



## SEVENTH GMS ECONOMIC CORRIDORS FORUM (ECF-7)

11 June 2015, Kunming, PRC

### CONCEPT NOTE

#### I. BACKGROUND INFORMATION

##### A. Recap of ECF-6 (Ha Noi, Viet Nam, 8 August 2014)

1. The Sixth Economic Corridors Forum (ECF-6) held on 8 August 2014 in Ha Noi, Viet Nam with the theme “*Developing Economic Corridors through Transport and Trade Facilitation & Economic Zones*”, marked the first full 6-year cycle of hosting of the ECF by the GMS countries as the main advocate and promoter of GMS economic corridor development since its establishment in June 2008. ECF-6: (i) reviewed the milestones and achievements of the ECF over the past 6 years since its inception; (ii) assessed the context, milestones, achievements, lessons learned, and challenges faced by the implementation of the GMS Cross Border Transport Agreement (CBTA) in the last decade, including the future of transport and trade facilitation initiatives in the GMS over the medium term; (iii) discussed the role of economic zones in the GMS economic corridors and shared experiences by GMS countries in the development of such zones; and (iv) offered recommendations for strategic directions for the ECF in the medium term. In short, ECF-6 provided a good opportunity to reflect upon the ECF’s actual contributions and experience, and to chart its future steps so that it can more effectively shepherd economic corridor development in the GMS.

##### Key Outcomes and Conclusions of ECF-6:

2. ECF-6 arrived at several broad conclusions as outlined below.

##### (i) Review of the First Six Years of the ECF as a Driver of Economic Corridor Development in the GMS

3. ECF-6 concluded that although ECF has effectively created a unique platform to focus on economic corridor development, there is a need to address issues and challenges relating to (i) non-tariff barriers, (ii) greater software connectivity, and (iii) accelerated and more efficient implementation of the CBTA. ECF should also focus on greater and more robust involvement of local authorities, the private sector, and on coordinating efforts with other development partners. Moreover, the next cycle of ECF should respond to the need for greater emphasis on transport and trade facilitation (TTF), development of special economic zones, and refinements of the operations and structure of the ECF.

**(ii) Accomplishments and Future Directions of Transport and Trade Facilitation in the GMS**

4. Reviewing the accomplishments and future directions of TTF in the GMS, ECF-6 recommended, among others, that for the CBTA to be an effective instrument for a seamless integrated GMS, there is a need to upgrade the CBTA and modernize it so as to ensure that its provisions adopt current international best practices in areas such as customs transit system, and coordinated border management. There is also a need to address the following main challenges in implementing TTF: (i) strengthen the institutional framework; (ii) increase focus on small number of achievable targets with greater M&E by countries, and (iii) improve coordination to maximize synergy and avoid overlaps and inconsistencies. Countries could also consider strengthening the institutional framework for CBTA and other forums for discussing related concerns such as customs, trade policy and other non-tariff barriers issues.

**(iii) ECF Structure and Mechanisms for the Next 6 Years**

5. Moving forward, ECF-6 arrived at several recommendations that have implications on ECF operations over the next 6 years. Foremost among these were to retain the functions of ECF as defined in its Terms of Reference, while allowing flexibility for adjustments. Maintaining the level of representation at ministerial level was agreed in principle, but there is also the need to accommodate discussions of more technical issues at the senior officials' level. Other recommendations were to increase involvement of, and coordination with, local authorities, the private sector outside the GMS Business Forum, and development partners, and to organize Governors' Forum in specific corridor-areas to discuss location-specific economic corridor development issues. Future ECF agenda should be refocused on priority issues for transforming transport corridors into economic corridors, namely TTF and development of SEZs. In-country mechanisms for economic corridor development should also be strengthened, and there should be concrete action plans that could be regularly monitored and assessed.

**B. Directives from the 5<sup>th</sup> GMS Summit**

6. At the 5<sup>th</sup> GMS Summit held in Bangkok, Thailand in December 2014, the GMS Leaders affirmed their commitment to continue joint efforts to transform the GMS transport corridors into economic corridors. In their Joint Summit Declaration, the Leaders issued several directives that bear on economic corridor development, as follows:

- Task the GMS Ministers, Senior Officials, GMS working groups, forums, and task forces to implement the Strategy and Action Plans (SAPs) for the GMS Economic Corridors, with focus on selecting priority sections along the corridors that offer the greatest potential for attracting investment and yielding long-term development benefits, with inputs from provincial and local government officials, the private sector and community residents.
- Mandate the formulation of a clear, comprehensive and integrated TTF Action Program covering all aspects of cross-border flow of vehicles, goods and people.
- Make necessary changes in the GMS institutional framework and mechanisms to help the GMS countries respond effectively to emerging areas of cooperation such as integrated urban development, CBEZ Development, and logistics centers.
- Take concrete actions to strengthen the ECF framework; maintain the current hosting order and the ministerial level of the ECF while recognizing that ECF participation could be by ministers or their designated senior officials; revitalize the

Governors' Forum and hold it back-to-back with the ECF annually; welcomed PRC's offer to organize the GMS Commodity Trade Fair and GMS Economic Corridor Week as supporting activities of ECF in 2015.

- Recognized the private sector to be the primary driver of economic corridor development, with the public sector providing conducive policy and regulatory environment, basic infrastructure, and other support services, and coordination at the local, national, and subregional levels.

## II. ELEMENTS AND STRUCTURE OF ECF-7

7. Against the above backdrop, ECF-7 is being organized with the forward-looking results of ECF-6 and the fresh directives emanating from the 5th GMS Summit providing clear directions towards a more-focused and revitalized approach to GMS economic corridor development as it enters a new cycle.

8. ECF-7 will be held on 11 June 2015 in Kunming, PRC with the theme ***“Fostering Pragmatic Cooperation towards the Future of GMS Economic Corridors”***, co-hosted by Yunnan Province and the Ministry of Commerce of PRC, and the Asian Development Bank (ADB). Ministers from the 6 GMS countries, GMS Senior Officials/National Coordinators, other officials from concerned ministries/agencies, selected local and provincial authorities, ADB officers/staff, representatives from the GMS Business Forum, and development partner organizations are expected to attend.

### 9. Objectives:

- (i) Review the implementation of the GMS Economic Corridor Strategies and Action Plans, assess the gaps, and consider measures to address remaining challenges moving forward;
- (ii) Consider new approaches for a sharpened focus on economic corridor development including a pilot initiative on corridor section-specific concept plans as bases for preparing more detailed economic corridor development action plans and investment programs;
- (iii) Discuss enhanced approaches to Transport and Trade Facilitation;
- (iv) Consider emerging areas and platforms for enhanced cross-border cooperation and private sector participation including urban development and development of Special Economic Zones and e-commerce.

### 10. Provisional Agenda:

ECF-7 will cover the following 7 sessions and topics:

#### **Session 1: Revisiting the GMS Economic Corridor Strategies and Action Plans**

*This session will revisit the original economic corridor strategies and action plans (SAPs) prepared and presented at ECF-2 held in Phnom Penh, Cambodia in September 2009, and endorsed and adopted by the 15<sup>th</sup> and 16<sup>th</sup> GMS Ministerial Conferences (in 2009 and 2010, respectively). ECF-7 will review the degree to which the SAPs have been implemented, and the gaps and challenges moving forward.*

**Session 2: Moving Forward with GMS Section-Specific Concept Plans**

*This session will discuss a new initiative to establish cross-border Planning Task Forces and develop section-specific concept plans for three pilot sections of the primary economic corridors in order to more closely involve local authorities, the private sector and other stakeholders in the development of conceptual plans. ADB and Planning Task Force representatives will present on the preliminary section-specific concept plans.*

**Session 3: GMS Cross-border E-commerce Cooperation Platform**

*This session will feature a presentation by PRC on their concept of a platform for promoting e-commerce in the GMS through policy exchange, capacity building, and assistance to MSMEs.*

**Session 4: Next Phase of Transport and Trade Facilitation in the GMS**

*This session will discuss developments concerning the TTF action plan including highlights of a development partners' meeting on TTF held recently in Bangkok.*

**Session 5: Development of Special Economic Zones**

*This session will feature (i) presentations by PRC and Thailand on enhancing awareness and capacities on development of economic zones and promoting information sharing on SEZs; and (ii) a presentation by ADB on Cambodia's experience in linking SEZs into production networks.*

**Session 6: Draft GMS Urban Development Strategic Framework: Updates and Forward Directions**

*This session will discuss updates on the Draft GMS Urban Development Strategic Framework arising from a series of country consultations and the next steps leading to its eventual endorsement by the 20<sup>th</sup> GMS Ministerial Conference planned in September 2015 in Nay Pyi Taw, Myanmar.*

**Session 7: Consideration/Adoption of the ECF-7 Joint Ministerial Statement**

*In this brief and final session, the Ministers will consider and adopt a Joint Ministerial Statement highlighting the key results of their discussions and the required next steps towards further advancing economic corridor development in the GMS.*

11. **Invitations:** Formal invitations to GMS Ministers to attend ECF-7 will be issued by the Government of PRC. Formal invitations to ADB-funded participants including the GMS National Coordinators and duly designated members of their respective country delegations as well as a representative of the GMS Business Forum will be issued by ADB as GMS Secretariat. Formal invitations to representatives of development partner organizations will be issued by ADB. An Information Note describing logistical and administrative arrangements for the main ECF-7 meeting (as well as for the GMS Senior Officials Meeting to be held back-to-back with it) will be issued by the GMS Secretariat to confirmed ADB-invited participants.

**III. Other Supporting Events Being Organized by PRC as Host<sup>1</sup>:**

12. In addition to the main ECF-7, the following supporting events are being organized by Yunnan Province/PRC as host:

- (i) Governors' Forum, 10 June 2015
- (ii) GMS Economic Corridors Week, 10-13 June 2015
- (iii) GMS Commodity Trade Fair, 12-16 June 2015

Details about these supporting events and administrative/logistical arrangements will be provided by the PRC organizers in a separate information note. Invitations to these events will be sent directly by the PRC organizers to prospective participants.

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<sup>1</sup> Details to be provided by PRC as host