REGIONAL ECONOMIC INTEGRATION THROUGH IMPROVED MEKONG NAVIGATION

4TH WWF
MEXICO, 16-22 MARCH 2006
1. General situation on Mekong Navigation
   - Opportunities and problems for cross-border trade
2. MRC Navigation Strategy and Programme
   - Trade Facilitation Role of Mekong River Commission
According to the 1995 Agreement, MRC’s role is to promote "Cooperation in all fields of sustainable development, utilisation, management and conservation of water and related resources of the Basin."
The governments and private sector realize the advantages of waterborne transport:

- cheap because of its large cargo carrying capacity
- relieves road congestion and maintenance
- boosts tourism
- low energy consuming mode of transport

Component C3 - FCM
Importance of inland waterway transport for the local communities
other aspects to be considered:

the potential of the tourism industry
Thai export to China:
1996: USD 550 million
2003: USD 5.7 billion

Thai import from China:
1996: USD 1.3 billion
2003: USD 6 billion

Between 20-25 million tons of cargo are transported per year in the Mekong Delta of Viet Nam
- Physical and non-physical impediments for regional trade
- Lack of awareness of potential and possibilities
- No regional transport planning
- Poor regional navigation agreements – no frameworks
- Only training in Viet Nam
Currently there are:
no “rules of the road”
no regulations for carriage of dangerous goods – no proper facilities
no contingency plans
no means to combat oil pollution
no insurance requirements
…
1995 MRC Agreement

Article 9: Freedom of Navigation
In collaboration with our stakeholders through consultation visits, national workshops, and the regional workshop
NAVIGATION STRATEGY AND PROGRAMME

C1
SOCIO-ECONOMIC ANALYSIS AND
WATERBORNE TRANSPORT PLANNING

C2
LEGAL FRAMEWORK FOR
CROSS-BORDER NAVIGATION

C3
TRAFFIC SAFETY AND
ENVIRONMENTAL SUSTAINABILITY

C4
INFORMATION, PROMOTION AND
COORDINATION

C5
INSTITUTIONAL DEVELOPMENT
Development Objective of the MRC Navigation Strategy

To facilitate coordination and cooperation in developing sustainable, effective and safe waterborne transport in a protective manner for the waterway environment.

To increase the international trade opportunities for the mutual benefit of the MRC Member Countries.
C1
SOCIO-ECONOMIC ANALYSIS AND TRANSPORT PLANNING

C2
LEGAL FRAMEWORK FOR CROSS-BORDER NAVIGATION

C3
TRAFFIC SAFETY AND ENVIRONMENTAL SUSTAINABILITY

C4
INFORMATION, PROMOTION AND COORDINATION

C5
INSTITUTIONAL DEVELOPMENT
<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Component 1</td>
<td>4,230,000</td>
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<tr>
<td>Component 2</td>
<td>1,631,000</td>
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<tr>
<td>Component 3</td>
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<td>Component 4</td>
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<td>Component 5</td>
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<td><strong>TOTAL</strong></td>
<td><strong>22,568,000</strong></td>
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Key issues (1):

Under-utilization of navigation for
- domestic trade
- cross-border trade (incl. Tourism)

Isolation of remote riverine communities and importance of Country Craft

C1: SOCIO-ECONOMIC ANALYSIS AND TRANSPORT PLANNING

Budget: USD 4,230,000
Time Frame: 2005 - 2008
This first component will ...

... provide tools to target investments to improve navigation infrastructure within the MM network

... develop navigation links to rural communities

... protect the interest of the people living along the river
Key issues (2):

Non-physical barriers to cross-border navigation and trade

Diversification of existing Navigation Agreements
1995 MRC Agreement, article 9, Freedom of Navigation, Between Cambodia, Lao PDR, Thailand and Viet Nam

2000 Upper Mekong-Lancang Agreement and Protocols, Between China, Myanmar, Lao PDR, and Thailand

1998 Bi-lateral Agreement on water transportation between Cambodia and Viet Nam, now working on the protocols
Outputs:

- A harmonised legal and operational framework to guarantee freedom of navigation
- Assisted negotiations and mediation
C3: TRAFFIC SAFETY AND ENVIRONMENTAL SUSTAINABILITY

Budget: USD 6,770,000

Time Frame: 2005 - 2009

Key issues (3):
Accidents (loss of life/cargo)
Physical barriers
Pollution
This third component will...

- reduce the accidents in ports, on the vessels and on the waterways
- remove physical and non-physical obstacles to navigation taking into account environmental and social aspects
- make Mekong navigation green

IMPACTS OF “0” SCENARIO?
Key issues (4):

Negative perceptions of navigation among public and policy makers

Lack of operational and statistical information
This fourth component ...

Mekong River Information System

promote private investments

demonstrate the advantages

Coordination with Partners

72x
120x
600x
32x
200x
Mekong River Information System

River Level Monitoring
Voyage Planning
Notices to Skippers
Key issue (5):

How to implement the Programme?

Capacity for implementation?

C5: INSTITUTIONAL DEVELOPMENT

Budget: USD 5,955,000

Time Frame: 2004 - 2009
Thank you for your attention,