Connectivity Initiatives Supported by ADB

- **Physical Connectivity**: ADB continues to lend for infrastructure development in the region. Of the $3.7 billion in lending in 2012, 54% was on infrastructure (ADB Annual Report, 2012).

- **Innovative Financing**: In addition, ADB is involved in new and innovative financing schemes, such as the ASEAN Infrastructure Fund, which plans to lend $300 million per year (co-financed with ADB).

- **Private Sector Participation**: $2 billion in operations by ADB’s Private Sector Operations Department (2012). In addition, ADB is working to promote PPP development in the region for physical and software connectivity projects.

- **Software Connectivity**: Development partner/coordinator for the GMS, BIMP-EAGA, IMT-GT programs to promote software connectivity and integration from the “bottom up” through technical assistance, knowledge sharing and capacity building.
Transport and Trade Facilitation in ASEAN Region

- ASEAN sub-regions are implementing various transport and trade facilitation (TTF) measures
  - GMS Transport and Trade Facilitation
  - BIMP-EAGA CIQS Action Plan
  - IMT-GT CIQ work at early stage
- Increasing alignment with ASEAN Trade Facilitation initiatives (ATIGA, AFAGIT, ACA, etc.)

Transport and Trade Facilitation in the Greater Mekong Subregion (GMS)

- GMS: Cambodia, China, Lao PDR, Myanmar, Thailand, Viet Nam
- About $15 billion invested in GMS since 1992; from ADB, member countries and Development Partners
- Transport major sector, about 70% of total investments
- Increasing recognition of need to complement increased physical connectivity by improved TTF to develop economic corridors
- Initial emphasis on the GMS Cross-Border Transport Agreement (CBTA)
What is CBTA
(GMS Cross-Border Transport Facilitation Agreement)

- CBTA is a pioneering flagship initiative launched in the late 1990s under the GMS Economic Cooperation Program supported by Asian Development Bank.

- CBTA has six member countries: Cambodia, China, Lao PDR, Myanmar, Thailand and Viet Nam in the Great Mekong Subregion.

- CBTA aims to foster greater economic connectivity through transport and trade facilitation initiatives at GMS border crossings.

- CBTA focuses on improving software connectivity to complement physical connectivity investments by ADB.

What is covered by CBTA?

- **No Go --- To Go**: trucks, drivers and goods could go to any GMS country
  - Open corridors (exchange traffic rights)
  - Trucks (GMS road transport permit + bilateral permit)
  - Drivers (mutual recognize driver’s license)
  - Goods (dangerous goods, perishable goods)

- **Transloading --- Go Through**: goods with trucks could transit without reloading
  - Customs Transit System: harmonized transit documents
  - Issuing/guaranteeing organizations in operation

- **Long Time --- Short Time**: shorten clearance time at border by facilitating
  - Single window inspection (in one country, by CIQ)
  - Single stop inspection (two countries, by CIQ)
  - Risk management (by CIQ)

- **Pilot --- Full Implementation**: Pilot borders implementing CBTA before ratification, after all countries ratified, more borders could implementing to maximize the benefits.
CBTA Road Map

1999-2003
CBTA Framework Agreement – Signed & Ratified

Signing of CBTA
LAO – Nov. 1999
THA – Nov. 1999
VIE – Nov. 1999
CAM – Nov. 2001
PRC – Nov. 2002
MYA – Sept. 2003

Ratification of CBTA by 31 December, 2003

2003-2005
20 Annexes & Protocols (A&P) - Negotiation

Signing of 20 A&P signed by all countries 2007

2005-2013
CBTA (Interim) Implementation Arrangements

Ratification of 20 A&P by 2010
CAM – All ratified
PRC – All ratified
LAO – All ratified
MYA – 16 ratified by 2013
THA – 15 ratified by 2013
VIE – All ratified

2016
CBTA Full Implementation

Bilateral/trilaterial MOU
- China-Viet Nam
- China-Lao PDR
- Thailand-Lao PDR-Viet Nam
- Thailand-Cambodia
- Thailand-Lao PDR
- Viet Nam- Cambodia
- Viet Nam – Lao PDR
- Cambodia – Lao PDR

Initial Implementation at key borders
- Hekou – Lao Cai commenced
- Lao Bao-Dansavanh commenced
- Mukdahan-Savannakhet commenced

20 Annexes & Protocols (A&P) - Negotiation

CBTA Institutional Mechanism

National
ADB RETA Support
Subregional

Ministerial Joint Committee

subcommittees

Transport | Customs | Health | Immigration

Cambodia NTFC
PRC NTFC
Lao PDR NTFC
Myanmar NTFC
Thailand NTFC
Viet Nam NTFC
**CBTA: Initial Implementation**

The following GMS borders are already implementing the CBTA:

- Hekou – Lao Cai
- Lao Bao - Dansavanh
- Mukdahan - Savannakhet

**CBTA: Bilateral Arrangements**

- Bilateral/trilateral road transport agreements are pragmatic interim solutions for urgent TTF and building blocks to CBTA implementation.
Recent Outcomes

- **Reduction of cross-border transactions**
  - **Example:** Average clearance time for cargo trucks at the Lao Bao-Dansavang a border between Viet Nam and Lao PDR was reduced from 90 minutes to 30 minutes.

- **Improved efficiency in the flow of people and goods across borders evident in increased trade and tourist volumes**
  - **Example:** Bilateral trade between Thailand and Cambodia grew by 40% year on year to USD 3.8 Billion in 2012.

- **Expansion of open routes**
  - **Example:** Expansion of the operational route of the GMS East West Economic Corridor route to Bangkok, Hanoi, Vientiane and deep sea ports.

- **Increase in the number of agreements and transport permits exchanged among countries**
  - **Example:** PRC and Lao PDR agreed to increase their transport permit quotas by 50% for buses and 25% for trucks.

ADB’s Role:

- **As Honest Broker**, acting as facilitator and coordinator to the negotiation meetings and implementation.
- **As Knowledge Bank**, creating and consolidating CBTA legal documents.
- **As Financier**, providing and assisting GMS countries in mobilizing financial resources.
- **As Capacity Builder**, assisting Joint Committee and NTFC in building their institutional capacity to manage the CBTA implementation.
- **As Coordinator**, providing overall support and coordination to the CBTA implementation.
OPERATIONAL CHALLENGES

- Higher level of coordination among concerned ministries/agencies
- Capacity building, especially for border officials
- Harmonization of relevant laws and regulation in line with CBTA
- Associated establishment of infrastructure and ICT

Thank you

For more information:
http://www.adb.org/publications/greater-mekong-subregion-cross-border-transport-facilitation-agreement-instruments-and-

Link:
9 minute video: Knocking Down Borders in the GMS
http://vimeo.com/76838418