Bangladesh, Bhutan, India, Nepal (BBIN)

Enabling a Political Economy Discourse for Multi-Modal Connectivity

Project Inception Webinars

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Presentation Outlines

• CAREC experiences and lessons
• GMS experiences and lessons
• SASEC ongoing works and issues
• ADB’s project on “Strategic Multi-Subregion & Multi-mode Transport Planning Model”
• Central Asia Regional Economic Cooperation (CAREC)
  • 11 member countries (Afghanistan, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, PRC, Tajikistan, Turkmenistan, and Uzbekistan), with the inception in 2001.

• CAREC Investments (till 2019)
  • $38.6 billion and 204 projects
  • Governments (8.6B), ADB (14.2B), Other Partners (15.8B)
  • Transport (76%), Energy (2%), Trade Facilitation (2%)

• CAREC Strategy 2030
  • Economic and financial stability
  • Trade, tourism, and economic corridors
  • Infrastructure & economic connectivity
  • Agriculture and water
  • Human development

• CAREC Transport Strategy 2030
  • Cross-Border Transport & Logistics
  • Roads & Road Asset Management
  • Road Safety
  • Railways
  • Aviation
Components of Cross-Border Transport Agreements

- Customs guarantee for truck
- Condition of carriage (temperature, sanitary)
- Traffic rights (quotas, permits)
- Driver: Visa, licenses, working hours
- Documents: Transport and cargo
- Technical requirements
- Weight, axle load, dimensions
- Customs guarantee for cargo
Key Challenges and Way Forward

01 Greater country ownership
- Alignment of CAREC’s initiatives with national strategies
- Countries’ leadership in operational clusters
- High-level and active participation in CAREC events

02 Larger financing for regional projects
- Scale up development partners and member countries’ financial and technical support and explore innovative financing arrangements
- Promote private sector participation and investments

03 Stronger institutional mechanisms
- Strengthen the CAREC Secretariat
- Gradually activate expert groups in new operational areas
- Improve collaboration with other regional cooperation platforms

Implementation Progress and Way Forward, Presentation at the 18th Ministerial Conference (Nov. 2019)
GMS Background

• **Greater Mekong Subregion (GMS)**
  • 6 member countries (Cambodia, PRC, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam), with the inception in 1992.

• **Focused Areas:** Agriculture, Energy, Environment, Health and Human Resource Development, ICT, Tourism, Transport, Transport and Trade Facilitation, and Urban Development.

• **GMS Investments**
  • 102 investment projects amounting to $22.9 billion (till 2019); Governments (6.0B), ADB (9.6B), Other partners (7.3B)

• **GMS Transport Sector Strategy 2030 (TSS 2030)**
  • Completing the economic corridor network and improving links with South Asia and Southeast Asia
  • Facilitating cross-border transport
  • Strengthening intermodal links
  • Promoting the development of logistics
  • Improving road asset management
  • Enhancing road safety
GMS Strategic Framework and Economic Corridors

Figure 1: Links among the Greater Mekong Subregion Strategic Framework, Regional Investment Framework, and Strategies and Action Plans

GMS Strategic Framework 2012–2022

Sector Strategies
Transport Sector Strategy

EWEC, NSEC, and SEC SAPs
Corridor Concept Plans

RIF 2013–2022
RIF Implementation Plan 2014–2018

National and Subnational Development Plans

EWEC = East-West Economic Corridor, GMS = Greater Mekong Subregion, NSEC = North-South Economic Corridor, RIF = Regional Investment Framework, SAP = strategy and action plan, SEC = Southern Economic Corridor.

Note: The bold lines denote the direct links among the GMS strategy, action and investment plans. The broken lines denote indirect links between the GMS strategy, action and investment plans with the national and subnational development plans of GMS countries.

Cross-Border Transport Facilitation Agreement Milestones

1999–2003
CBTA Framework Agreement signed and ratified

Signing of CBTA
Lao PDR—Nov 1999
Thailand—Nov 1999
Viet Nam—Nov 1999
Cambodia—Nov 2001
PRC—Nov 2002
Myanmar—Sep 2003

Ratification of CBTA
31 December 2003

2003–2005
20 Annexes and Protocols (A&P) – Negotiation

Signing of 20 A&P
signed by all countries in 2007

Ratification of 20 A&P by 2010
Cambodia—All ratified
PRC—All ratified
Lao PDR—All ratified
Myanmar—All ratified by 2015
Thailand—All ratified by 2015
Viet Nam—All ratified

2005–2013
CBTA (Interim) Implementation Arrangements

2017
Agreement on issuance of 500 transport permits (Myanmar 2019)

Bilateral/trilateral MOU
- PRC—Viet Nam
- PRC—Lao PDR
- Thailand–Lao PDR–Viet Nam
- Thailand–Cambodia (MOU 1 and MOU 2)
- Thailand–Lao PDR
- Viet Nam–Cambodia
- Viet Nam–Lao PDR
- Cambodia–Lao PDR

Initial Implementation of SSI or SWI
- Hekou–Lao Cai (SWI)
- Lao Bao–Dansavan (SSI)
- Mukdahan–Savannahet (SSI)


Lessons Highlighted in TSS 2030

• Evolve to reflect the changing environment.
• Increase private sector participation.
• Require patience and persistence, more time and effort, and more intensive policy dialogue and follow-up for policy and regulatory reforms.
• Address the institutional and capacity gaps.
• Set activities, outputs, targets, and time lines realistically.
• Avoid lack of focus, duplication of effort, and inconsistencies in subregional initiatives.
• Build mutually acceptable cost and benefit sharing mechanisms.
SASEC Operational Plan 2016-2025 Update
New Initiatives Proposed to be Explored

• Multimodal routes connecting port gateways with landlocked countries of Bhutan, Nepal and India’s northeast region
• Maritime connectivity
• Coordinated development of border infrastructure and management
• Trade facilitation measures for e-commerce
• Multi-country tourism circuits
• Supply chain mapping for resiliency and security
• Leveraging digital technology under the “New Normal”
SASEC Trade Facilitation Strategic Framework (STFSF)

- **STFSF**, adopted in 2014, has five priority areas.
  - Customs modernization and harmonization
  - Standards and conformity assessment
  - Cross-border facilities improvement
  - Through transport facilitation
  - Institution and capacity

- **Transport Facilitation**
  - Electronic Cargo Tracking System (ECTS)
  - The BBIN Motor Vehicle Agreement (MVA)
  - India-Myanmar-Thailand MVA

- **Cross-border Facilities**
  - SASEC Road Connectivity projects
  - Bangladesh, SASEC Integrated Trade Facilitation Sector Development Program (concept approved)

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Strategic Transport Planning Model

Output: Simulated Flow Volumes by Mode

Input:
- Social-economic data to estimate transport demand
- Transport links and their impedance (time, cost etc.) to estimate flow volumes
- Actual flow volumes for model calibration

Application: Scenario Evaluation
- Add links
- Reduce cost/time
- Expand ports
- …

Multi-subregion: CMS (CAREC, Mekong, SASEC)
Multi-mode: Road, Rail, Water (Maritime & Inland)

(Source: International Transport Forum)
CMS Model Coverage (Traffic Analysis Zones)

Supporting Database and GIS Interface also to be built.
THANK YOU FOR YOUR ATTENTION!

Project implementation

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Problem identification  Pilot testing

ADB ASIAN TRANSPORT forum

Virtual Meeting • 24–28 August 2020