



Project Number: 37523
Technical Assistance Number: 6307
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RETA 6307: Implementation of the Greater Mekong Subregion Cross-Border Transport Agreement — Supplementary Grant from Australia

1. The GMS Cross-Border Transport Agreement (CBTA) was ratified in 2003 by all GMS countries to facilitate the cross-border movement of goods, vehicles, and people between and among them. It will enhance connectivity by maximizing the benefits derived from substantial subregional transport infrastructure that is reaching completion. RETA 6307: Implementation of the GMS Cross-Border Transport Agreement was approved in March 2006 for \$800,000 (\$400,000 from ADB's TA funding program, with \$400,000 cofinanced by the People's Republic of China Regional Cooperation and Poverty Reduction Fund). The demand for activities supported by the RETA has increased and is well beyond the RETA resources. In recognition of the importance of the CBTA and its timely implementation, the Australian Agency for International Development (AusAID), on behalf of the Government of Australia, has agreed to contribute the equivalent of \$1,000,000 supplementary financing for RETA 6307.

2. The CBTA has 20 operational annexes and protocols. To date, 16 have been signed and the remaining 4 are expected to be signed in March 2007. Bilateral time-bound Memorandum of Understanding (MOU) for initial implementation of the CBTA at 7 key border crossings, i.e. 14 borders in the GMS have also been signed or finalized (4 border crossings have signed MOUs, and 3 others have finalized MOUs). RETA 6307 is supporting the CBTA implementation at these 7 border crossings, including facilitating preparation of the MOUs, and related bilateral road transport agreements, conducting capacity building activities, preparing operational manuals for border officials and providing basic information communications technology (ICT) equipment for one pilot border checkpoint.

3. The demand for activities supported by the RETA is well beyond the resources of the RETA, especially for ICT equipment. Most of the border crossing checkpoints in GMS countries are not equipped with the basic ICT equipment needed to undertake minimum border inspection and facilitation activities. This constrains the effective and timely implementation of the CBTA across the Mekong subregion. To overcome this impediment, the GMS countries have requested ADB to mobilize additional financial resources to accelerate the implementation of the CBTA while at the same time ensuring appropriate standards are achieved.

4. To accelerate the implementation of the CBTA at the first 4 borders, AusAID agreed to provide supplementary funds for RETA 6307 and a joint ADB-AusAID mission was fielded in September 2006 to scope the activities that the supplementary funds would support. The Mission met the chairmen of the National Transport Facilitation Committees (NTFC) of Cambodia, Viet Nam and Lao PDR. The NTFC chairmen all warmly welcomed the AusAID

assistance for the CBTA. The Mission also visited the four borders, namely Lao Bao (Viet Nam), Dansavanh (Lao PDR), Bavet (Cambodia), and Moc Bai (Viet Nam), to assess the need for ICT equipment and capacity building. The funding support from AusAID will be used to support CBTA activities that are not currently adequately covered by the RETA, including increasing budget for i) ICT equipment and ii) technical expertise for capacity building activities.

5. In view of the above, and in accordance with Project Administration Instructions (PAI) No. 5.11 paragraphs 31 and 39, the President has approved (i) an increase in the TA cost by \$1,000,000 committed by AusAID on behalf of the Australian Government; and (ii) administration by ADB of the supplementary grant fund from AusAID. This paper is circulated to the Board of Directors for information. The revised cost estimates and financing plan is attached as an appendix.

REVISED COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	ADB and PRC Fund ^a	GMS Governments	AUSAID	Total Cost
1. International Consultants				
a. Remuneration and Per Diem	170		160	330
b. International and Local Travel	70		40	110
c. Reports and Communications	10			10
2. Workshops, Conferences, Surveys, and Studies ^b	40			40
3. Miscellaneous Administrative and Support Costs	30			30
4. Contingencies	80			80
5. Meetings, Seminars, and Training	230			230
6. Domestic Consultants				
a. Remuneration and Per diem	82			82
b. International and Local Travel	13			13
c. Reports and Communications	5			5
7. Equipment ^c	70		800	870
8. Local expenses				
a. Office Accommodation and Transport		25		25
b. Remuneration and Per Diem of Counterpart Staff		20		20
c. Others		15		15
Total	800	60	1,000	1,860

ADB= Asian Development Bank, PRC = People's Republic of China, AUSAID = Australian Agency for International Development.

^a Financed by Asian Development Bank's (ADB) technical assistance funding program (\$400,000) and the People's Republic of China Regional Cooperation and Poverty Reduction Fund funded by the Government of the People's Republic of China (\$400,000) and administered by the ADB.

^b Capacity-building activities to be jointly conducted with other relevant agencies.

^c Includes computers, printers, scanners, radios, vehicles, x-ray equipments, inspection equipments, and other key information and communication technology equipment as required at selected border crossings. Upon completion of the technical assistance, ownership of the equipment purchased will be transferred from ADB to the six participating governments pursuant to ADB's Project Administration Instruction 5.11, para. 29.

^d From the Greater Mekong Subregion governments.

Source: ADB estimates.