Emerging Priorities of the Greater Mekong Subregion (GMS) Program

GMS Central Secretariat (ADB)

Development Partners’ Roundtable, 31 January 2018

GMS Fifth Environment Ministers’ Meeting
30 January – 1 February 2018, Chiang Mai, Thailand
Outline of Presentation

I. GMS Program: 25 years of Cooperation

II. Results of the Midterm Review (MTR) of the GMS Strategic Framework 2012-2022

III. The Proposed Ha Noi Action Plan (HAP) 2018-2022

IV. Proposed Regional Investment Framework (RIF) 2022

V. Summary
The GMS and the GMS Program @ 25

- $20 billion of projects
- Facilitating policies, projects and knowledge exchange

GMS Program

**COMPETITIVENESS**
- Cross-border movement
- Integration of markets, production & value chains
- GMS as a single tourism destination
- E-commerce cooperation platform
- Urban development, special economic zones, border zones

**CONNECTIVITY**
- Over 10,000 km roads
- 5,000 km railways
- 2,000 km of power transmission lines
- 100,000 household electricity connection

**COMMUNITY**
- Projects addressing shared social & environmental concerns
- HRD, mutual recognition of skills & qualifications
- Improved capacity
- Deep partnerships

- Providing capacity building
- Forging partnerships
- Mobilizing resources from development partners and governments

6.3% average annual economic growth
5% per capita growth
90-fold increase in intra-subregional trade

Greater Mekong Subregion
GMS Program: 25 Years

Vision

Prosperous, Integrated and Harmonious Subregion

Building Blocks

Connectivity
- Strengthen infrastructure linkages

Competitiveness
- Facilitate cross-border trade, tourism, investment
- Enhance private sector participation
- Develop human resources
- Protect environment & promote shared use of natural resources

Community

Goals

Strategic Documents

2002
GMS Strategic Framework (SF) 2002-2012

2012
GMS SF 2012-2022

2017 Mid-term Review

2017
PROPOSED Hanoi Action Plan 2018-2022

Planning Framework

Regional Investment Framework (RIF) 2013-2022
RIF Implementation Plan 2014-2018, 2020
PROPOSED RIF 2022
GMS Program @25: Responding to Changes

Vision: Prosperous, Integrated and Harmonious Subregion

GMS SF-I 2002-2012
Formulated to respond to the changing global and regional context, and build on the success of the past 10 years of the GMS Program.
Highlights 11 flagship programs, which are multisector, large-scale initiatives representing major advances in subregional cooperation.

GMS SF-II 2012-2022
More focus on software aspects
Greater selectivity and prioritization within sectors
Closer link to broader regional integration agenda
Strengthen cross-sectoral linkages
Rebalance focus and resources
Strengthen monitoring of Program results and impact

Proposed HAP 2018-2022
Spatial strategy focused on economic corridors
Refinements in sector strategies and operational priorities
Improvements in planning, programming and monitoring systems and processes
Enhancements in institutional arrangements and partnerships

Connectivity, Competitiveness, Community

Vision: Prosperous, Integrated and Harmonious Subregion
Mid-term Review (MTR) of the GMS Strategic Framework 2012-2022

**GMS Vision**
Prosperous, Integrated, and Harmonious Subregion

**GMS Strategic Framework (2012-2022)**

- 2012-2016
- Proposed Hanoi Action Plan (2018-2022)

**Mid-term Review**

**Assessment Areas**
- Relevance to national development agenda
- Program, sector and project alignment
- Planning and programming process
- Implementation performance
- Institutional performance

**Sector assessments, country consultations, sector FGDs, questionnaires**
Proposed HAP 2018-2022: Guiding Framework

GMS Vision

Goals of GMS SF II

Sector Priorities

Spatial Strategy

Hanoi Action
Plan 2018-2022
- Improve effectiveness
- Unfinished & expanded agenda (new areas)
- Key Actions

Planning, Programming & Monitoring Processes

Sector Refinements & Shifts

Partnerships & Institutional Enhancements

Regional Investment Framework (RIF) 2022
pipeline of projects
Proposed HAP 2018-2022: Key Elements and Enablers

Key Elements

Spatial strategy focused on economic corridors

Refinements in sector strategies and operational priorities

Improvements in planning, programming and monitoring systems and processes

Enhancements in institutional arrangements and partnerships

Enablers

Synergies with ASEAN & other subregional initiatives

Knowledge linkages & use

Private sector engagement

Hanoi Action Plan 2018-2022

Technology-enabled processes

Innovative approaches to project design & institutional arrangements
## Proposed HAP 2018-2022: Shifts and Refinements in GMS Sector Strategies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transport</strong></td>
<td>Multimodal links, transport services, transport efficiency</td>
<td></td>
<td>Intermodal links, logistics development, transport facilitation, road safety &amp; road asset management</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td>Bilateral cross-border connections through PPAs (Stage 1)</td>
<td></td>
<td>Grid-to–grid power trade between any two countries &amp; later thru transmission lines of third countries</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>Food safety, agriculture trade, climate friendly agriculture &amp; bioenergy</td>
<td></td>
<td>Value chain approach to safe and environment friendly agro-based products</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td>Geographic-based focus interventions on transboundary landscapes</td>
<td></td>
<td>Ecosystem-based service approach to landscapes in the GMS Program &amp; RIF and international frameworks</td>
</tr>
<tr>
<td><strong>HRD</strong></td>
<td>Subregional HRD issues in health, social development, labor &amp; migration, education</td>
<td></td>
<td>Focus on subregional health issues; engage other development partners in other subsectors (TVET labor migration, social development)</td>
</tr>
<tr>
<td><strong>Tourism</strong></td>
<td>Increase tourist arrivals, develop primary destinations, capacity building for HRD</td>
<td></td>
<td>Improve quality &amp; visitor experience, develop secondary destinations, competency based training linked to ASEAN standards</td>
</tr>
<tr>
<td><strong>Urban Development/Border Zones</strong></td>
<td>Plan &amp; develop key urban centers &amp; border areas</td>
<td></td>
<td>Focus on urban systems as part of spatial planning on a GMS wide basis linking urban areas</td>
</tr>
<tr>
<td><strong>Trade Facilitation</strong></td>
<td>Customs reforms, SPS capacity enhancements</td>
<td></td>
<td>Customs modernization, coordinated border management, risk-based approaches to SPS</td>
</tr>
<tr>
<td><strong>ICT</strong></td>
<td>Develop ICT infrastructure (Information Superhighway)</td>
<td></td>
<td>Promote ICT applications (e.g. in sectors &amp; e-commerce), bridge digital divides &amp; foster ICT innovations</td>
</tr>
</tbody>
</table>
## Proposed HAP 2018-2022: Shifts and Refinements in GMS Environment Sector Strategy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional focus</td>
<td>Transboundary landscapes</td>
<td>areas of high ecosystem service values within the GMS economic corridors and the projects in the RIF pipeline</td>
</tr>
<tr>
<td>Approach</td>
<td>Geographic approach to landscapes, basin boundaries</td>
<td>Ecosystem-based service approach to landscapes in ECP, RIF, international frameworks</td>
</tr>
<tr>
<td>Projects</td>
<td>Wide range of small projects</td>
<td>Fewer but high impact</td>
</tr>
<tr>
<td>Technical advice and policy support</td>
<td>Stand alone pilots</td>
<td>National environment management systems</td>
</tr>
<tr>
<td>Capacity development</td>
<td>Individuals</td>
<td>Institutions and organizations based on demand</td>
</tr>
<tr>
<td>Knowledge focus</td>
<td>Broad thematic areas</td>
<td>Project readiness and development</td>
</tr>
<tr>
<td>Financing</td>
<td>Donor cofinancing through ADB regional technical assistance projects</td>
<td>Larger projects funded by development banks, private sector, donors and financing facilities Smaller projects funded by ADB</td>
</tr>
</tbody>
</table>
### Highlights of Proposed RIF 2022

<table>
<thead>
<tr>
<th>Features</th>
<th>Purpose</th>
<th>Revisions/New Areas</th>
</tr>
</thead>
</table>
| • Near to medium term pipeline  
• Operationalize GMS Strategic Framework II and Hanoi Action Plan  
• A living document | • Instrument to align national and regional planning and programming  
• Monitor implementation  
• Marketing tool  
• Mobilize resources | • Concept, process and principles improved to enhance effectiveness as a programming document  
• Intersectoral linkages more prominent  
• Increase in transport subsectors (rail, ports)  
• Inclusion of projects in border zone and areas |

Currently includes 226 projects for nearly $67 billion  
142 investment projects ($66.3 billion)  
84 TA projects ($292 million)
## Proposed RIF 2022

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Projects</th>
<th>Cost Estimates ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>TA</td>
</tr>
<tr>
<td>Transport</td>
<td>85</td>
<td>12</td>
</tr>
<tr>
<td>Energy</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Agriculture</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Environment</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Health &amp; Other HRD</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Urban Development</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Others/BEZ</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Tourism</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>TTF</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>ICT</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>142</td>
<td>84</td>
</tr>
</tbody>
</table>

### Percentage of Cost Estimates by Financing Status
- With financing available, 56% ($38 billion)
- Without financing available, 44% ($29 billion)

### Breakdown of Available financing, Cost Estimates by Source of Fund
- Governments, 69% ($26 billion)
- ADB, 18% ($6.6 billion)
- Private Sector, 7% ($2.5 billion)
- Other Development Partners, 8% ($2.4 billion)
Proposed RIF 2022: Indicative Investment Pipeline in GMS Environment Sector

2015 (ongoing): Global Environment Fund Regional Biodiversity and Forestry Program (all GMS countries)
- Cost: $20 M
- Funding Source: Global Environment Facility

Proposed 2022: Rural Environmental Management, Pollution Control & Waste Management (all GMS countries)
- Cost estimate: $300 M
- Potential Funding Sources: ADB, Green Climate Fund (project seeking cofinancing partners)

Proposed 2022: Integrated Land Use Management for Sustainable Development (all GMS countries)
- Cost estimate: $240 M
- Potential Funding Sources: ADB, Green Climate Fund (project seeking cofinancing partners)
Proposed RIF 2022: Indicative TA Pipeline in GMS Environment Sector

Proposed 2018: GMS Environment Service Facility (all GMS countries)
Cost estimate: $8 M
Potential Funding Sources: ADB, Regional Cooperation & Integration Fund (RCIF)/ PRC Regional Cooperation and Poverty Reduction Fund

Proposed 2018: Capacity Building for the Management on Environmental Laboratory and Environmental Monitoring (all GMS countries)
Cost estimate $0.3 M
Potential Funding Source: to be determined

Proposed 2019: Rural Environmental Management Quality, Pollution Control, and Waste Management (all GMS countries)
Cost estimate $1 M
Potential Funding Source: ADB

Proposed 2020: Integrated Land Use Management for Sustainable Development (all GMS countries)
Cost estimate $1 M
Potential Funding Source: ADB
Summary: GMS Program’s Emerging Priorities

Strategic and Operational Thrusts

- Physical connectivity
- Cross-border Infrastructure
- Transport corridors
- Market connectivity
- Spatial development
- Network of corridors
- Economic Corridors
- Identification of priority corridors
- Reconfiguration of economic corridor routes
- Development of multi-sector area plans

Business Process

- Improvements in planning, programming and monitoring systems and processes
- Enhancements in institutional arrangements and partnerships
- Enablers (harness, manage and mainstream)
Summary: Proposed HAP & CEP Frameworks – Reinforcing Approaches

- Emphasis on intersectoral linkages
- Forging more partnerships
- Need for innovation (e.g. project preparation, business development and institutional arrangements)
- More use of technology-enabled processes
- Enhancing knowledge linkages and use
Thank you!

PLEASE ADDRESS QUERIES TO:
GMS Secretariat
Asian Development Bank
Email: gms@adb.org
Web address: https://www.adb.org/countries/gms/main