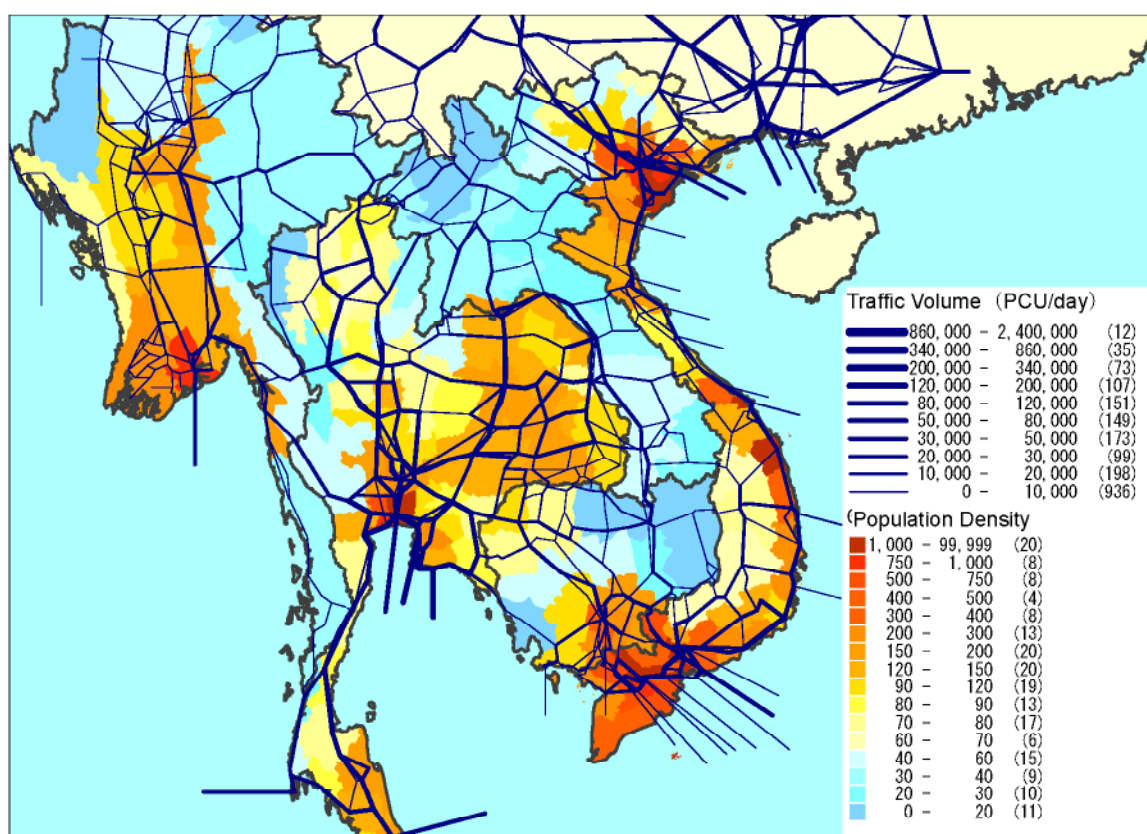


## 2.4 Cross-Border Traffic Volume

Figure 2.4.1 shows the traffic distribution in the GMS countries. Traffic volume in Lao PDR and Cambodia, as well as between Thailand and Myanmar, is distinctly small compared to that in their neighboring countries. Traffic volume is mainly concentrated in China, in Hanoi and Ho Chi Minh City, within the Bangkok Metropolitan Area and its surrounding areas, in Phnom Penh, and in Yangon in Myanmar. Figures 2.4.2 and 2.4.3 show the traffic distribution of passenger and freight by mode. It should be noted that traffic flow is generated on the links without actual infrastructure of the selected modes because traffic volume is assigned in accordance with the representative transport modes.

**Figure 2.4.1 Traffic Distribution in and among the GMS Countries and Regions, 2004**

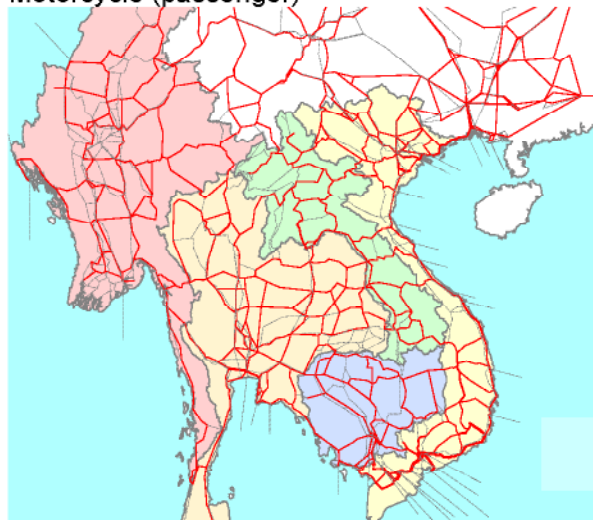


Source: Formulated by the Study Team based on the database of ADB, *Transport Sector Strategy Study (TSSS)*, 2005.

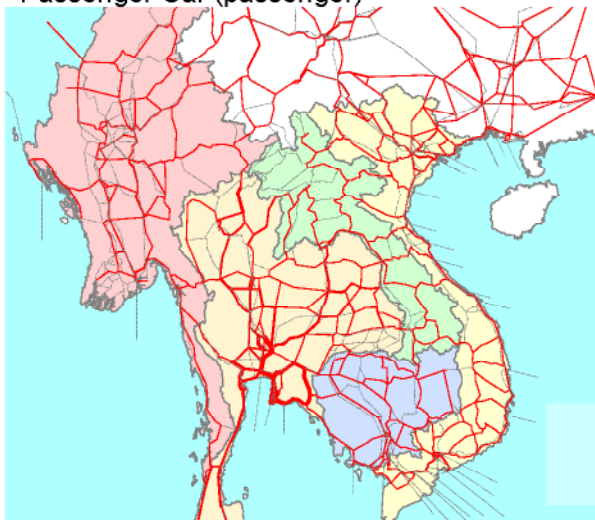
Note: Unit is PCU (passenger car unit) /day, which is converted using the average number of passengers and average freight ton for each mode.

**Figure 2.4.2 Passenger Traffic Distribution in GMS Countries by Mode, 2004**

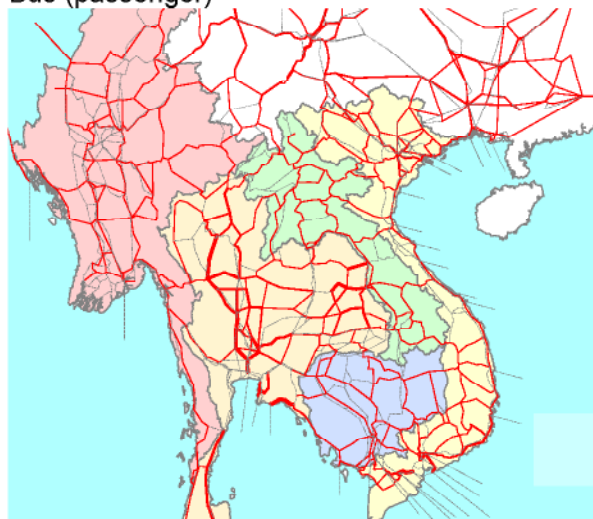
Motorcycle (passenger)



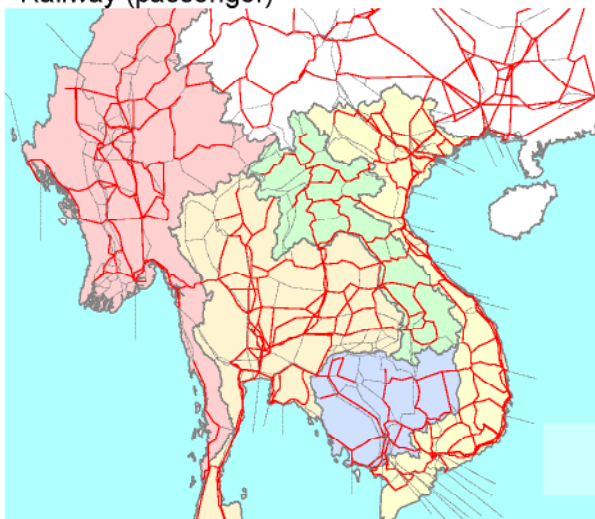
Passenger Car (passenger)



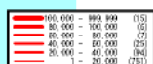
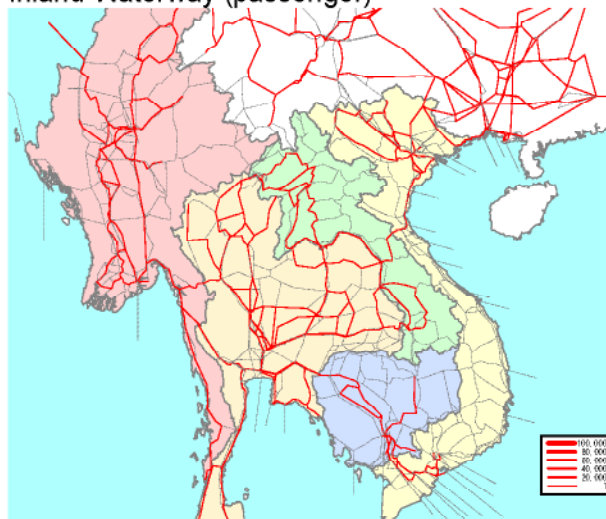
Bus (passenger)



Railway (passenger)



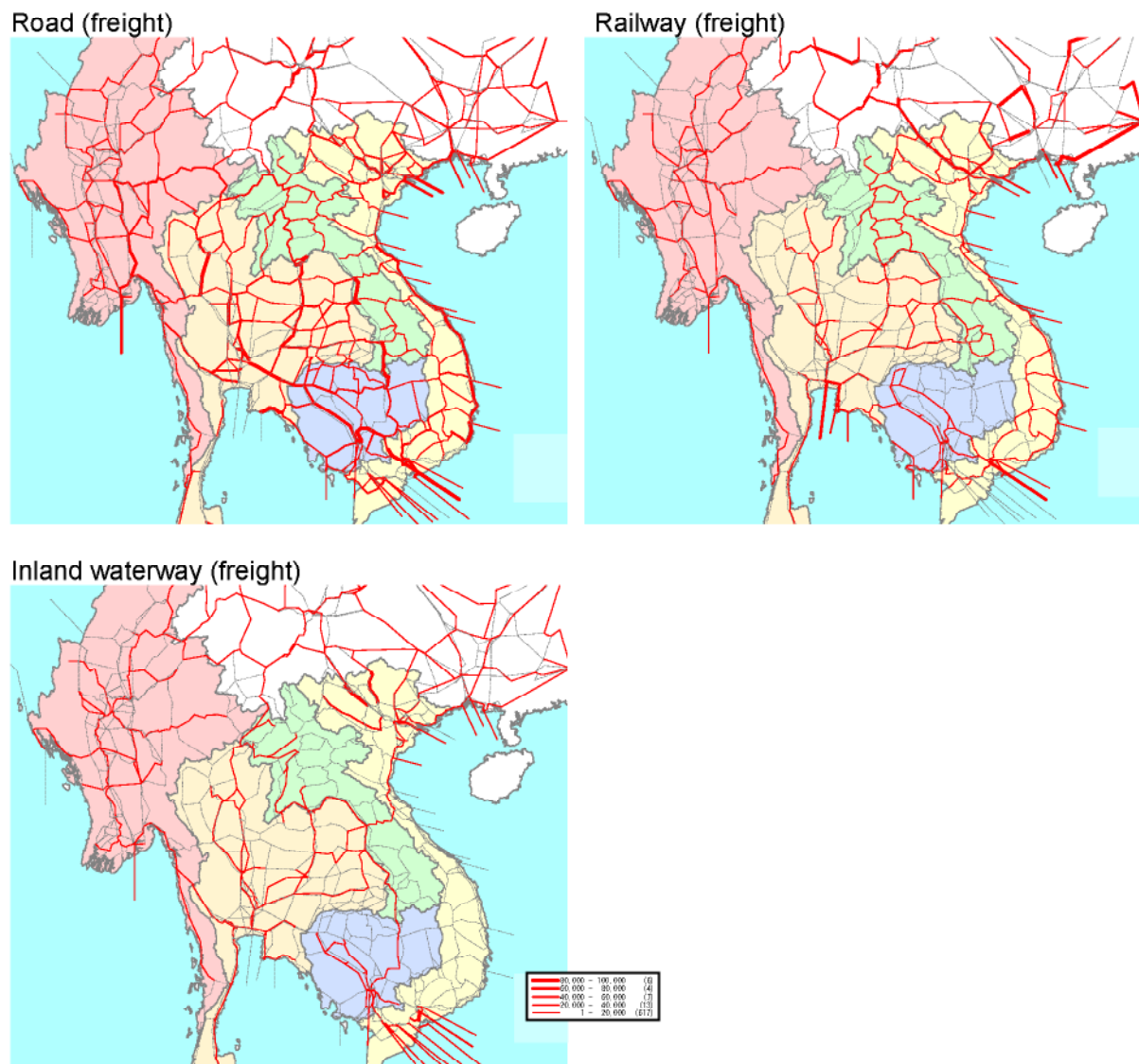
Inland Waterway (passenger)



Source: Formulated by the Study Team based on the database of ADB, *Transport Sector Strategy Study (TSSS)*, 2005.

Note: Unit is person/day. The traffic volume of each mode covers the whole trip links, of which the representative transport mode is the selected mode. Since traffic volume is assigned in accordance with the representative mode of transport, rail trips also appeared on the links even though there is no railway infrastructure.

**Figure 2.4.3 Freight Traffic Distribution in GMS Countries by Mode, 2004**



Source: Formulated by the Study Team based on the database of ADB, *Transport Sector Strategy Study (TSSS)*, 2005

Note: Unit is ton/day. The traffic volume each mode include the whole trip-links of which representative mode of transport is the said mode. Since traffic volume is assigned in accordance with representative mode of transport, rail-trip is also appeared on the links without actual railway infrastructure.

Relatively large cross-border traffic volumes are observed between Vietnam and China (in Lao Cai/Hekou, Lang Son/ Pingxiang, and Mong Cai/Dongxing), between Lao PDR and Thailand (in Nong Khai/Vientiane, Nakhon Phanom/ Thakek and Mukdahan/ Savannakhet), between Cambodia and Thailand (in Aranyaprathet/Poipet), between Cambodia and Lao PDR (in Muang Khong/Phumi Sralau, across the Mekong River), between Cambodia and Vietnam (in Bavet/Moc Bai) and between Myanmar and Thailand (in Mae Sai/Tachilek). In general, there are few cross-border points with more than 1,000 PCU per day causing serious problems on road capacity, i.e. most cross-border points can still accommodate traffic demand.

## 2.5 Cross-border Barrier

There are various types of cross-border barriers. These include insufficient infrastructure (e.g. lack of bridges and narrow road widths), unsupportive institutional arrangements (e.g. cumbersome and unclear customs procedures, high costs of import and export formalities), and others. While some of the barriers exist only at the cross-border points, the others are either along the transport routes or all over the country, the extent of impact of which also varies.

**Table 2.5.1 Example of Cross-border Barriers**

Category	Cross-border Barrier	Extent of Impact <sup>1)</sup>
Natural Conditions	Distance	L
Infrastructure	Lack of bridges, weight limit of the bridge	P
	Poor conditions of road infrastructure (missing link, poor surface conditions, narrow width)	L
	Lack of cargo terminal (for transshipment)	P
	Lack of driver station	L
Traffic Regulation	Speed limit and restriction on high-speed operation	L
	Weight limit and restriction on large-sized vehicles	L
Cross-border formalities	Time required for import/export formalities	P
	Cost for customs clearance (including unofficial cost)	P/A
	Mobile Checking Point	A
	Lack of harmonized documents for customs procedure	A
	Required procedures at customs headquarter in addition to that at cross-border points.	A
Multilateral or Bilateral Agreement	Quota of vehicles for cross-border transport	A
	Opening hours of customs and immigration offices	P
	Lack of harmonized documents for customs procedure	A
Domestic Laws and Institutions	Lack of guarantee system (for transit cargo)	A
	Lack of third-party liability insurance	A
Others	Limited route for international traffic	A

Source: Study Team.

1) P: barriers affecting the cross-border point, L: barriers affecting the route, A: barriers with a wider effect.

The detailed cross-border barriers in the major GMS regional economic corridors of Bangkok-Hanoi and Bangkok-Ho Chi Minh City are explained below.

### 1) Hanoi (Vietnam)–Bangkok (Thailand)

Hanoi-Bangkok is one of the major regional corridors in the subregion. Most cargos are transported by ship between Hai Phong Port, located 100km east of Hanoi, and Bangkok Port or Laem Chabang Port in the Eastern Seaboard of Thailand. Since Hai Phong Port is a river port and cannot accommodate large vessels, there are no direct shipping services between Bangkok and Hai Phong ports. Transshipment is required at Saigon Port or Singapore Port, thus resulting in a long lead time of transport about 2 weeks.

After the completion of the Second Mekong International Bridge in December 2006, the potential of land transport between Hanoi and Bangkok dramatically improved, leading international freight forwarders and insurance companies to conduct several trial runs to meet the logistics demand of Japanese shippers. Before, it was necessary to cross the Mekong River by ferry or to take a detour via Nong Khai-Vientiane crossing the First Mekong International Bridge taking at least four days. This is expected to decrease to 3 days via the Second Mekong International Bridge (see Table 2.5.2).

**Table 2.5.2 Comparison of Land and Sea Transportation between Hanoi and Bangkok (as of October 2004)**

	Section		Distance (km)	Time	Average Speed (km/h)	Cost for Transportation (US\$)
Land Transport	Bangkok–Khon Kaen	Thailand	419	5 hours	83.8	-
	Khon Kaen–Nhon Khai		180	3 hours	60	-
	Vientiane–Savanakhet	Lao PDR	450	6 hours	75	-
	Savanakhet–Densavanh		214	3 hours	71.3	-
	Lao Bao-Dong Ha	Vietnam	82	2 hours	41	-
	Dong Ha–Vinh		290	3 hours 50 mins	75.7	-
	Vinh–Hanoi		290	5 hours 30 mins	52	-
	Total		1,961	4 days	-	2,500
	(After January 2007)					
	Khon Kaen–Mukdahan	Thailand	260	3 hours 45 mins	69.3	-
Total		1,591	3 days		2,110	
Sea	Bangkok–Hai Phong Port		-	10-15 days	580	1,000

Source: JETRO, *JETRO Censor*, February 2007.

Note: Transport cost is for one 20 feet container, excluding import and export customs fee.

Table 2.5.3 shows the cross-border barriers in detail as observed on the Bangkok–Da Nang section of this corridor. As for the Hanoi–Da Nang section, which has a total distance of 1,061km along NH1, the trip takes 32 hours. There are many urbanized areas along NH1, wherein inter-city traffic is mixed with local traffic. In these areas, speed limits have been introduced, i.e. 45 km/h for passenger cars and 25 km/h for large trucks, to discourage high-speed operations. There are 12 toll gates between Dong Ha and Hanoi along NH1, for which trucks had to shell out a total of US\$ 55, as of December 2005.

Along the Bangkok–Hanoi corridor, significant cross-border barriers due to insufficient infrastructure were eliminated after the completion of the Second Mekong International Bridge and the road improvement projects funded by the ADB and Japan. However, critical issues are still observed in the institutional aspect such as time-consuming cross-border formalities, limited operating hours of cross-border gates, and unclear international transit arrangements in Lao PDR including customs procedures and guaranteeing systems.

As for transit cargo, advance application and approval in Vientiane are necessary to be exempted from customs duties and inspections. However, it is necessary to show at the border gates the original documents obtained in advance. This still takes a long time and creates a lot of trouble, aggravating the already difficult transport conditions. There is an alternative though, albeit a costlier one: Prior application in Vientiane is not required if a transit charge, which is about 3-10% of the invoice value, is paid at the border gates.

**Table 2.5.3 Cross-border Barriers for Land Transportation between Da Nang and Bangkok**

	Distance/ Infrastructure	Time	Cost	Other Barrier
Da Nang	109km NH1 Hai Van Tunnel (opened in 2005)	2 hours <sup>1)</sup> (shortened by about 1 hour after completion of tunnel)	Hai Van Tunnel toll fee: VND 30,000 for passenger cars, VND 160,000 for trucks	
Hue	74km NH 1	1 hour <sup>1)</sup>		Speed limit in urban areas Weight limit on bridges
Dong Ha	82km NH9	Road Improvement by ADB → 2-3 hours <sup>1)</sup>		Speed limit
Lao Bao	Cross-border point	Custom procedure (Vietnam → Lao) <sup>2)</sup> Export: 1-2 hours Import: 4-5 hours (Lao → Vietnam) <sup>3)</sup> Export: 1 hours Import: 3-4 hours Immigration procedure: 30mins each	Immigration fee: <sup>3)</sup> 15,000 kip/ vehicle	Operating hours of customs gate: 9:00-17:00 (except for lunch break)
Dansavanh	283km	12 hours (as of 2000) (road improvement by ADB and JICA ) → 3.5-4.0 hours <sup>1)</sup>	Transit cargo <sup>3) 4)</sup> [insurance] Trucks: 148,000 Kip, Passenger cars: 48,000 kip [transit fee] Trucks: 40,000Kip, Passenger cars: 20,000 kip	<b>Transit cargo:</b> Advance application is required in Vientiane (carried out by Lao agency) <sup>5)</sup>  Operable at 80 km/h. Vietnamese and Thai vehicles can be operated.
Savanakhet	Cross-border point Second Mekong Bridge (2050m) Completed in Dec. 2006, opened for vehicles in Jan. 2007	Ferry crossing: 30-40 mins → Bridge crossing, 2-3 mins <sup>1)</sup> Customs procedure (Thailand → Lao PDR) Export: 3.5 hours <sup>3)</sup> Import: 1.5 hours <sup>3)</sup>	Re-exit fee: <sup>3)</sup> 15,000 kip/vehicle	Transshipment area with poor handling facility
Mukudahan	680 km	11 hours <sup>1)</sup>		

**Bangkok**

Source: Various sources (results of trial runs conducted by logistics companies).

Note: Transport time includes actual driving and processing time and excludes waiting time, rest for drivers, etc.

1) As of 2007

2) As of 2007. Type of cargo was not specified. (Sumitomo Mitsui Insurance, *Result of Trial Transportation*, 2007).

3) As of 2006. For 40-foot container (Logitem, *Result of Trial Transportation*, 2006).

4) It is also reported that an additional cost is required, i.e. tips for Lao customs officers of about US\$14 (140,000 Kip) (for 2 passenger-cars with 5 persons), besides the official costs.

5) It is required to show the original international transit document obtained in advance at border gate.

## 2) Bangkok (Thailand) -Ho Chi Minh City / Saigon Port (Vietnam)

Along another east-west corridor, Bangkok to Ho Chi Minh most of the logistics demand between these two cities is transported by ships, leaving very little share for land transport. Several barriers are observed in Cambodia, such as poor infrastructure and many institutional barriers foremost of which are the absence of transit arrangement and the lack



of mutual admittance of vehicles, thereby requiring transshipment at borders. As a result, land transport costs become more than double that of sea transport. Another constraint is observed in backhauls, where cargo volumes are much higher from Bangkok or Ho Chi Minh to Phnom Penh than those from Phnom Penh to Bangkok or Ho Chi Minh, which further increases land transport costs.

Table 2.5.4 shows the times and costs of land and sea transport between Bangkok and Ho Chi Minh as of 2004. Although transport time should have been improved after road improvements in Cambodia since 2004<sup>12</sup>, transport unit cost (US\$/km) in the country is higher than that in Thailand by 40% in 2004. The unit cost of transport generally decreases for longer sections, but Cambodia's situation shows that transport costs there are extremely high. Unlike the route between Bangkok and Hanoi where the land transport route is shorter than sea transport, significant improvements both in time and cost are necessary to promote land transport between Bangkok and Ho Chi Minh, since sea transport only takes 2-3 days.

**Table 2.5.4 Comparison of Land and Sea Transportation between Bangkok and Ho Chi Minh (as of December 2004)**

	Section	Distance (km)	Time	Transportation Cost	
				(US\$)	(US\$/km)
Land	Bangkok-Aranyaprathet (Thailand)	250	5 hours	290	1.16
	Poipet-Phnom Penh-Bavet (Cambodia)	588	15 hours	950	1.62
	Moc Bai-Ho Chi Minh (Vietnam)	75	2 hours	150	2.00
	Total	913	At least 2 days	1,390	1.52
Sea	Bangkok-Saigon Port	-	2-3days	580	-

Note: Land transport cost is for one 10-ton truck and that for sea transport is for one 20-foot container, both of which do not include fees for import and export customs and port handling.

Source: JETRO, *JETRO Censor*, February, 2006

Cross-border barriers observed along the Bangkok-Ho Chi Minh corridor are described by section in Table 2.5.5. There are many infrastructure issues particularly in Cambodia. High-speed operations are difficult due to poor road conditions. Since ferry crossing is required in Neak Loeung between Phnom Penh and Bavet/Moc Bai, most of the cargo is transported via a detour passing Trepeang Plong which does not require ferry crossing. While the total distance along the detour from Phnom Penh through Trepeang Plong to Ho Chi Minh is 80km longer than the original route through Bavet/Moc Bai, the total transport time from Phnom Penh to the Vietnam border is 3 hours, which is almost same as that of the original route due to the existence of a bridge crossing the Mekong River and good road conditions. However, cross-border facilities in Trepeang Plong have not improved compared with those in Bavet, since the former is not considered as a regional cross-border port under the GMS framework.

Institutional cross-border barriers observed in Cambodia can be described as follows:

- (i) Import and Export License Issuance at Customs Central Office in Phnom Penh: Getting an import and export license in advance at the customs central office in Phnom Penh is required, since international transit arrangement is not provided.

<sup>12</sup> It was reported that transport time (for passenger car) was 7 hours from Poipet to Phnom Penh and 4 hours from Phnom Penh to Bavet as of 2006. (JTCA, *Comprehensive Logistics Development Study*, 2006)

- (ii) Transportation by Cambodian Truck: Transshipment to Cambodian trucks at the border is required.
- (iii) Cash Transaction: Cash transaction is required since bank-to-bank transaction is not widely available.
- (iv) Resistance due to Vested Interests: Unclear institutional arrangement on import and export formalities has created a discrepancy between customs and business such as forwarders and transporters paying unofficial (read: illegal) charges at mobile checkpoints along the route.
- (v) Lack of Uniform Documents: Although the introduction of the UN layout of using both English and Cambodian language is required, customs documents are not uniform.
- (vi) Lack of a Guarantee System: A guarantee system for international cargo is not prepared.
- (vii) Lack of Insurance: Third-party insurance for international transport is not available.

**Table 2.5.5 Cross-border Barriers for Land Transportation between Bangkok and Ho Chi Minh**

	Distance/ Infrastructure	Time	Cost	Other Barrier
Bangkok	250km	5 hours <sup>1)</sup>	290 US\$ <sup>1)</sup>	
Aranya Phrathet	Cross-border point	Transshipment area (open air and without cargo handling equipment)		<ul style="list-style-type: none"> <li>• Stricter controls after political change in Thailand.</li> <li>• Transshipment is required. Need to arrange cranes for cargo handling. It takes about 2 hours.</li> <li>• Transit cargo is not allowed, requiring import procedures.</li> </ul>
Poipet	410km	7 hours	950 US\$ <sup>1)</sup>	<ul style="list-style-type: none"> <li>• Poor road conditions, preventing high-speed operations.</li> <li>• Some one-way bridge</li> </ul>
Phnom Penh	170km	4 hours		<ul style="list-style-type: none"> <li>• Poor road conditions, preventing high-speed operations.</li> </ul>
	Mekong River	Ferry crossing (15mins) • operated by 15 • operating hours 9:00-18:00		
Bavet	Cross-border point	At present 300 mins (will reduce to 120 mins at the first stage of IICBTA, and to 30 mins at the second stage)		<ul style="list-style-type: none"> <li>• Transshipment is required. Need to arrange cranes for cargo handling. It takes 2 hours.</li> <li>• Export procedures are required.</li> </ul>
Moc Bai	75km	2 hours	150 US\$ <sup>1)</sup>	<ul style="list-style-type: none"> <li>• Good road conditions after road improvement by ADB</li> </ul>
HCMC				

Source: Various sources (results of trial runs conducted by logistics companies).

1) As of 2004 (Sankyu Inc.).



## **2.6 Cross-border Transport Agreements**

### **1) CBTA Background**

Since the GMS regional economic cooperation framework was formulated in 1992 through an initiative of the ADB, a variety of programs and projects have been conducted toward regional integration and regional economic development, with particular emphasis on CBTI development.

Although CBTI development was expected to facilitate the cross-border transport of people and goods and to strengthen physical and economic connections among the countries, it has been gradually realized that physical infrastructure alone cannot achieve the desired effect. In other words, if cross-border barriers at the institutional level, such as customs procedures, transit arrangements, and immigration formalities, are not eliminated, it will be difficult to facilitate cross-border transport and strengthen regional linkages.

GMS countries previously had bilateral agreements on the institutional aspects related to cross-border transport. However, there were several issues to be resolved, such as limited focus on some issues including international transit transport, and contradictions as well as duplications among bilateral agreements. In order to tackle these problems, it was necessary to formulate multilateral agreements that will cover the whole Greater Mekong Subregion and the cross-border transport of people and goods.

In this context, a multilateral agreement on cross-border transport of people and goods was formulated, namely the GMS Cross-border Transport Agreement (CBTA). In addition to the series of discussions among GMS countries on the ADB's initiative, consistency with existing international agreements on cross-border transport had to be guaranteed through consultations with UNESCAP and the ASEAN Secretariat. Lessons learned from cross-border land transport in Europe were provided by the UN Economic Commission for Europe (UNECE).

### **2) CBTA Outline**

The GMS CBTA<sup>13</sup> is a compact and comprehensive multilateral instrument that covers all the relevant aspects of cross-border transport facilitation, namely TCIQ or transport, customs, immigration, and quarantine. It includes: (i) a single-stop / single-window inspection, (ii) cross-border movement of persons, (iii) transit traffic regimes including exemptions from physical customs inspection, bond deposit, escort, and phytosanitary and veterinary inspections, (iv) requirements that road vehicles will have to meet to be eligible for cross-border traffic, (v) exchange of commercial traffic rights, and (vi) infrastructure, including road and bridge design standards, road signs and signals. The overall outline of the GMS CBTA is described in the main agreement and detailed regulations are prescribed in its attachments, namely the annexes for technical aspects and the protocols for time- and location- specific variables. These annexes and protocols form an integral part of the Agreement and are equally binding. There are 17 annexes and 3 protocols as a whole (see Table 2.6.1). After the 6 GMS countries signed all annexes and protocols in March 2007, preparations for ratification in each country started.

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<sup>13</sup> Its official title is "The Agreement between and among the Government of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic, the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam for the Facilitation of Cross-Border Transport of Goods and People."

**Table 2.6.1 Annexes and Protocols of the GMS CBTA**

Attachment	Title
Annex 1	Carriage of Dangerous Goods
Annex 2	Registration of Vehicles in International Traffic
Annex 3	Carriage of Perishable Goods
Annex 4	Facilitation of Frontier Crossing Formalities
Annex 5	Cross-border Movement of People
Annex 6	Transit and Inland Clearance Customs Regime
Annex 7	Road Traffic Regulation and Signage
Annex 8	Temporary Importation of Motor Vehicles
Annex 9	Criteria for Licensing of Transport Operators for Cross-border Transport Operations
Annex 10	Conditions of Transport
Annex 11	Road and Bridge Design and Construction Standards and Specifications
Annex 12	Border Crossing and Transit Facilities and Services
Annex 13a	Multimodal Carrier Liability Regime
Annex 13b	Criteria for Licensing of Multimodal Transport Operators for Cross-border Transport Operations
Annex 14	Container Customs Regime
Annex 15	Commodity Classifications System
Annex 16	Criteria for Driving Licenses
Protocol 1	Designation of Corridors, Routes, and Points of Entry and Exit (Border Crossings)
Protocol 2	Charges Concerning Transit Traffic
Protocol 3	Frequency and Capacity of Service and Issuance of Quotas and Permits

Source: ADB, *GMS Cross-border Transport Agreement (ADB)*, 1999.

The description of the CBTA is described below.

**(1) Part 1: General Provisions**

**(Article1) Purpose and Objectives:** The objectives of the CBTA are: (i) to facilitate the cross-border transport of goods and people between and among the GMS countries; (ii) to simplify and harmonize legislation, regulations, procedures, and requirements relating to the cross-border transport of goods and people; and (iii) to promote multimodal transport.

**(Article2) Scope of Application:** CBTA applies to cross-border (into, out from, or across one of the GMS countries) transport by road (including river crossing by ferry, where there is no bridge) of entire goods or people. Unless expressly stated otherwise, the CBTA does not deal directly with trade and immigration matters. Consequently, it does not affect the right of the GMS countries to make entries into their respective territories subject to their laws and regulations on import/export/transit of goods and entry/exit/transit of people.

**(Article3) Definitions of Terms Used in the Agreement:** Meanings of the terms used in the CBTA are defined.

**(2) Part II: Facilitation of Border Crossing Formalities (in accordance with Annex 4:**

### **Facilitation of Frontier Crossing Formalities)** <sup>14)</sup>

**(Article 4) Single Window Inspection (SWI):** The different inspections and controls of people (passport/visa, driving license, foreign exchange, customs, health/epidemiological), vehicles (registration, roadworthiness, insurance), and goods (customs, quality, phytosanitary /plant protection, veterinary) will be carried out jointly and simultaneously by the respective competent authorities involved (particular modalities will be prescribed in the memorandum of understanding (MOU) for each cross-border point).

**Single Stop Inspection (SSI):** The two adjacent national authorities will carry out their inspections jointly and simultaneously at the Common Control Area (CCA), which normally requires two inspections for export and import <sup>15)</sup> (particular modalities will be prescribed in the MOU per cross-border point).

**Coordination of Hours of Operation:** The hours of operation of adjacent frontier crossing control authorities will be coordinated by the contracting parties.

**Advance Exchange of Information and Clearance:** The contracting parties will work together to allow for advance exchange of information and clearance of goods and people.

### **(3) Part III: Cross-border Transport of People**

**(Article 5) Visas:** For people engaged in transport operations, multiple-entry visas, transit and exit visas for prolonged periods will be granted. For people not engaged in transport operations, the conditions and modalities of visa issuance is elaborated in Annex 5 of the CBTA.

**(Article 6) Transport of People:** The performance of the cross-border transport of people are stipulated in Annex 5 “Cross-border Movement of People” for immigration (visa issuance, health inspection, duty-free allowance) of personal effects, transport conditions (transport pricing of scheduled and non-scheduled services, accompanied luggage allowance and unaccompanied luggage) and passenger road carrier liability regime, and in Protocol 1 “Designation of Corridors, Routes, and Points of Entry and Exit (Border Crossings)”.

### **(4) Part IV: Cross-border Transport of Goods**

**(Article 7) Transit Cargo:** Transit cargos will be exempted from: (i) routine customs physical inspection at the border, (ii) customs escort in the national territory, and (iii) deposit of bond as a guarantee for customs duties (see Annex 6 Transit and Inland Clearance Customs Regime).

**(Article 8) Transit Traffic:** One country must grant freedom of transit through their territory for transit traffic to or from other countries. Transit traffic will be exempt from any customs duties and taxes. Charges relating to transit traffic will be gradually levied as determined in Protocol 2 “Charges Concerning Transit Traffic”<sup>16)</sup> at the first step

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<sup>14</sup> Detail arrangement of SSI and SWI are described later.

<sup>15</sup> Implementation modalities are suggested in Annex 4, including joint inspection by two adjacent national officials, split arrangement of functions, delegation of authority and so on.

<sup>16</sup> Permissible charges include tolls, charges for excess weight, administrative expenses, and the use of other facilities or services, taxes on fuel purchased and road maintenance charges.

and must only be cost related at the second step.

**(Article 9) Phytosanitary and Veterinary Inspection:** Compliance with international agreements related to the regulations of the World Health Organization, the Food and Agriculture Organization, and the Office International des Epizooties must be considered in inspecting goods crossing borders.

**(Article 10) Special Regime for the Transport Particular Categories of Goods:** The CBTA will not apply to the transport of dangerous goods as defined in Annex 1. The transport of perishable goods as defined in Annex 3 will be granted a priority regime for border crossing clearance formalities.

**(5) Part V: Requirement for the Admittance of Road Vehicles**

**(Article 11) Admittance of Road Vehicles in Other Contract Parties:** Subject to the conditions set out in this part, vehicles registered by one country, whether left-hand or right-hand drive (operated either commercially for reward or for own account or privately) must be admitted to other countries.

**(Article 12) Registration:** Vehicles in cross-border traffic must be registered in their respective home countries and bear identification marks, carry a registration certificate, and display their registration number. Detailed rules of registration are set out in Annex 2 of the CBTA.

**(Article 13) Technical Requirements:** Vehicles and containers traveling beyond borders must satisfy the equipment safety and emission standards in force in their respective home countries. With respect to weights, axle loads and dimensions, vehicles must comply with the technical standards of the host country.

**(Article 14) Recognition of Technical Inspection Certificates:** The home country will be charged with the supervision of the roadworthiness of the vehicles registered in its territory and the issuance of a technical inspection certificate, which will be recognized by other countries.

**(Article 15) Road Traffic Regulations and Signage:** Road traffic regulations and signage along the routes designated in Protocol 1 will be gradually adopted to the rules and standards set out in Annex 7.

**(Article 16) Compulsory Third-Party Motor Vehicle Liability Insurance:** Motor vehicles traveling beyond borders must comply with the compulsory third-party liability insurance required in the host country.

**(Article 17) Driving Permits:** Driving licenses will be issued in accordance with Annex 16, which will be mutually recognized.<sup>17)</sup>

**(Article 18) Temporary Importation of Motor Vehicles:** Temporary admission of motor vehicles (and the fuel contained in its supply tanks, its lubricants, maintenance supplies, and spare parts in reasonable quantities) registered in one country, must be granted without payment of import duties and import taxes, without depositing a guarantee bond, and be free of import prohibitions and restrictions, subject to re-exportation and subject to the other conditions laid down in Annex 8.

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<sup>17</sup> This article was amended in 2004.

**(6) Part IV: Exchange of Commercial Traffic Rights**

**(Article 19) Traffic Rights:** Traffic rights will be gradually exercised in two steps. In the first step, transport operators subject to the conditions set out in this part may undertake: (a) transit through other countries, (b) inbound into another country, and (c) outbound from another country. In the second step, transport operators may undertake transport operations into, from or across other countries according to free market forces. Cabotage will, only be permitted on the basis of a special authorization from the host country.

**(Article 20) Designation of Routes and Points of Entry and Exit:** Protocol 1 defines permissible routes, as well as points of entry and exit for cross-border transport of goods and people.

**(Article 21) Licensing of the Transport Operator (Access to the Profession):** Transport operators will be licensed for cross-border transport operations by their home country according to the criteria set out in Annex 9, which will be recognized by other countries. Operating license cannot be sold or transferred by any legal entity.

**(Article 22) Market Access:** Any transport operator licensed in its home country will be entitled to undertake cross-border transport operations and be granted permission to establish representative offices for the purpose of facilitating traffic operations in other countries.

**(Article 23) Free Market for Transport Services:** Transport operation will be gradually authorized in two steps. In the first step, vehicles to be operated and transport frequency will be designated in Protocol 3. The National Transport Facilitation Committee (NTFC) will issue the agreed number of permits each year. In the second step, the frequency and capacity of the transport operations will not be subject to any restriction.

**(Article 24) Pricing and Conditions of Transport:** The conditions of transport will conform to the rules set out in Annex 10. Pricing for cross-border transport will be free and determined by market forces but subject to antitrust restrictions and supervision of the Joint Committee so as to avoid excessively high or low pricing.

**(7) Part VII: Infrastructure**

**(Article 25) Road and Bridge Design Standards:** Construction or reconstruction of the roads (including bridges) shown in Protocol 1 will be carried out within the framework of national public works programs or with international financing. Construction or reconstruction of the agreed roads (including bridges) will be carried out in accordance with the minimum characteristics set out in Annex 11, to the extent permitted by available financial resources. Each country must ensure that the agreed roads are safe, secure, and in good conditions and carry out the necessary repairs.

**(Article 26) Road Signs and Signals:** Each country undertakes to gradually bring the traffic signs and signals in their territory in line with the standards set in Annex 7.

**(Article 27) Border Crossing Facilities:** The required infrastructure at the border crossing points must be built and staffed so as to ensure speedy and efficient completion of frontier crossing formalities as specified in Annex 12.

**(8) Part XIII: Institutional Framework**

**(Article 28) National Transport Facilitation Committees:** Each country will establish a permanent National Transport Facilitation Committee (NTFC) chaired by a Minister or Vice Minister or its equivalent. It will bring together representatives of all parties concerned with the implementation of the CBTA.

**(Article 29) Joint Committee:** Representatives of the respective NTFCs will form together the Joint Committee, which will monitor and assess the functioning of the CBTA, serve as a platform for discussion and a forum for amicable settlement of disputes, address advice to the member countries, and formulate proposals to amend the CBTA.

**(9) Part IX: Miscellaneous Provisions**

**(Article 30) Observance and Enforcement of National Laws and Regulations:** People, transport operators, and vehicles must comply with the laws and regulations in force in the territory of the host country. The enforcement of the local laws and regulations will be the sole competence of the authorities of the host country. The host country may temporarily or permanently deny access to its territory to a person, a driver, a transport operator or a vehicle that has infringed upon the provisions of the CBTA or its national laws and regulations.

**(Article 31) Transparency of Legislation, Regulation and Status of Infrastructure:** Each country undertakes to make available in English a comprehensive brochure on the national laws, regulations, procedures, and technical information relating to the cross-border transport of goods and people as stipulated in the CBTA.

**(Article 32) Nondiscriminatory Treatment:** Each country undertakes to provide equal and not less favorable treatment to the vehicles, goods, and people of other countries than to those of any third country in cross-border transport.

**(Article 33) Assistance in the Case of Traffic Accidents:** In case of road traffic accidents involving people, transport operators, vehicles, or goods from another country, the host country will provide all possible assistance and notify the competent authorities of the home country as soon as possible.

**(Article 34) Multimodal Transport:** Multimodal transport operations must be promoted by: (a) applying the uniform multimodal transport liability regime set out in Annex 13a, (b) laying down minimum qualifications for multimodal transport operators set out in Annex 13b, and (c) adopting the special container customs regime set out in Annex 14.

**(Article 35) Documentation and Procedures:** Each country recognizes that documentation and procedures represent important time and cost elements affecting the efficiency of transit operations and agree to keep these costs and delays to a minimum by: (i) limiting the number of documents and reducing procedures and formalities required for cross-border traffic, (ii) providing English translation of all documents used for cross-border traffic, (iii) aligning documents with the United Nations layout for trade documents, (iv) harmonizing, to the extent possible, commodity codes and descriptions with those commonly used in cross-border trade, as set out in Annex 15, (v) reviewing periodically the need for and usefulness of all

documents and procedures required for cross-border traffic, (vi) eliminating any documents and formal requirements that are superfluous or do not serve any particular purpose, (vii) undertaking to conform all measurements with SI units (the international system of modern metric units), by 2005, and (viii) giving advance notice to other member countries of any additional requirements or modifications in the prescribed documentation and procedures to be introduced regarding cross-border traffic.

### 3) **Detailed Regulations of the CBTA**

The CBTA covers TCIQ comprehensively. The following regulations are worthy of special mention:

#### (1) **Facilitation of Border Crossing Formalities**

The CBTA in Annex 4 prescribes necessary modalities to facilitate border crossing formalities through simple, efficient, and speedy treatment. It includes consultation, cooperation, coordination, and harmonization for operating hours, types of available inspection services (customs, quarantine, quality control/inspection, health, immigration, etc.), and types of goods to be inspected. What is the most notable are the Single Window Inspection (SWI) and the Single Stop Inspection (SSI), which require a lot of effort to implement.

**Single Window Inspection (SWI):** The different inspections and controls of people (passport/visa, driving license, foreign exchange, customs, health/ epidemiological), vehicles (registration, roadworthiness, insurance), and goods (customs, quality, phytosanitary /plant protection, veterinary) will be carried out jointly and simultaneously by the respective competent authorities involved. One authority can delegate their competence to another authority present at the border to perform it on their behalf.

**Single Stop Inspection (SSI):** The two adjacent national authorities will carry out their inspections jointly and simultaneously at the Common Control Area (CCA), which normally requires two inspections for export and import. Eventually the SSI will be introduced for customs, quarantine, and immigration, while customs inspection is only covered in Annex 4. SSI modalities are suggested to vary by each cross-border point depending on the availability of facilities and the relationship between the two concerned countries.

**(a) Joint Inspection:** The two adjacent national authorities will carry out their inspection and control jointly and simultaneously.

**(b) Split Arrangement:** The authorities from one country must specialize in a particular function, while those from the other country must specialize in another, e.g. according to traffic direction (outbound/inbound) or type of carriage (passenger/cargo).

**(c) Performance in Foreign Territory:** The officers from one country are allowed to perform their duties in the territory of the other country.

**(d) Delegation of Authority/ Mutual Recognition of Inspection:** One country delegates its inspection and control competence to the customs officers of the adjacent country to perform it on its behalf. Two countries may mutually recognize the inspections performed by each other.

**(e) Combination:** Combinations of the above-mentioned modalities are practicable.



The SWI is also applicable at international gateways such as ports and airports. Actually, it has been introduced earlier at ports and airports in many countries, where users only have to go to one single window to accomplish for several procedures. On the other hand, the SSI can only be applied at land border gates, where two countries are adjacent to each other. Since it may be difficult to introduce these two modalities at once, a step-by-step implementation is applied. The two concerned countries must discuss and sign a bilateral MOU for each border crossing gate, specifying the implementation schedule, depending on available facilities and human resources.

## **(2) International Transit Cargo**

The framework for international transit cargo may be the biggest challenge of the CBTA. Transit traffic is defined in the CBTA as the “transport of goods across the territory of one country when the passage through this territory is only a portion of a complete journey starting and ending beyond the frontiers of the country across whose territory the traffic passes.” It includes “international transit,” the segment of the transport operation between two international border crossing points, where the cargo respectively enters and exits the territory of a country, and “inland transit,” the segment of the transport operation between the inland clearance point and the international border crossing point where the cargo exits the territory of a country (and vice versa). Conventional framework required all cargo to be inspected and be charged customs duties at any border gate. After the CBTA implementation, transit cargo can be exempted from regular physical inspection, bond deposit, and customs escort. It is expected to reduce time for border crossing formalities for land transport among more than three countries, and thus develop new logistics routes and facilitate regional interaction.

International transit cargo is covered in Part IV of the CBTA, “Cross-border Transport of Goods.” Annex 6 of “Transit and Inland Customs Clearance Regime” prescribes detailed regulations regarding international transit, including exemption from physical inspection, bond deposit, and customs escort, the means of transport (technical standards of vehicles, sealing), transit and inland customs clearance documents (contents, time limits, etc.), incidents en route, guarantee, and so on. Other annexes related to international transit include Annex 8 (Temporary Importation of Motor Vehicles), Annex 14 (Container Customs Regime), and Protocol 3 (Frequency and Capacity of Service and Issuance of Quotas and Permits).

International transit arrangement requires establishing new institutions, particularly for guarantee for liability. In case the document is not duly or timely discharged, the transport operator must pay duties and taxes normally due. In order to avoid such risks, the liability of international transit goods must be guaranteed by the authorized guaranteeing organizations/ institutions. In the case of the European Union, the associations in each country (such as truck association) are authorized as guaranteeing organizations to issue international transit documents. These organizations are financed with membership fees. However, such organizations in the GMS countries have insufficient human and financial resources to guarantee the liability of transit cargo. Candidate agencies for the guaranteeing body in the GMS countries are shown in Table 2.6.1. As of 2007, international transit arrangement is practicable in Lao PDR, which requires advance procedure in Vientiane. Cargo can

pass through the border without any prior procedure, only if “transit fees” are paid at the border, which usually cost 3-5% of the invoice value. It is caused by the lack of a guaranteeing body.

**Table 2.6.1 Candidate Authorities for Guaranteeing Body for International Transit**

Country	Candidate Authority	Remarks
Thailand	BOI (Board of Investment)	Prescribed in bilateral consultation
Cambodia	Chamber of Commerce	Prescribed in bilateral consultation
Lao PDR	LIFFA (Lao International Freight Forwarder Association)	Based on the hearing
Myanmar	MIFFA (Myanmar International Freight Forwarder Association)	Based on the hearing
Vietnam	To be decided	

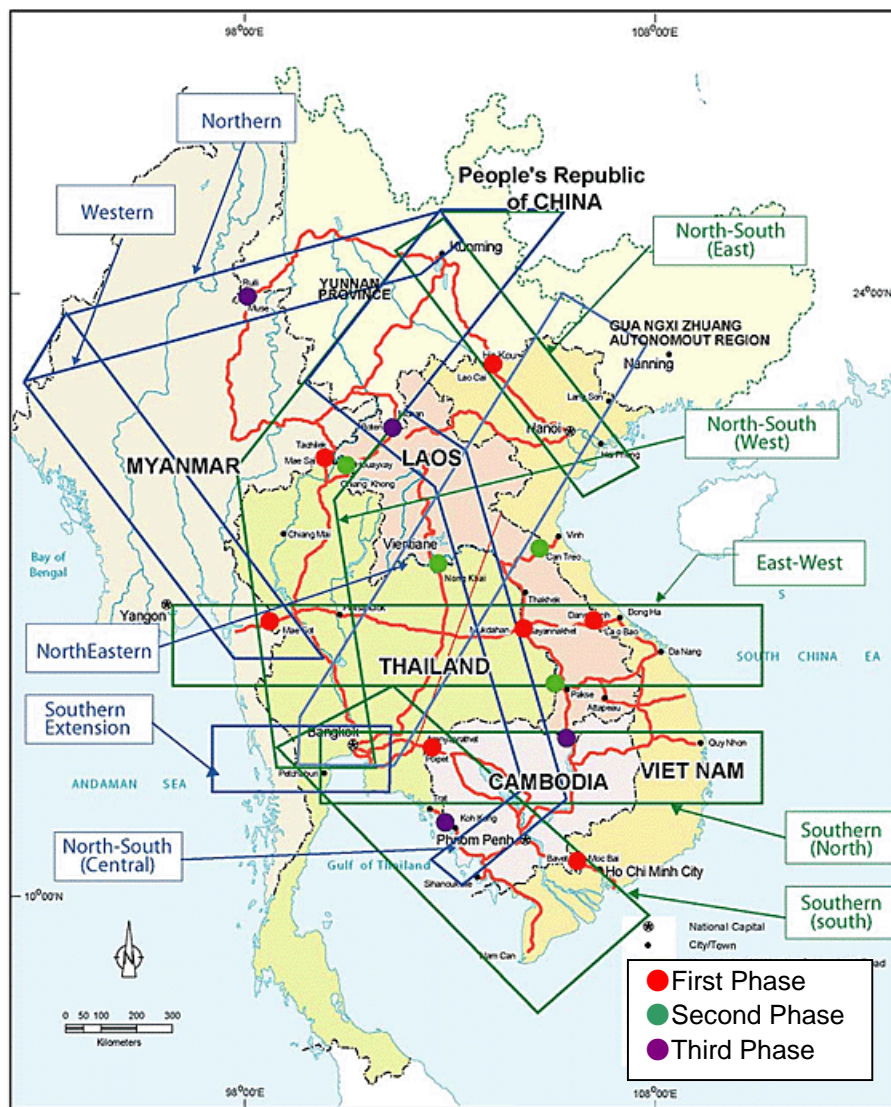
Source: JTCA, *Comprehensive Logistics Development Study*, 2005.

Furthermore, there are still some concerns that increasing traffic volume may only cause negative impact in transit countries and may threaten domestic industries in Lao PDR and Cambodia, where most transit cargo will pass. Resistance of customs officers to the reduction in customs revenue and some unofficial tips remains. With such concerns, it took long to agree on the international transit arrangement. While the basic framework has been agreed upon as shown in the CBTA annexes, complete implementation of international transit cargo may take longer.

#### 4) IICBTA (Initial Implementation of CBTA)

The initial implementation of the CBTA was agreed in 2004 to preempt the ratification of the annexes and protocols on a pilot basis at key cross-border points. It aims to accelerate the implementation of the CBTA by allowing the early identification of key issues and the early realization of benefits from improved transport facilitation. In the first phase, 7 key border crossing points were selected among 16 points designated in Protocol 1, which is expected to expand to the second and third phases (see Figure 2.6.1).

Figure 2.6.1 Cross-border Points for Initial Implementation of CBTA



Source: ADB, GMS-Cross Border Transport Agreement Protocol 1, 2004

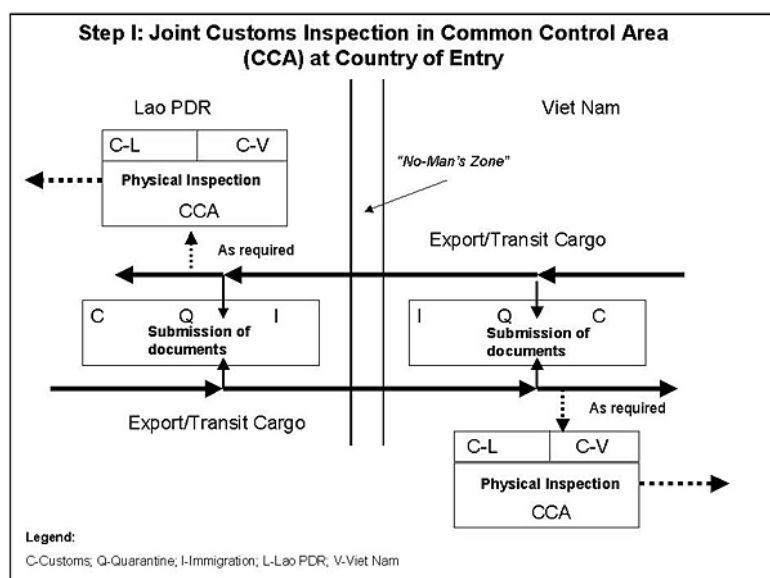
Time-bound MOUs have been prepared to operationalize the IICBTA, focusing on the self-executing CBTA articles for each pilot border crossing point. Detailed staged implementation modalities and their schedules are described particularly for SSI and SWI. Different implementation modalities are applied considering local conditions and the relationship of the countries concerned. For example, a 4-stage implementation is introduced at Lao Bao (Vietnam)-Dansavanh (Lao PDR) cross-border point, while a 2-stage implementation modality is applied at Mukdahan (Thailand)-Savannakhet. Detailed implementation schedules at the cross-border point of Lao Bao (Vietnam)-Dansavanh (Lao PDR), with the most advanced progress of IICBTA, are specified in its MOU as follows:

**Step 1:** Processing and clearance of documents will be conducted in an expeditious and near-simultaneous manner in the countries of exit and entry, as provided for in the existing general procedures. SSI will be introduced for customs, i.e. physical customs inspection<sup>18)</sup> will be performed only in the country of entry and no longer in the country of exit. Physical

<sup>18)</sup> In case physical inspection is found necessary by at least one Party to the MOU.

inspections for quarantine and immigration will be performed as before.

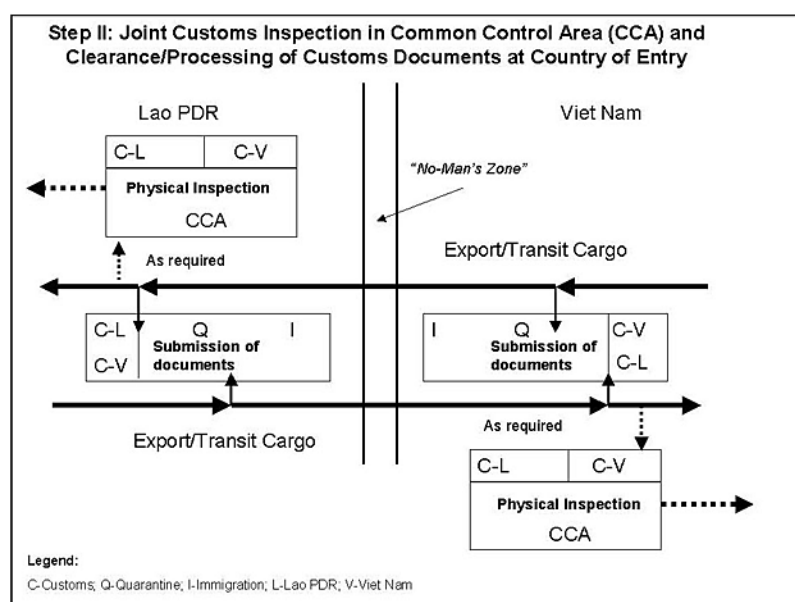
**Figure 2.6.2 Implementation Methods of IICBTA at Lao Bao- Dansavanh CBP (Step I)**



Source: ADB, *MOU on the IICBTA at Dansavanh, Lao PDR and Lao Bao, Vietnam, 2005*

**Step 2<sup>19</sup>:** Step 2 will build on Step 1. The SSI will be expanded to cover customs document processing as well as its physical inspection, i.e. submission, processing, and clearance of customs documents will be conducted in the country of entry's border checkpoint jointly by the customs authorities of the two countries and no longer in the country of exit's border checkpoint. Processing and clearance of documents and physical inspections for quarantine and immigration will be performed in the country of exit and entry as before.

**Figure 2.6.3 Implementation Methods of IICBTA at Lao Bao- Dansavanh CBP (Step II)**

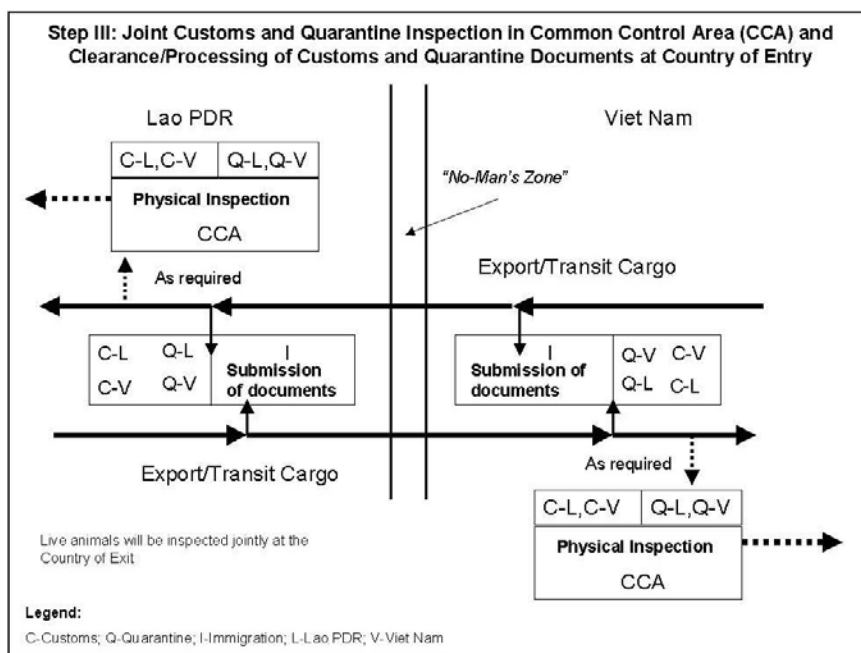


Source: ADB, *MOU on the IICBTA at Dansavanh, Lao PDR and Lao Bao, Vietnam, 2005*

<sup>19</sup> It has been decided to implement Step 2 and Step 3 at the same time. If only Step 2 commences, there may be some cases wherein vehicles need to go back to the country of exit for quarantine inspection after undergoing physical inspection in the country of entry, based on an interview with ADB officers.

**Step 3:** Step 3 will build on Step 2. The SSI will be introduced for quarantine, in addition to customs. Submission, processing, and clearance of quarantine documents, and as well as inspection will take place in the country of entry's border checkpoint and no longer in the country of exit's border checkpoint, except in the case of live animals where physical quarantine inspection is undertaken in the country of exit. At this stage, only exit immigration formalities will be performed in the country of exit's border checkpoint.

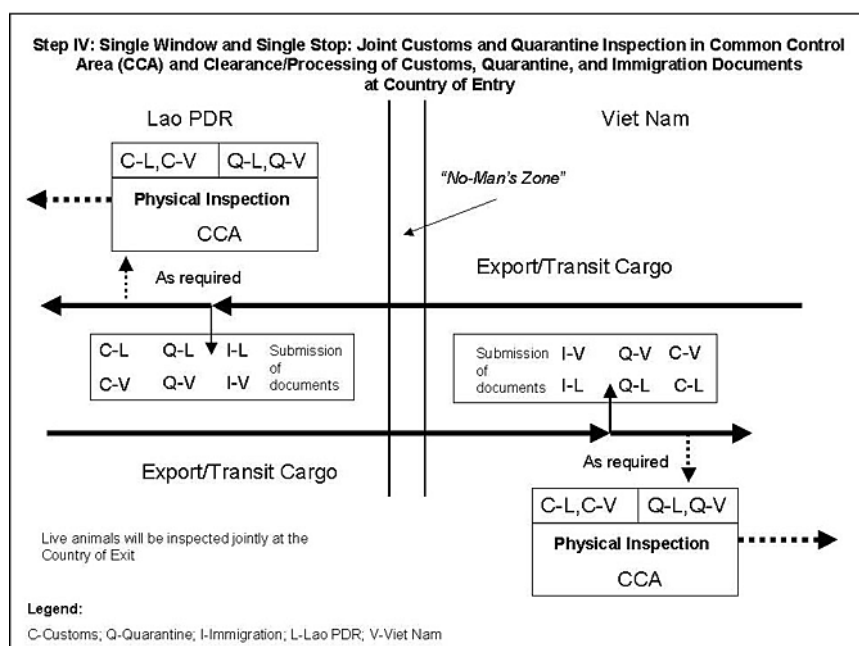
**Figure 2.6.4 Implementation Methods of IICBTA at Lao Bao-Dansavanh CBP (Step III)**



Source: ADB, *MOU on the IICBTA at Dansavanh, Lao PDR and Lao Bao, Vietnam*, 2005

**Step 4:** Step 4 will build on Step 3. All border crossing clearance formalities will be performed in the country of entry and no longer in the country of exit, except in the case of live animals.

**Figure 2.6.5 Implementation Methods of IICBTA at Lao Bao- Dansavanh CBP (Step IV)**



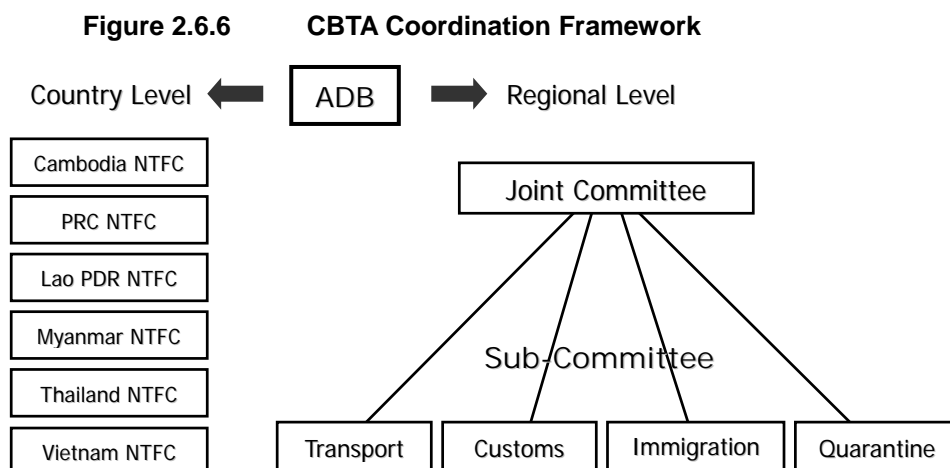
Source: ADB, *MOU on the IICBTA at Dansavanh, Lao PDR and Lao Bao, Vietnam*, 2005

## 5) Implementation Status of CBTA<sup>20)</sup>

### (1) Overall CBTA Framework

Signed in 1999, the CBTA was originally intended as a trilateral agreement among Lao PDR, Thailand, and Vietnam. Then in 2001, 2002, and 2003, Cambodia, China, and Myanmar acceded to the CBTA, respectively, formally making it a multinational agreement among the 6 GMS countries. By 2003, the CBTA was ratified in all 6 countries.

Discussions on the CBTA are held both at the regional and the country levels. Country discussions are done within the NTFC. Regional meetings include the Ministerial Joint Committee and the subcommittees for transport, customs, immigration, and quarantine, where detailed issues of each sector are discussed. At all levels of meeting, the ADB plays a leading role and is now trying to identify the constraints and issues for CBTA implementation in each country through close coordination with the respective NTFCs.



Source: ADB

### (2) Ratification of Annexes and Protocols

Since 2003, continuous efforts had been made to formulate annexes and protocols, which had been signed in a phased manner from 2004 to 2005. After signing on the last 3 annexes and 1 protocol at the Second GMS-CBTA Joint Committee held on 20 March 2007, the signature on all annexes and protocols were completed.

The last three documents signed include Annex 6 (Transit and Inland Clearance Customs Regime), Annex 14 (Container Customs Regime), and Protocol 3 (Frequency and Capacity of Service and Issuance of Quotas and Permits), all of which are related to international transit. It took a long time to agree on international transit arrangements due to the lack of institutional background, such as a guarantee system for international transit cargo and the establishment of a guaranteeing authority, as well as to the strong concern, mainly of Lao PDR and Cambodia, on the negative impact caused by transit cargos, and the resistance put up by groups with vested interests in maintaining the status quo.

<sup>20</sup> The status of CBTA implementation was based on the discussion with the ADB in January 2007 and on the handout distributed during the Eleventh GMS Subregional Transport Forum in May 2007.

While all the annexes and protocols were signed in March 2007, the status of domestic procedures for ratification is quite different in each country. As of May 2007, Vietnam, Lao PDR, and Cambodia have processed those ratifications. In Vietnam, 16 annexes and protocols agreed upon before 2005 have already been ratified. In Lao PDR, 6 annexes and 2 protocols initially signed in 2003 have been ratified. In Cambodia, 12 annexes and protocols were ratified in 2006 and the remaining 8 documents have been submitted to the government, awaiting for ratification. On the other hand, no document has been ratified in Thailand, Myanmar, and China, although China started ratification procedures after all the annexes and protocols were signed.

It is necessary to promote ratification and to maintain consistency with national laws and regulations. The ADB is now requesting all member countries to complete ratification of all annexes and protocols by the Third GMS Summit to be held in March 2008.

### **(3) Progress of IICBTA at Cross-border Points**

At the 7 border crossing points of the first phase, IICBTA has commenced since 2005. Lao Bao (Vietnam)-Densavanh (Lao PDR) along the east-west corridor is identified as a pilot case for IICBTA in the Greater Mekong Subregion, where active efforts are made by Vietnam, Lao PDR and the ADB. Single-stop and single-window inspections have also started and will move to Step 3, although both are delayed from the original schedules set out in the MOU.

However, IICBTA at other border crossing points has not proceeded well. While the cross-border point of Bavet (Cambodia)-Moc Bai (Vietnam) along the second east-west corridor is identified as a leading point, together with Lao Bao-Dansavanh CBP, Step 1 for single-stop and single-window inspections has not commenced. As for the cross-border point of Savannakhet (Lao PDR)-Mukdahan (Thailand), where the Second Mekong International Bridge is located, the MOU has been signed but the implementation has been delayed. Constraints include public servants on one country working in the territory of another and the location of the new border checkpoint. IICBTA at the Aranyaprathet (Thailand)-Poipet (Cambodia) CBP has not yet started due to the lack of land for the CCA. The MOU for the Lao Cai (Vietnam)-Hekou (China) has just been signed in 2007 and implementation should have started in September 2007. For the other 2 cross-border points, it is expected that their respective MOUs will be signed and IICBTA will commence within 2007.



**Table 2.6.2 Implementation Status of IICBTA First Phase (SSI/SWI) at Cross-border Points (as of August 2007)**

Cross-border Point	Status of MOU	Implementation Status
Lao Bao- Densavanh	Signed.	Implementation in 4 stages <b>First Phase:</b> implemented in June 2005. <b>Second Phase:</b> implemented together with the third phase. <b>Third Phase:</b> scheduled to commence in the end of 2007 or in the beginning of 2008 (delayed from the original schedule in December 2006, due to lack of space for facilities in Lao PDR) <b>Fourth Phase:</b> to be decided (originally scheduled to start in June 2007 in MOU)
Mukdahan-Savannakhet	Signed.	Implementation in 2 stages <b>First Phase:</b> Delayed (Implementation was scheduled to start in December 2006) <b>Second Phase:</b> to be decided
Bavet- Moc Bai	Signed.	Implementation in 4 stages. <b>First Phase:</b> Delayed (implementation was originally scheduled to start in January 2007) due to lack of land in Cambodia <b>Second Phase:</b> to be decided (originally scheduled to start in September 2007) <b>Third Phase:</b> to be decided. <b>Fourth Phase:</b> to be decided.
Aranyaprathet-Poipet	Signed.	To be decided (due to the lack of land for CCA and necessity to agree on the border line)
Hekou-Lao Cai	Signed.	Scheduled to commence in September 2007
Mae Sot- Myawaddy	Prepared but not yet signed.	To be decided. (request from Thailand to revise MOU)
Mae Sai-Tachilek	Prepared but not yet signed.	To be decided. (request from Thailand to revise MOU)

Source: Based on the discussion with the ADB in September 2007 and on the country reports prepared by the GMS countries for the GMS Regional Training Course in August 2007.

For the second phase of IICBTA in 2006, the original intention was to identify 4 more cross-border points. However, the MOUs have not yet been prepared. Meanwhile, the third phase of IICBTA scheduled to be implemented at 3 other cross-border points in the 2007-2008 period is expected to be delayed.

#### (4) Next Steps

The roadmap for CBTA implementation is summarized in Table 2.6.2 together with the past activities. In the GMS CBTA Joint Committee meeting in March 2007, the target year for the full implementation of the CBTA was set at 2009, but was later adjusted to 2010 during the GMS transport forum in May 2007. To modify the implementation schedules in response to the conditions in each country, it is necessary to continuously monitor the implementation status of the CBTA and the IICBTA.

**Table 2.6.3 Roadmap for CBTA Implementation (as of August 2007)**

Year	Action for CBTA Implementation
1999	The CBTA Framework Agreement was signed by three countries (Lao PDR, Thailand, and Vietnam).
2001	Cambodia signed the CBTA
2002	China signed the CBTA.
2003	Myanmar signed the CBTA.
2004	<p>April Signed were the following:  Amendment of Article 17 with Annex 16 (Criteria for Driving Licenses);  Annex 2 (Registration of Vehicles in International Traffic);  Annex 4 (Facilitation of Frontier Crossing Formalities);  Annex 7 (Road Traffic Regulation and Signage);  Annex 11 (Road and Bridge Design and Construction Standards and Specifications);  Annex 12 (Border Crossing and Transit Facilities and Services);  Annex 13a (Multimodal Carrier Liability Regime);  Annex 15 (Commodity Classifications System); and  Protocol 1 (Designation of Corridors, Routes, and Points of Entry and Exit (Border Crossings)).</p> <p>December: Signed were the following:  Annex 1 (Carriage of Dangerous Goods);  Annex 9 (Criteria for Licensing of Transport Operators for Cross-border Transport Operations);  Annex 13b (Criteria for Licensing of Multimodal Transport Operators for Cross-border Transport Operations); and  Annex 16 (Criteria for Driving Licenses).</p>
2005	<p>July Signed were  Annex 3 (Carriage of Perishable Goods);  Annex 5 (Cross-border Movement of People);  Annex 10 (Conditions of Transport); and  Protocol 2 (Charges Concerning Transit Traffic).</p>
2007	<p>March Signed were the following:  Annex 6 (Transit and Inland Clearance Customs Regime);  Annex 8 (Temporary Importation of Motor Vehicles);  Annex 14 (Container Customs Regime); and  Protocol 3 (Frequency and Capacity of Service and Issuance of Quotas and Permits).</p> <p>Formulation of the National Action Plan for the Completion of CBTA Implementation</p>
2008	<p>By the Third GMS Summit: All Annexes and protocols will have been ratified in all member countries.</p> <p>Implementation of IICBTA first phase at seven CBPs.</p>
2010	Complete implementation of CBTA (scheduled).

Sources: Based on the ADB website and the Eleventh Subregional Transport Forum in May 2007.

Note: The trilateral MOU was formulated for the Mukdahan-Savannakhet-Densavanh-Lao Bao corridor among Lao PDR, Thailand, and Vietnam in July 2007.

#### 6) Human Resources Development for CBTA

The ADB has conducted several kinds of programs for human resources development to facilitate CBTA implementation, in parallel with the formulation of the CBTA framework. Past and ongoing activities of the ADB related to capacity building for the CBTA are as follows:

##### **Best Practices of Other Countries and Introduction of CBTA Outline**

- One- or two-day workshop.
- Introduction of the experiences of the UNECE, jointly hosted with UNESCAP.
- **Participants:** Central government officers.

#### **Training on CBTA Contents**

- One- or two-day workshop.
- **Participants:** Officers at (selected) cross-border points.

#### **Training at Cross-border Points**

- Formulation of operations manuals: Operations manuals at Lao Bao-Densavanh border gate are in English, Vietnamese, and Lao and came out in November 2006.
- Risk management for customs inspections.
- Promotion of coordination and discussion among two concerned countries.

#### **Introduction of ICT Facilities at Border Checkpoints and Training of Officers**

- Joint implementation with AusAID.
- **Coverage:** Major cross-border points (Lao Bao-Densavanh, Savanakheth-Mukdahan, Bavet-Moc Bai).
- **Contents:** Introduction of information and communication technology (ICT) facilities and conduct of necessary training programs.

#### **Training of CBP Officers**

- Joint implementation with the Singapore Training Center.
- **Participants:** Officers at (selected) cross-border points.
- **Venue:** Conducted in the capital of each country.