA will prepare the loan to build a transmission line and ancillary facilities between the Lao PDR and Viet Nam. The loan project will enhance power trade between the Lao PDR, Thailand, and Viet Nam.</p> <p>e. Social or environmental issues or concerns: Special attention will be paid to ethnic minority issues in the design of the project.</p> <p>f. Plans for disseminating results/deliverables: Reports will be provided to the energy and power coordinating agencies concerned in Lao PDR, Thailand, and Viet Nam. Results of the feasibility study also will be presented during the meeting of the GMS Experts Group on Power Interconnection and Trade and the Subregional Energy Forum, which will be held immediately after completion of the final report.</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input checked="" type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>
<p>7. Proposed executing/implementing agencies: Électricité du Laos and Electricity of Viet Nam</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The GMS countries were consulted extensively on the nature and extent of power interconnection and trade to be undertaken under the GMS program. The GMS countries signed the Inter-Governmental Agreement on Regional Power Trade, and endorsed the regional indicative master plan on power interconnection. The latter recommended as a priority the interconnection between the Lao PDR and Viet Nam to boost power trade between Thailand, Lao PDR, and Viet Nam.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004 (RCSP)</p> <p>b. Expected date of submission for approval Lending: to be determined Nonlending (project preparatory): 2006 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance Lending: 3 years Nonlending: 2007–2008 (15 months)</p>
<p>10. Financing Plan</p> <p>a. For lending: to be determined <input type="checkbox"/> Ordinary capital resources: <input checked="" type="checkbox"/> Asian Development Fund: to be decided <input type="checkbox"/> Asian Development Fund (grant): <input checked="" type="checkbox"/> Other: to be confirmed</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: \$700,000 <input type="checkbox"/> Other:</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, 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 A9.7: Building Ethnic Minority Capacity in the Greater Mekong Subregion to Combat Trafficking and HIV/AIDS

Date: 4 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input 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 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 checked="" type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Multisector Subsectors: Health programs, social protection, social safety net</p> <p>b. Targeting classification</p> <p><input checked="" type="checkbox"/> Targeted intervention</p> <p><input type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p>Themes:</p> <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 type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Indigenous peoples, and regional gender equity initiatives</p>	<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 type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	<input 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 type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</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>4. Responsible division/department: Agriculture, Environment, and Natural Resources Division/Mekong Department</p>								
<p>5. Responsible ADB officer: M. Mitra, Senior Social Development Specialist</p>								
<p>6. Description of assistance</p> <p>a. Background and link to country/regional strategy: The proposed activities, which are related to the RCSP update, seek to advance the interests of the ethnic minority communities inhabiting remote and mountainous areas of the GMS. These communities typically have lower-than-average levels of health and education, and limited access to social infrastructure and services. Yet these areas are important as they have key natural and environmental resources, and they are on the economic corridors being developed to promote regional economic integration and poverty reduction. Due to the enhanced movements of outsiders into these relatively isolated areas, as well as greater chances of migration, these communities face increased risks of trafficking and HIV/AIDS, which need to be countered effectively. This area also is</p>								

emerging from a regional TA project, Preventing the Trafficking of Women and Girls and Promoting Safe Migration in the GMS.¹ The TA is linked with two loan projects, the Mekong Tourism Development Project² and the Northern Economic Corridor.³ The proposed TA aims to develop effective ways to build the capacity of isolated communities (particularly ethnic minorities), as well as local and provincial governments, private sector, and other stakeholders, to combat the enhanced risk of exposure to HIV/AIDS.

- b. Goal and purpose:** The goal of the TA is to reduce the risk of HIV/AIDS exposure among vulnerable ethnic minority populations living in remote areas in the GMS. The purpose is to develop a set of effective mechanisms for developing knowledge and capacity at different levels on risk reduction and effective protection of vulnerable ethnic minority populations. Communities living in remote areas are likely to be exposed to the risks of trafficking and HIV/AIDS as new infrastructure projects, including those supporting the development of the GMS economic corridors and tourism development come, into these isolated areas. The TA will address the needs for capacity building among the government agencies, private sector, and the communities for greater awareness of the risk and adoption of appropriate measures for risk reduction.
- c. Components and outputs:** The expected outputs are (i) assessment of HIV vulnerability of 2–3 ethnic communities affected by major transport and tourism development projects; (ii) development and pilot testing of culturally sensitive, context-specific HIV/AIDS interventions in selected ethnic communities; (iii) information dissemination of assessment findings and results/impacts of interventions; (iv) capacity development of local governments to respond/address HIV vulnerability of ethnic communities; and (v) adaptation of the Toolkit for Preventing HIV/AIDS among mobile populations in the GMS to ethnic minority community needs and experiences as they are increasingly impacted by transport and tourism development projects.
- d. Expected results and deliverables:** The project is expected to:
 - (i) Contribute to the capacity development of rural communities that are at risk, particularly ethnic minorities, in terms of understanding the risks of HIV/AIDS, as well as developing effective risk reduction and protection of vulnerable groups. Reaching these communities in their own languages is expected to improve the effectiveness of the campaign.
 - (ii) Build capacity regarding (1) trafficking and HIV/AIDS among government agencies, and private sector groups, including those working in tourism and transport sectors, and among isolated and vulnerable groups, by demonstrating the links of transport and tourism development with the risk of HIV/AIDS and trafficking, and (2) ways to mitigate risk.
 - (iii) Develop a manual and guidelines for ADB staff to address these issues when designing ADB projects in these sectors in the GMS.

The deliverables are expected to be (i) inception report within 3 months of project implementation; (ii) progress reports each December, (iii) draft final report within 12 months of project start-up, and (iv) final report.

- e. Social or environmental issues or concerns:** Social concerns include the limited understanding and capacity on the part of government agencies of ethnic minority cultures, priorities, risks, and concerns. The TA will aim to reduce these constraints by building their capacities.
- f. Plans for disseminating results/deliverables:** Workshops, ADB Web site, booklets, posters, folk theater, radio, and TV.

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:** Ministries of transport, tourism, health, and culture, as well as national/provincial AIDS committees and NGOs.

¹ ADB. 2004. *Technical Assistance for Preventing the Trafficking of Women and Children and Promoting Safe Migration in the Greater Mekong Subregion (Financed by the Poverty Reduction Cooperation Fund)*. Manila.

² Loan 1969, 1970 and 1971 (ADB. 2002. *Report and Recommendations of the President on proposed loans to Cambodia, Lao People's Democratic Republic, and Viet Nam for the Greater Mekong Subregion: Mekong Tourism Development Project*. Manila).

³ Loan 1989 (ADB. 2002. *Report and Recommendations of the President on a proposed loan to the Lao People's Democratic Republic for the Greater Mekong Subregion: Northern Economic Corridor Project*. Manila).

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
Consultations have been held with ministries of labor, social welfare, transport, and tourism, as well as with national agencies charged with combating HIV/AIDS. Civil society consultations also have been held.

9. Timetable for assistance design, processing, and implementation

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

10. Financing Plan

- b. For nonlending
 - ☐ No resources required, other than ADB staff
 - ☐ ADB's administrative budget:
 - ☐ Grant TA funds
 - ☒ Other: Sida HIV/AIDS Fund, \$400,000 (to be confirmed)

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing (Sida)	400,000
Total Cost	400,000
Source: Asian Development Bank estimates.	

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, GMS = Greater Mekong Subregion, HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome, NA = not applicable, RCSP = regional cooperation strategy and program, Sida = Swedish International Development Cooperation Agency, TA = technical assistance.

Table A9.8: Greater Mekong Subregion Industrial Standards Harmonization**Date: 4 August 2005**

1. Type/modality of assistance <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 checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:
2. Assistance Focus <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Trade Subsector: Industry</p> <p>b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas 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 checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development</p> <p>Subthemes: Promoting economic efficiency and enabling markets, and policy/institutional/legal/regulatory reforms</p>
3. Coverage <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Governance, Finance, and Trade Division/Mekong Department
5. Responsible ADB officer: M. Varkay, Private Sector Development Specialist
6. Description of assistance <p>a. Background and link to country/regional strategy: The TA will build on the recent steps taken by the GMS governments (e.g., Lao PDR) to address the harmonization of the industrial standards regulatory framework as a means of facilitating trade. The harmonization of industrial standards regulatory framework is particularly important in light of the reforms in customs procedures (single-stop pilot schemes) initiated by GMS governments and supported by the RETA 6020 on Trade, Investment and Small- and Medium-Sized Enterprise Development in the GMS,¹ as well as a related regional TA on the</p>

¹ ADB. 2001. *Technical Assistance for Facilitating Cross-Border Trade and Investment for Small and Medium Enterprise Development in the Greater Mekong Subregion*. Manila.

Facilitation of the Cross-Border Transport of Goods and People in the GMS.² Customs reform and standards harmonization will have a significant bearing on regional trade flows, and will strongly influence the access of GMS products to foreign markets. Most significantly, the upgrading and harmonization of LDC standards regulatory framework is a major requirement of the Uruguay Round. In this respect, the TA will strongly support and complement GMS countries in the process of negotiating WTO accession. The TA will build on the ongoing TA in Lao PDR on industrial standards development and related activities for the development of improved quality control procedures as a means of identifying potential integration by national enterprises into global value chains.

- b. Goal and purpose:** Many developing and transition economies have strengthened the roles of their national standards bodies to improve market access for exports, and to facilitate industry integration into global value chains. Central American countries have encouraged their national standards bodies to integrate standards-upgrading strategies with economic policy objectives on productivity and trade. In Poland, the national standards body has worked with the domestic private sector and relevant line ministries to identify and implement international standards. These have facilitated the integration of local companies into the production and marketing arrangements of multinational corporations. The goal of this TA is to identify the gaps in national conformity assessment (testing, certification, and accreditation), and work with the governments to improve capacity building in certification and accreditation. It also seeks to streamline standards according to national industry and consumer requirements. The TA will work with the conformity assessment regulators to determine the areas where reform will generate the most significant benefits to the private sector.
- c. Components and outputs:** The private sector development components of the TA, based on the TA undertaken in the Lao PDR, will be: (i) review of conformity assessment procedures and identification of gaps in the regulatory framework; (ii) development of a road map for capacity building in key areas to ensure compatibility with WTO norms and procedures; (iii) assistance with the review of standards development in a given area (e.g., sanitary and phytosanitary); (iv) development of procedures that will facilitate upgrading and harmonization of standard development and certification procedures in the specified area; (v) identification of gaps in the legal arena; and (vi) development of a road map to strengthen legal and regulatory frameworks.
- d. Expected results and deliverables:** The results will include improvements in conformity assessment procedures to bring in line with the harmonized WTO regime, and the development of a road map on legal and regulatory capacity building to reflect industry requirements and government economic policy objectives. An improved conformity assessment procedure will (i) assist in the streamlining of national regulations on standards; (ii) strengthen transparency and predictability of procedures, thus improving interregional trade and access to international markets; (iii) improve predictability and timing in the shipment of goods, (iv) improve capacity in conformity assessment infrastructure to upgrade processes according to industry demand; (v) develop a favorable climate to facilitate cross-border investment; and (vi) improve capacity in the government and the private sector to recognize and meet the requirements of global value chains.
- e. Social or environmental issues or concerns:** None.
- f. Plans for disseminating results/deliverables:** Workshops, regional/international investor forums.

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 agencies: GMS standards bodies.

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

Customs policymakers involved in the workshops on single-stop implementation under RETA 6020 (see footnote 1).

² ADB. 2003. *Technical Assistance for Implementing the Agreement for Facilitation of the Cross-Border Transport of Goods and People in the Greater Mekong Subregion*. Manila.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004 (RCSP)
- b. Expected date of submission for approval
Nonlending (project preparatory): 2006
- c. Period and duration of assistance: 16 months
Nonlending: 2006–2007

10. Financing Plan

- a. For nonlending
 - ☐ No resources required, other than ADB staff
 - ☐ ADB's administrative budget:
 - ☒ Grant TA funds: \$ 800,000
 - ☐ Other:

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, GMS = Greater Mekong Subregion, Lao PDR = Lao People's Democratic Republic, LDC = least developed countries, RCSP = regional cooperation strategy and program, RETA = regional technical assistance, TA = technical assistance, WTO = World Trade Organization.

Table A9.9: Support to Implement the Strategic Framework for Action on Trade Facilitation and Investment (Phase 2)

Date: 4 August 2005

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input 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 type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Trade Subsector: Trade</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 areas</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>Subthemes: Promoting economic efficiency and enabling markets</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>3. Coverage</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>4. Responsible division/department: Governance, Finance and Trade Division/Mekong Department</p>								
<p>5. Responsible ADB officer: L. Ding, Senior Regional Economist</p>								
<p>6. Description of assistance</p> <p>a. Background and link to country/regional strategy: Since 1992, interregional and intraregional trade has increased significantly. Trade facilitation, an important aspect of competitiveness, is one of the nine priority areas in the RCSP (2004–2008) for the GMS. At the Second GMS Summit, held on 5 July in Kunming, PRC, the leaders from the GMS countries endorsed the SFA-TFI. Under the framework, GMS countries will collaborate to (i) simplify customs procedures, (ii) reduce inspections and quarantines, (iii) improve trade logistics, and (iv) improve mobility of businesspeople. The SFA-TFI serves as a blueprint for action among the GMS countries to reduce transaction costs and promote greater transparency at the operating level. After endorsing SFA-TFI, ADB is developing a RETA (Phase 1) to support the initial implementation of the framework.</p> <p>b. Goal and purpose: The long-term goal of the RETA is to strengthen economic and trade cooperation and promote integration, within the GMS and with countries outside the region, by facilitating the free movement of goods and people. Trade facilitation in the GMS should reduce significantly transaction costs and time by (i) improving administrative efficiency; (ii) simplifying, standardizing, and harmonizing trade</p>								

<p>procedures and forms; (iii) encouraging the free movement of goods and businesspeople; (iv) enhancing the transparency of laws, regulations, procedures, and forms; and (v) sharing information on these and other trade issues. The RETA also would support the implementation of the SFA-TFI by providing the needed institutional support and analytical work for the development of trade facilitation hardware and soft support in GMS.</p> <p>c. Components, outputs, and specific deliveries: The RETA will have four components: (i) to continue institutional support to the SFA-TFI unit mechanism as “drivers” of the SFA-TFI process in the four identified areas (customs, inspection and quarantine measures, mobility of businesspeople, and trade logistics); (ii) to continue practical support to the TFWG in the exercise of its functions and responsibilities, and to ensure timely review and smooth implementation of the SFA-TFI; (iii) to apply the outcomes of the gap and needs analysis to be conducted in Phase 1, which will result in the formulation of proper projects and programs; and (iv) to undertake focused studies/analytical work to accelerate the implementation of SFA-TFI, and other related areas that might arise during implementation of the RETA. Coordination with other external aid/funding agencies supporting SFA-TFI will be pursued and sustained throughout the RETA preparation and implementation.</p> <p>d. Expected results and deliverables: The expected results are (i) strengthened trade facilitation mechanisms (SFA-TFI unit mechanisms) in the GMS countries; (ii) properly formulated projects to implement SFA-TFI; (iii) clearer picture—country by country and sector by sector—of development requirements and actions to address them; and (iv) strengthened TFWG.</p> <p>e. Social or environmental issues or concerns: These will be identified during preparation of projects for trade facilitation in GMS.</p> <p>f. Plans for disseminating results/deliverables: Dissemination will be primarily through the meetings held under the TFWG. The trade facilitation focal points, backed by the SFA-TFI units, will attend these meetings to share findings related to the SFA-TFI identified priorities, and to exchange views. Private sector forums and country consultations also will be used for dissemination of results. An inception report, quarterly progress reports, and a final report will be submitted to enable close monitoring of the RETA by ADB, and the GMS countries.</p> <p>For TA, method(s) of TA output dissemination:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> A conference/workshop/brown bag <input type="checkbox"/> Publication of article(s) in external journals or books <input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org <input checked="" type="checkbox"/> Internal press release in <i>ADB Today</i> <input type="checkbox"/> Others (specify) _____
<p>7. Proposed executing/implementing agencies: ADB, with support from the GMS countries, in particular the SFA-TFI unit mechanisms. The SFA-TFI unit will take overall responsibility for ensuring coordination and carrying forward of RETA activities.</p>
<p>8. Nature/extent of government/beneficiary involvement in identification or conceptualization the assistance: This assistance is in response to the strong request and initiatives of the GMS countries for support to improve GMS trade facilitation through formulation, and subsequent implementation, of the SFA-TFI.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <ul style="list-style-type: none"> a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2005 (RCSP Update) b. Expected date of submission for approval: 1st quarter 2007 c. Period and duration of assistance: March 2007–March 2008
<p>10. Financing Plan</p> <ul style="list-style-type: none"> a. For nonlending <ul style="list-style-type: none"> <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget <input checked="" type="checkbox"/> Grant TA funds: \$400,000 <input checked="" type="checkbox"/> Other: PRC Fund, \$400,000 (to be confirmed)

Source	Amount (\$)
ADB Financing	400,000
Government Financing	
Other Financing (PRC)	400,000
Total Cost	800,000

Source: Asian Development Bank estimates.

ADB = Asian Development Bank, ADF = Asian Development Fund, PRC = People's Republic of China, CSP = country strategy and program, GMS = Greater Mekong Subregion, RCSP = Regional Cooperation Strategy and Program, RETA = regional technical assistance, SFA-TFI = Strategic Framework for Action on Trade Facilitation and Investment, TA = technical assistance, TFWG = trade facilitation working group.

Table A9.10: GMS Customs Harmonization Program**Date: 4 August 2005**

1. Type/modality of assistance <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 checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and trade Subsector: Trade b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic areas 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 checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development Subthemes: Promoting economic efficiency and enabling markets, public governance, and policy/institutional/legal/regulatory reforms
3. Coverage <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Governance, Finance, and Trade Division/Mekong Department
5. Responsible ADB officer(s): M. Varkay, Private Sector Development Specialist
6. Description of assistance a. Background and link to country/regional strategy: The TA will build on the recent steps taken by GMS governments to create an enabling environment for the Movement of Goods and People via the ratification and implementation of stage 1 and stage 2 Annexes and Protocols of the CBTA. The TA will also be guided by the results of the trade logistics study undertaken under the regional TA for facilitating cross-border trade and investment in the GMS. ¹ The trade logistics study will provide quantitative and qualitative analysis of private sector demand for streamlined trade logistics in the GMS, review the scope and costs of integrated trade logistics service provision by established corporations such as Schenker Logistics, DHL, FedEx, identify the most frequently used transport corridors and review the nature of

¹ ADB. 2004. *Technical Assistance for Facilitating Cross-Border Trade and Investment in the Greater Mekong Subregion*. Manila.

required upgrading along specified corridors for more active utilization by large private sector service providers. Based on these results, the TA will identify the scope and nature of investment and policy interventions to facilitate the implementation of expedited customs clearance for high volume, low risk commodity shipments and through passage for freight forwarders providing service for large and medium-sized importers and exporters that meet the criteria for fast release of goods. While an integrated freight forwarding, customs clearance, import tariff and excise service is presently available to the largest corporations (mostly by air), medium-sized exporters have difficulty paying for the service. Furthermore, medium-sized freight forwarders are also hampered by regulatory constraints, as well as ICT constraints in providing a comparable service to the large international shippers. Finally, government administrators and policymakers are constrained by fragmented policy and ICT environment that restricts the development of automated customs harmonization that link customs clearance, revenue tracking and cross-border trade collection.

- b. Goal and purpose:** The goal of the TA is to facilitate the fast release of high volume, low value goods and to facilitate access by GMS freight logistics providers to the highways of Central Asia and Europe. The TA will work with three GMS governments to develop and/or upgrade procedures in a manner that is consistent with international conventions of the WCO and the IRU. The TA will actively involve international and national private sector service providers to ensure transfer of best practice to three GMS governments, and their principal implementing agencies specifically, customs agency, the ministry of finance, the ministry of commerce and the ministry of transport on policy formulation related to value addition criteria, the implementation of the fast release program, as well as the development of a cross-border institution, the Transport Corridor Highway Authority, that will be responsible for safety, security, revenue collection of user fees as well as maintenance along the corridor.
- c. Components and outputs:** The components of the TA, will be as follows: (i) develop a private sector consultative group financially committed to upgrading customs and freight forwarding procedures along a transport corridor; (ii) structure the framework for a public-private Highway Transport Authority (together with representation from the international private sector, regional chambers of commerce and experts form the ministries of finance and transport); (iii) develop an automated customs harmonization system that integrates the three GMS jurisdictions; (iv) develop a risk assessment procedure, complementary and value-added to the IBRD, for fast release of goods by high volume, low value repeat exporters and importers along most frequently used economic corridor (s); (v) implement a training module for policymakers, administrators, customs agents, members of the chambers of commerce and freight forwarding association on risk assessment for fast release of goods along the identified transport corridor with an internationally recognized economic consultancy, WCO, and IRU; (vi) coordinate with ongoing IBRD and other donor projects to ensure consistency in training at specific stages of decision-making, i.e., government policy maker, finance and commerce administrator, broker, and border post customs agents.
- d. Expected results and deliverables:** The TA will result in an integrated and streamlined policy and program on cross-border fast release of goods through passage for freight forwarding, automated customs harmonization supported by consistent hardware and software in three GMS governments. Such an integrated trade and transport logistics framework and system will (i) improve capacity in customs, finance and commerce department administration as well as medium-sized private sector brokers in tracking of imported and exported goods, (ii) provide the enabling framework for consistent risk assessment that will facilitate the development of inter-modal transport, (iii) improve predictability and timing in the shipment of goods on a cross-border basis, (iv) support the development of consistent trade automation along the transport supply chain across three GMS jurisdictions, (v) prepare freight logistics providers in the region for accession to the TIR, administered by the IRU, and thus develop access to road networks in Central Asia, Europe, and the PRC.
- e. Social or environmental issues or concerns:** None.
- f. Plans for disseminating results/deliverables:** Workshops, regional/international investor forums.
- 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 agencies:** Ministries of finance, customs agencies, ministries of commerce, private sector freight forwarders

<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Policymakers were involved in the workshops on customs facilitation held as part of the regional TA for facilitating cross-border trade and investment in the GMS (see footnote 1).</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004 (RCSP)</p> <p>b. Expected date of submission for approval Nonlending (project preparatory): 2006</p> <p>c. Period and duration of assistance: 16 months</p>
<p>10. Financing Plan</p> <p>a. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$800,000</p> <p><input type="checkbox"/> Other:</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, ASEAN = Association of Southeast Asian Nations, CBTA = Greater Mekong Subregional Cross-Border Transport Agreement, CSP = country strategy and program, EDI = electronic data interchange, GMS = Greater Mekong Subregion, IBRD = International Bank for Reconstruction and Development, ICT = information and communications technology, IRU = International Road Transporters' Union, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance, TIR = Transports Internationaux Routiers, WCO = World Customs Organization

Table A9.11: Human Resource Development for Trade in Greater Mekong Subregion**Date: 4 August 2005**

1. Type/modality of assistance <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 checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other:
2. Assistance Focus <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Trade Subsector: Trade</p> <p>b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas 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 checked="" type="checkbox"/> Capacity development</p> <p>Subthemes: Promoting economic efficiency and enabling markets, and institutional development</p>
3. Coverage <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Governance, Finance and Trade Division/Mekong Department
5. Responsible ADB officer(s): L. Ding, Senior Regional Economist
6. Description of assistance <p>a. Background and link to country/regional strategy: Many developing countries, particularly LDCs, do not understand economic and trade policy issues, and the mechanisms governing international trade and trade negotiations. Because of this lack of capacity, these countries have difficulty participating in trade discussions, particularly those on WTO accession. With the launching of the Doha development round at the end of 2001, the institutional and human resource constraints became an issue of serious concern. Accordingly, requests for trade-related assistance from WTO and other multilateral and bilateral agencies have increased. In this context, ITD was established through a cooperation agreement between the Government of Thailand and UNCTAD in February 2000. This effort gained momentum and strong support from the Government of Thailand in May 2002 when ITD was inaugurated.</p> <p>ITD's objective has been to promote regional economic and trade understanding to enable countries, especially those in the GMS, to prepare proposals and negotiate more effectively in international and regional trade discussions. Strengthening the analytical and research capacity of developing countries that are applying for WTO membership adds more urgency to the matter, given the increasing complexity of negotiations on issues such as market access for goods, services liberalization, subsidy issues, etc.</p>

Among the Mekong countries, Cambodia, PRC, Thailand, and Myanmar are WTO members. Viet Nam and Lao PDR are negotiating entry. All Mekong countries are ASEAN-PRC FTA members and need to fulfill their commitment to this FTA.

Assistance to ITD to build the needed human capacity to deal with trade and development subjects is an integral part of trade capacity building in the region. At the request of Thai Prime Minister, ADB has provided TA to ITD, including a small-scale TA in 2003. More than 40 participants from the GMS and other regional countries participated in, and benefited from, the workshop training programs conducted under the TA. Supporting trade development through institution building and human resource development is consistent with ADB's 10-year Strategic Framework for the GMS. The proposed assistance also aims to enhance ADB's capacity to support trade liberalization in the context of subregional economic cooperation.

- b. Goal and purpose:** The purpose of the RETA is to address the urgent needs of developing countries to implement multilateral and regional trade agreements, and to improve the human resource capacity of GMS countries to conduct analytical work to prepare for trade negotiations. By enhancing ITD's capacity to act as a focal point and forum for targeted training programs/courses for GMS countries, and for research with a distinctive regional focus, the RETA will address a core area for trade capacity building. In the medium to long run, this will help the GMS countries integrate more effectively with the world economic and trade system.
- c. Components and outputs:** The project will have five components:
- (i) **Institutional strengthening of ITD.** This is in line with the diagnostic institutional assessment of ITD contained in the Medium Term Development Plan of ITD.
 - (ii) **Material and training module development for the GMS countries.** Core subjects of international economics and trade law on WTO and regional trade agreements will be included. Training modules developed by other institutions, including UNCTAD, that have competence in trade and development in the areas of standards, trade remedies, and intellectual property rights will be used to provide the basis for the development of training modules that are specific to GMS. Areas where training modules do not exist will be developed.
 - (iii) **Training of regional trainers.** Given the limited size of ITD, one of the most effective modalities to leverage resources is for ITD to retain a network of regional trainers whom they can draw on to deliver the training modules. The TA will look into options for training the trainers/university professors to be the future trainers. This component also includes testing of training modules for GMS participants.
 - (iv) **Support for development of networks, information system, and information dissemination.** This component will promote the understanding of trade issues in the GMS. If applicable, this could include assistance to develop a tailor-made tool (electronically available) for trade negotiators in GMS countries. Such a tool has been piloted by the Inter American Development Bank, among others.
 - (v) **Assistance to enhance research capacity of ITD and the GMS countries.** This component would enable ITD to undertake specific research assignments in macroeconomics and trade, standards, technical barriers to trade, agricultural issues, subsidies issue, intellectual property rights, trade facilitation, trade development, dispute settlement issues, etc.
- The assistance is expected to help facilitate a collaborative relationship and build synergy on trade-related capacity building between ITD, GMS countries, ADB, and other multilateral and bilateral agencies, such as the WTO and UNCTAD. Under the materials and training module, case studies developed under the RETA will be used for training public sector, private sector, and academic audiences.
- d. Expected results and deliverables:** See above.
- e. Social or environmental issues or concerns:** None
- f. Plans for disseminating results/deliverables:** An inception report, two progress reports, and a final report will be submitted under the TA to enable ADB to monitor the TA closely. Training programs to test the modules and case studies will be conducted during TA implementation.

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 agencies: ITD										
8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Provision of trade-related assistance to developing countries to strengthen their capacity for training, research, and formulation of trade policy, etc. is identified as a critical area that needs to be addressed. The Thai Prime Minister and foreign minister conveyed the initial request for this assistance, while ITD made a strong request to ADB for continued assistance. Implementation of the assistance benefits not only related government agencies/officials in GMS countries, but also other stakeholders from the private sector and civil society.										
9. Timetable for assistance design, processing, and implementation a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004 (RCSP) b. Expected date of submission for approval Nonlending (project preparatory): June 2006 c. Period and duration of assistance: 2006–2007 (12 months)										
10. Financing Plan a. 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 \$250,000 <input checked="" type="checkbox"/> Other: PRC Fund \$250,000 (to be confirmed) <table border="1" style="margin-left: 100px;"> <thead> <tr> <th>Source</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>ADB Financing</td> <td>250,000</td> </tr> <tr> <td>Government Financing</td> <td></td> </tr> <tr> <td>Other Financing (PRC)</td> <td>250,000</td> </tr> <tr> <td>Total Cost</td> <td>500,000</td> </tr> </tbody> </table> <p style="margin-left: 100px;">Source: Asian Development Bank estimates.</p>	Source	Amount (\$)	ADB Financing	250,000	Government Financing		Other Financing (PRC)	250,000	Total Cost	500,000
Source	Amount (\$)									
ADB Financing	250,000									
Government Financing										
Other Financing (PRC)	250,000									
Total Cost	500,000									

ADB = Asian Development Bank, ADF = Asian Development Fund, ASEAN = Association of Southeast Asian Nations, PRC = People's Republic of China, CSP = country strategy and program, FTA = Free Trade Agreement, GMS = Greater Mekong Subregion, ITD = International Institute for Trade and Development, Lao PDR = Lao People's Democratic Republic, LDC = least developed countries, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, RETA = regional technical assistance, TA = technical assistance, UNCTAD = United Nations Conference on Trade and Development, WTO = World Trade Organization.

Table A9.12: Greater Mekong Subregion Luang Prabang Airport Improvement**Date: 4 August 2005**

1. Type/modality of assistance <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:
2. Assistance Focus <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and communications Subsector: Airports</p> <p>b. Targeting classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas 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: Fostering physical infrastructure development</p>
3. Coverage <input checked="" type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Infrastructure Division/Mekong Department
5. Responsible ADB officer: P. Vallely, Senior Transport Specialist
6. Description of assistances <p>a. Background and link to country/regional strategy: The Government of the Lao PDR has requested ADB's support to rehabilitate and upgrade Luang Prabang Airport in northern part of the country. Luang Prabang, the historical royal city and capital of Lao PDR, was designated as a UNESCO World Heritage Site in 1995. It has a recognized potential for tourism. The Government wishes to support and accelerate the tourism development that is already underway. The Government also sees Luang Prabang Airport as strategically located to serve as a hub for subregional air traffic between southern People's Republic of China and the northern parts of Lao PDR, Viet Nam, and Thailand, in much the same way that Siem Reap in Cambodia is developing into a subregional hub for the southern GMS. Subregional traffic has started at Luang Prabang Airport with regular services to Bangkok and to Chiang Mai in northern Thailand. However, the airport's physical infrastructure constrains further development.</p> <p>The airport's runway is capable of receiving aircraft up to the size of a Boeing 737-200. However, newer and larger versions of that aircraft, and the equivalent aircrafts from Airbus and other providers, cannot be handled. Traffic is constrained by three factors: (i) runway length; (ii) proximity of the apron and the terminal building to the runway, a safety concern that limits traffic; and (iii) insufficient instrument landing</p>

<p>capabilities, which renders traffic regularity vulnerable to weather conditions. The Government, therefore, wishes to upgrade the airport by extending the runway by 300 meters; relocating the apron and the terminal building; and updating its instrument landing systems and other safety features, such as fire and rescue services.</p> <p>b. Goal and purpose: The objectives of the project are to enhance tourism-based economic development in northern Lao PDR by upgrading the airport in Luang Prabang to accommodate airplane types that are in common use in subregional air traffic. The project also aims to support the integration of northern Lao PDR into the subregional air traffic network by transforming Luang Prabang Airport into a subregional air traffic hub.</p> <p>c. Components, outputs, specific deliverables: The loan will be processed during 2006–2007 for approval in 2008, with completion of civil works by 2010. The expected output is an upgrade of the airport to accommodate safe and dependable service of airplanes commonly used in subregional air traffic.</p> <p>d. Expected results and deliverables: The expected outcome would be an airport capable of safely handling contemporary Boeing 737 (and similar) aircraft, and full instrument landing capabilities to secure air traffic regularity.</p> <p>e. Social or environmental issues or concerns: to be determined.</p> <p>f. Plans for disseminating results/deliverables: to be determined.</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input checked="" type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>
<p>7. Proposed executing/implementing agencies: Ministry of Communications, Transport, Posts and Construction.</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government proposed the project in early 2005. The initial proposal was followed up in April 2005 with a request for inclusion of the project in the CSP update for 2006–2008.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2005 (RCSP Update)</p> <p>b. Expected date of submission for approval Lending: 2008 Nonlending (project preparatory): 2006 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistances Lending: 2008–2010 (3 years) Nonlending: 2006</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input checked="" type="checkbox"/> Ordinary capital resources: \$10 million</p> <p><input type="checkbox"/> Asian Development Fund:</p> <p><input type="checkbox"/> Other: Cofinancing and material support from ASEAN countries.</p> <p>Luang Prabang Airport is a revenue generating facility. A private sector operator manages the landside infrastructure, including the terminal, under a management/lease contract. The operator pays a fixed annual lease plus 40% of net profits after tax to Government in return for the right to operate the terminal and collect all airport taxes and subletting rentals. The Government operates the airside infrastructure and facilities, and collects landing fees. The Government owns all facilities. Landing fees and airport taxes related to international traffic are payable in US dollars.</p>

Source	Amount (\$ million)
ADB Financing	10.0
Government Financing	2.5
Other Financing	
Total Cost	12.5

Source: Asian Development Bank estimates.

b. For nonlending

- ☐ No resources required, other than ADB staff
☐ ADB's administrative budget:
☒ Grant TA funds: \$600,000
☐ Other:

Source	Amount (\$)
ADB Financing	600,000
Government Financing	150,000
Other Financing	
Total Cost	750,000

Source: Asian Development Bank estimates.

ADB = Asian Development Bank, ADF = Asian Development Fund, ASEAN = Association of Southeast Asian Nations, 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, UNESCO = United Nations Educational, Scientific and Cultural Organization

Table A9.13: Yunnan Roads Development IV (Wuding–Kunming)**Date: 4 August 2005**

1. Type/modality of assistance <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:
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and communications Subsector: Roads and highways b. For project preparatory and lending, classification <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention c. Key thematic area 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 type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development Subthemes: Promoting economic efficiency and enabling markets, and fostering physical infrastructure development
3. Coverage <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development
4. Responsible division/department: Transport and Communications Division/East and Central Asia Department
5. Responsible ADB officer: X. Yang, Financial Specialist
6. Description of assistances a. Background and link to country/regional strategy: Despite considerable investments, the PRC road network is still inadequate. It does not provide efficient transport access to large parts of the country, particularly in the poorer inland regions, including Yunnan Province. Better transport links are needed to improve economic efficiency, foster domestic and international trade, facilitate interregional integration, and reduce poverty. Western PRC lacks good road infrastructure in and out of the region, and between and within provinces in the region. The road network needs to be developed to facilitate sustainable economic development, and to ensure the impact of investments reaches 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 a Western Region Development Strategy, which is the key theme of the 10 th and 11 th Five-Year plans. The strategy aims to reduce development disparities between the western and coastal regions. The proposed project, which would be the fourth road project ADB has financed in Yunnan province, supports this

strategy. The first two projects have been completed, and the third is being implemented. ADB is targeting its road sector assistance at 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.

c. Components and outputs: The proposed project has five components: (i) constructing an expressway connecting Wuding and Kunming; (ii) upgrading associated local roads; (iii) procuring equipment; (iv) acquiring land 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 a complementary local road network, the project will help improve access to markets and social services for the rural poor residents in the project area. The project will reduce transport time and costs, thereby helping to develop an enabling environment for investment, job creation, and income enhancement.

e. Social or environmental issues or concerns: Given the large land acquisition, the project will have an impact on environment and will require some resettlement. These impacts will be addressed by an environmental impact assessment and environmental management plan, as well as by a resettlement plan.

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
☒ 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:
 The Yunnan Provincial Communications Department, through the Central Government, proposed this project. 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 2006–2010
 Nonlending:

10. Financing Plan

a. For lending
☒ Ordinary capital resources: \$200 million
☐ Asian Development Fund (loan):
☐ Asian Development Fund (grant):
☒ Other: Government financing-\$72 million; Cofinancing-\$304 million

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

Source: Asian Development Bank estimates.

b. For nonlending

- ☐ No resources required, other than ADB staff
☐ ADB's administrative budget:
☒ Grant TA funds: \$500,000
☒ Other: Government financing \$125,000

Source	Amount (\$)
ADB Financing	500,000
Government Financing	125,000
Other Financing (PRC)	
Total Cost	625,000

Source: Asian Development Bank estimates.

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

Table A9.14: Greater Mekong Subregion Information and Communication Technology Project Phase I

Date: 4 August 2005

1. Type/modality of assistance <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:		
2. Assistance Focus a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and communications Subsector: Telecommunications 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 checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development Subthemes: Addressing ICT issues, and policy/institutional/legal/regulatory reforms		
3. Coverage <input type="checkbox"/> Country <input checked="" type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development		
4. Responsible division/department: Infrastructure Division/Mekong Department		
5. Responsible ADB officer: W. Um, Principal Operations Specialist		
6. Description of assistances a. Background and link to country/regional strategy: Telecommunications investment significantly contributes to economic growth, especially in countries with low teledensity. Telecommunications are not only traded services; they act as a vehicle for trade in other service sectors. In the GMS, connectivity in will enhance the economic cooperation within the region and accelerate economic growth in each country. Over the past decade, physical installation of the optical fiber cables envisaged under the earlier proposed Telecommunications Fiber Optic Backbone (Phase I) Project has been completed largely. While ADB concentrated on assisting the governments in undertaking the sector policy study, the governments secured bilateral financing for high-priority optical fiber cable routes. Although few routes remain under the Phase-I Project, the governments confirmed that these routes are relatively low priority due to low demand. The GMS countries expressed the need to increase access to ICT services in provincial, rural, and remote locations as part of e-government initiative. The main challenge for governments is to deliver basic social services in remote villages using ICT. ICT is becoming increasingly affordable, and can be an effective way of collecting, storing, retrieving, and disseminating important information.		

<p>The project will assist the GMS countries in launching the e-government initiative by providing them with increased access to ICT services in provincial, rural, and remote locations. The project will provide the related physical infrastructure, as well as the software, to facilitate the rural ICT connectivity.</p> <p>b. Goal and purpose: The objectives of the project are to (i) enhance access to ICT services in the remote and rural locations in the GMS, (ii) narrow the “digital divide”¹ in the GMS, (iii) improve the ICT infrastructure to attract private investment in national ICT networks, and (iv) to allow ICT connectivity among the four GMS countries. The project also would help create and foster an environment conducive to private sector ICT investment in the GMS countries.</p> <p>c. Components and outputs: The project will provide ICT infrastructure and related software to the rural and remote areas of Cambodia and Lao PDR.</p> <p>d. Expected results and deliverables: The expected results are physical infrastructure and the related software for ICT connectivity in rural and remote areas of Cambodia and Lao PDR.</p> <p>e. Social or environmental issues or concerns: Environmental category B .</p> <p>f. Plans for disseminating results/deliverables: Through consultation meetings and the Subregional Telecommunications Forum</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input checked="" type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>
<p>7. Proposed executing/implementing agencies: Ministry of Communications, Transport, Posts and Construction (Lao PDR), Ministry of Posts and Telecommunications (Cambodia).</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</p> <p>The project was identified as a high priority GMS project by the Subregional Telecommunications Forum.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004 (RCSP)</p> <p>b. Expected date of submission for approval</p> <p>Lending: 2007</p> <p>Nonlending (project preparatory): 2006</p> <p>Nonlending (other than project preparatory): 2005</p> <p>c. Period and duration of assistance</p> <p>Lending: 36 months after approval</p> <p>Nonlending:</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$35 million (Cambodia, \$15 million; Lao PDR, \$20 million)</p> <p><input type="checkbox"/> Other:</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input type="checkbox"/> Grant TA funds:</p> <p><input checked="" type="checkbox"/> Other: France, \$800,000 (to be confirmed)</p>

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

¹ Refers to gaps that exist between groups regarding their ability to use ICT effectively, as well as to gaps between those groups that have access to quality and useful digital content, and those that do not.