



Connect Asia Newsletter

Information on trade, economic cooperation and integration in Asia
From the GIZ programme Support for Economic Cooperation in Sub-Regional Initiatives in Asia

Issue No. 8
March 2016

Editorial



Dear Readers,

I would like to welcome you to the 8th issue of Connect Asia. It is the first rendition of this newsletter under the heading of the "Support for Economic Cooperation in Sub-Regional Initiatives (SCSI) in Asia" Programme and the first issue of both the New Year of the Lunar and the Solar Calendar.

It is also the first newsletter for me as Programme Director of the SCSI Programme, having taken over responsibility for the programme on 1 March 2016. I would like to thank my predecessor, Dr. Jürgen Steiger, for his outstanding work and great achievements during the recent years. I would also like to take the opportunity to shortly introduce myself: I joined GIZ headquarters in 2006 with an assignment in the division Economy and Employment. During the last nine years I was then leading projects on EU integration in Southeast Europe.

I am now looking forward to working on economic integration in Asia together with the fantastic team I have taken over and all partners and beneficiaries of the programme. We will work hard to achieve our objective to foster economic integration and trade relations between the focus countries Kingdom of Cambodia, Lao PDR, Mongolia, Viet Nam and the PR China. We will use different approaches of capacity development, trainings, seminars, roundtables and conferences, study trips and on-the-job-advisory to achieve that. We will organise activities to support institutional structures for economic cooperation in Asian sub-regions, we will raise capacities for implementation of concrete measures and we will always have in mind close cooperation and involvement of the private sector. Core thematic areas will remain trade facilitation, cross-border economic zones and maritime economy.

In this light we are already looking back to a number of exciting events which are detailed below: on the macro-level, we have convened a roundtable on the issue of infrastructure investment plans and initiatives which brought together delegates from Asia and Europe. The question of how to coordinate the number of plans remains a challenge and the initial exchanges were well received by the participants. To foster implementation capacities for economic cooperation projects and to further support the professionalization of regional cooperation in Northeast Asia we organised a hands-on training in the topic of proposal writing and terms of reference (ToR).

Furthermore we are happy to provide you with reviews on ongoing research on the topic of regional integration which you can find below. We are also happy to share our own research to give you more in-depth information about our work, and especially distribute findings and policy recommendations. Please do not hesitate to share those within your network.

With the best wishes

Benjamin Klinger
Programme Director

Dates and Events

30-31 March 2016

Conference
1st Conference on Global Value Chains, Trade and Development
Washington, DC, USA
World Bank
www.worldbank.org/...

30-31 March 2016

Forum
Mongolia Economic Forum 2016
Ulaanbaatar, Mongolia
Mongolia Economic Forum
www.meforum.mn/...

3-5 April 2016

Forum
Asia-Pacific Forum on Sustainable Development
Bangkok, Thailand
UNESCAP
www.unescap.org/...

6-8 April 2016

Exposition
Mongolia Mining 2016 International Mining & Oil Expo
Ulaanbaatar, Mongolia
International Expo Bureau of Mongolia
www.mongolia-mining.org/...

16 April 2016

Asia Day
Workshop on Development Banks and AIIB
Cologne, Germany
Stiftung Asienhaus
www.asienhaus.de/...

27-28 April 2016

Meeting
GTI Consultative Commission
Seoul, ROK
Greater Tumen Initiative (GTI)
www.tumenprogramme.org/...

27-28 April 2016

Conference
The Economy of Vietnam in the Integration Period
Hue City, Vietnam
Vietnam University of Commerce
www.agkn.de/...

27-28 April 2016

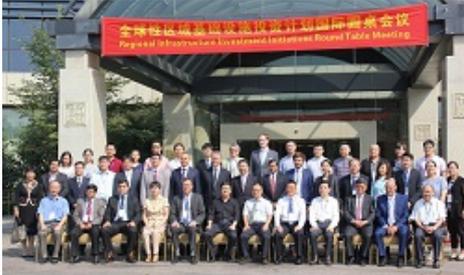
Contents

- Roundtable: Regional Infrastructure Investment Initiatives
- Training: Terms of Reference and Proposal Writing
- Recent Trends in Asian Regionalism

Programme News

Regional Knowledge Sharing

Roundtable in Hangzhou: Regional Infrastructure Investment Initiatives – Zero-Sum Game or Win-Win Collaboration?



Fuelled by the growing gap in global infrastructure, recent developments in Asia have spurred an increase in regional infrastructure investment plans and initiatives. National governments, development banks and

regional institutions have put forth their own agendas, resulting in an imbalance of financial investment and infrastructure development, calling for a growing need for communication and dialogue.

Thus, SCSI cooperated with the China Academy of West Region Development (CAWD) of Zhejiang University in Hangzhou to convene a roundtable meeting bringing together various experts and stakeholders of government institutions, think tanks and regional infrastructure investment initiatives. These include PR China's "Belt and Road" Initiative, EU's Investment Plan for Europe, Japan's Partnership for Quality Infrastructure and RoK's Eurasia Initiative.

From 11-12 September 2015, sessions on diverging national and regional infrastructure initiatives, the relevance of regional cooperation, establishing institutional networks, and creating future opportunities fostered cross-program dialogue and understanding.

Key take-aways from the programme are concentrated around the growing importance of Eurasian countries within the proposed investment schemes, the relevance of comprehensible infrastructure development for achieving inclusive growth and the relative larger benefit of infrastructure investment to small countries. Participants furthermore stressed the need for increased coordination and transparency of the programmes in order to achieve the goal of a common win-win game amongst all regional investment plans.

A documentation of the roundtable is available with the event's main findings and inputs. Access the document here: www.connecting-asia.org/... (2 MB)
Or via scribd: www.scribd.com/...

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top

Capacity Building

Training on Terms of Reference and Proposal Writing in Beijing



From November 23-25, 2015, SCSI organised a capacity building workshop in Beijing for the Greater Tumen Initiative (GTI) Secretariat and staff. Following the invite of GTI, national coordinators and representatives from line ministries joined as

well. The purpose of the workshop was to train GTI Secretariat and GTI focal points in writing Terms of Reference (ToR) and proposals following the GTI Strategic Action Plan and project guidelines in order to contribute to improved policy coordination and project implementation. For this purpose, GIZ invited international capacity building trainer Vincent Gründler of Applicatio to facilitate

27-28 April 2016

Expert Meeting
Documentation and Procedures at Seaports and Land Borders for Intermodal Transport Operations in Northeast Asia
Incheon, Republic of Korea
UNESCAP
www.unescap.org/...

29 April 2016

Launch
Economic and Social Survey of Asia and the Pacific 2016
Bangkok, Thailand
UNESCAP
www.unescap.org/...

3 May 2016

Annual Meeting
Frankfurt 2016: 49th Annual Meeting of the Asian Development Bank
Frankfurt, Germany
ADB
www.adb.org/...

10-12 May 2016

Meeting
Oceans Economy and Trade: Sustainable Fisheries, Transport and Tourism
Geneva, Switzerland
UNCTAD
www.unctad.org/...

11-13 May 2016

Conference
3rd Global Authorized Economic Operator (AEO) Conference
Cancun, Mexico
World Customs Organization
www.wcoomd.org/...

17-21 May 2016

Conference
Facilitating Trade Through the Customs-Business Connection
Shanghai, PR China
International Federation of Customs Brokers Association (IFCBA)
www.ifcba.org/...

18-20 May 2016

Meeting
Preparatory Meeting of the 4th Local Cooperation Committee
Busan, RoK
Greater Tumen Initiative (GTI)
www.tumenprogramme.org/...

19-20 May 2016

Conference
Port Research and Decision Analytics
Hamburg, Deutschland
Global Port Research Alliance 2016
www.bwl.uni-hamburg.de/...

1 June 2016

Annual Meeting
Global Facilitation Partnership for Transportation and Trade

the workshop. During the three days, around 20 participants of the training learned the principles for ToR writing and proposal formulation, deepened their understanding on GTI Strategic Action Plan and project guidelines and practiced ToR and proposal editing on concrete GTI examples. Following the invite of the GTI Secretariat, UNDP China also gave an input on their approach on monitoring and evaluation.

This training brought together participants from GTI member countries and the Secretariat to discuss common issues, which further strengthened the commitment for GTI's goal and objectives. At the end of the three-day training, participants drafted their own concepts to apply and share the knowledge gained in their workplace. With the initial help of the capacity building activity, seven different transfer projects are underway to further enhance the conceptual work of GTI and its member countries.

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[top](#)

Recent Trends in Asian Regionalism

Asian Development Bank Institute

Engaging the Private Sector in Public–Private Partnerships

Infrastructure needs in Asia are enormous. Governments can mobilise additional financial resources and gain access to valuable expertise by structuring projects as public–private partnerships (PPP). ADBI Senior Economist Paul Vandenberg argues that the PPP model provides a valuable vehicle for governments to secure financing and expertise for infrastructure development. However, the private sector will hesitate to join partnerships without a clear and stable environment of policies, laws, regulations, institutions, and procedures. Negotiating agreements with a clear allocation of risks and responsibilities across various stakeholders is the key to a successful partnership. These will reduce uncertainty and provide clear procedures for structuring viable PPP projects as well as for addressing unforeseen or unexpected outcomes. Asian governments are gradually accumulating the experience, expertise, and institutions, to create a supportive environment for engaging the private sector. Access the full report at: www.adb.org/... (370 KB)

[top](#)

Asian Development Bank

Workshop on Deepening Public-Private Partnerships in Asia

The report summarises the proceedings of the Deepening Public–Private Partnerships (PPPs) workshop held in Beijing on 25–26 November 2014. The event was sponsored by the Ministry of Finance of the People's Republic of China, and the Asian Development Bank (ADB), and coorganised by the PPP Research Committee led by the Research Institute for Fiscal Science. More than 100 participants from 18 countries attended the workshop from central governments, local governments, the financial and consulting sectors, academia, and development partner institutions. The proceedings focused on identifying new developments in PPPs in the region and further abroad, ingredients for a successful enabling environment for PPPs, good institutional models for promoting and regulating the use of PPPs, and good practices for managing the associated financial and fiscal risk of PPPs. Access the full report at: www.adb.org/... (2.3 MB)

[top](#)

Asian Development Bank

Cambodia's Special Economic Zones

The study examines the role of special economic zones (SEZs) within the trade policy of the Kingdom of Cambodia and asks whether Cambodia's establishment of SEZs since late 2005 has been successful. It is based on the evidence to date, and analyses the appropriate role and management of SEZs over the next decades. The authors Peter Warr and Jayant Menon find that the SEZs have attracted significant levels of foreign investment into Cambodia that would not have been present otherwise. These investments have created around 68,000 jobs, with equal or better pay and better prospects than the alternatives that would otherwise have existed, raising the economic welfare of the workers concerned. A feature of the Cambodian experience is that the government has left the establishment and management of the zones to private sector developers, avoiding the large and sometimes wasteful public sector set up costs associated with SEZ establishment in many other countries. Access the full working paper at: www.adb.org/... (500 KB)

European Commission

China and EU Launch Authorised Economic Operator

Shanghai, PR China

GFPTT

www.gfptt.org/events/...

1-2 June 2016

Expert Meeting

Advance Information Systems for Facilitation of Intermodal Transport Operations in Northeast Asia
Moscow, Russian Federation
UNESCAP

www.unescap.org/events/...

1-2 June 2016

Forum

World Economic Forum on ASEAN

Kuala Lumpur, Malaysia

World Economic Forum

www.weforum.org/...

2-3 June 2016

Seminar

Regional GMS Value Chains

Bangkok, Thailand

UNESCAP

www.unescap.org/...

7-8 September 2016

Workshop

National Workshop to Promote Implementation of the Recommendations of the Studies on Documentation and Advance Information Systems for Intermodal Transport in Northeast Asia

Irkutsk, Russian Federation

UNESCAP

www.unescap.org/...

26-30 September 2016

Workshop

Trade Facilitation and Paperless

Trade Implementation

Bangkok, Thailand

UNESCAP

www.unescap.org/...

27-29 September 2016

Conference

World Customs Organization

Picard Conference

Manila, Philippines

WCO

www.wcoomd.org/...

12-14 October 2016

Meeting

4th Local Cooperation Committee

Sokcho, Gangwon, RoK

Greater Tumen Initiative (GTI)

www.tumenprogramme.org/...

More on GIZ SCSi-Programme

Sub-Regional Initiatives play an increasingly important role in Asia's regional economic cooperation and integration. They help countries to overcome the limitations of domestic markets and foster inclusive development, both by boosting economic growth and by providing the resources for

Programme

In November 2015, China and the EU inaugurated the programme of AEO by mutual recognition. The agreement, which had been signed in May 2014, grants business operators several benefits in the respective trade areas: Chinese holders of the "Advanced Certified Enterprise" (ACE) certificate receive preferential treatment at EU customs and face simplified security controls. This holds true reversely for European owners of the AEO S (security) and AEO F (customs simplification). The programme eases the process of doing mutual business significantly for authorised operators, simplifies the work of customs administration and enhances efficiency of trade flows.

Access the full document at: ec.europa.eu/...

top

Ministry of External Affairs India

EAS Conference on Maritime Security and Cooperation

More than 100 officials of East Asia Summit member countries convened at the EAS Conference on Maritime Security and Cooperation in New Delhi. Organized by a cooperation of the Indian Ministry of External Affairs, ASEAN-India Centre, RIS and the National Maritime Foundation, the summit took place from 9-10 November 2015. Panel discussions focused on technical challenges and regional governance issues such as building an emerging maritime security architecture in the Asia-Pacific, enhancing maritime trade connectivity and establishing a comprehensive framework for the common maritime public good. Participants discussed solutions towards increased maritime human security against the rising threat of armed robbery, measures to preserve marine resources and cooperation of navigation in the South China Sea.

Access the full conference report at: ris.org.in/...

Asian Development Bank

Asian Economic Integration Report 2015

The Asian Economic Integration Report annually reviews the progress in regional economic cooperation and integration in Asia and covers the 48 regional members of the Asian Development Bank. Even though Asia's trade slowed down faster than the rest of the world due to a moderate growth in the PR China, regional trade integration is moving steady and Asia in general trades more within regional partners than outside the region. This issue also includes a special chapter on "How Can Special Economic Zones Catalyze Economic Development", which references predecessor programme RCI's expert hearing on SEZs in August 2014. The chapter further notes that the number of SEZs in an economy is positively related to overall export performance in the region, and finds that in developing Asia, countries with SEZs attract significantly more FDI, with the existence of SEZs corresponding to 82% greater FDI levels. Nevertheless, there have also been failures, which are attributed to a lack of strategic focus and regulatory and governance gaps undermining performance in some cases.

Access the full report at: www.adb.org/... (6.5 MB)

top

Greater Tumen Initiative

Agricultural Cooperation in Greater Tumen Region

This detailed regional report by the Greater Tumen Initiative (GTI) reviews agricultural development in the Greater Tumen Region (GTR) and provides several recommendations on enhanced cooperation of the primary sector. Assessing the diversity of production, level of development and current policies of the primary sector in PR China, RoK, Mongolia and the Russian Federation, GTI achieves to give a comprehensive overview of the status quo. The report concludes with providing approaches for agricultural cooperation in GTR, advocating for constructing an agricultural board and enhancing agricultural expert networks. Providing a detailed action plan for the development of future projects, the recommendations put emphasis on knowledge transmission to policy makers and specialists, developing joint research programs and establishing agro-industrial clusters.

Access the full report at: www.tumenprogramme.org/...

top

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Monitoring Regional Economic Integration in Practice

The objective of the study is to establish an overview of currently existing monitoring and evaluation approaches and systems within a number of regional economic communities (RECs) worldwide to measure the progress and attainment of regional economic integration. The target group of the paper commissioned by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), is development practitioners, academia, members of RECs and parties with interest in the topic. An important assumption of the paper is that regular and structured monitoring and evaluation

appropriate policies. The GIZ SCSi Programme supports regional stakeholders with the aim to strengthen selected core processes of regional economic cooperation and integration and to contribute to a sustainable and inclusive economic development in the region.

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www.giz.de/scsi/...

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Publications

The following selection of event documentations and background papers are available:

www.connecting-asia.org/...

www.scribd.com/...

(at both compliance and outcome level) has the potential to importantly advance the relevance and depth of regional economic integration as it informs on successes and deficits in relation to strategy and implementation. It thus enables steering through corrective measures for implementation issues and economic policies at the same time.

Access the paper at: www.giz.de/... (2.2 MB)

Greater Tumen Initiative

Rajin (DPRK) – Khasan (Russia) Railway and Port Study Project

Based on agreements at its 3rd Transport Meeting and 13th Consultative Commission Meeting, Greater Tumen Initiative (GTI) issued a study report on potentials for growth and development of the Rajin Port (DPRK) and the connecting railway to Khasan (Russian Federation). Next to providing a detailed background on the current infrastructure and trade potential, Dr. Hee-Seung Na gives a comprehensive analysis of the development potential of the port itself, its logistics facilities and its hinterland connections. By conducting basic SWOT and cost benefit analyses, the study finds that infrastructure expansion will have a highly positive impact on trade due to time and cost efficiency of shipping as well as an increased strategic value due to a closer connection to the Arctic. Additionally, the report offers a comprehensive list of recommendations and action points for a joint GTI strategy.

Access the full study at: www.tumenprogramme.org/...

World Economic Forum

Maximising Opportunities of Internet for Trade

The policy paper addresses challenges and opportunities the rapidly expanding e-commerce poses to international trade governance. In cooperation with the International Centre for Trade and Sustainable Development, Joshua Meltzer of the World Economic Forum's E15 Expert Group on the Digital Economy analyzes the impact of global digitalization on international trade. He proposes four main policy recommendations for the short, medium and long term: Expanding WTO rules to protect and enhance trade online; negotiating a digital trade agreement; developing further regulatory cooperation across borders; and calling for combined action of governments, the private sector and non-governmental organisations to support digital trade. The latter promotes medium term goals such as improving data collection on digital trade flows to understand its relevance to economies and aid policy decisions as well as introducing strong government to business cooperation in data security and other areas of common interest. In addition, the initiative calls for combined financing of internet infrastructure development in emerging markets.

Access the full policy paper at: www.ictsd.org/...

[top](#)

Observer Research Foundation

The New ASEAN Community: The European Way to Integration?

2016 witnessed the launch of the ASEAN Community, advocating for stronger regional cooperation within ASEAN on a socio-cultural, political-security and economic level. In this ORF research paper, Niccolo Beduschi evaluates the past development and events of these three dimensions, analyzes the current proposal of the ASEAN Community Blueprint and draws comparisons between the ASEAN and EU integration. He highlights the establishment of the ASEAN Economic Community as the most developed dimension and emphasizes the importance of ASEAN's work on the simplification of Rules of Origin and implementation of an ASEAN Single Window strategy. Concluding, the article finds similarities between the "ASEAN way" and the "European way" of regional cooperation. Although ASEAN's cooperative strategy is mainly rooted in consensus-building and informal decisions, Beduschi believes that stronger steps towards a more institutionalized, rules-based ASEAN community similar to that of the European Union are underway.

Access the full research paper at: www.orfonline.org/...

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