

Cross-border Cooperation Case Study of Cambodia-Vietnam Border Point

The 3rd Global Roundtable on Infrastructure Governance and Tools

24 May 2019

Seoul

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1. Characteristics of cross-border cooperation *
2. Introduction of the project
3. Preparation for the project
4. Critical challenges and lessons learned for cross-border cooperation *

* Here, this presentation tries to extract common factors from the case study.



1. Characteristics of cross-border cooperation

Cross-border cooperation projects commonly...

- Have many stakeholders.
- Require lengthy coordination process.
- Are affected by state-state power balance.
- Are unlikely to solve only by the countries concerned.
- Are sometimes controversial, even though having reached agreement by countries concerned.



2. Introduction of the project

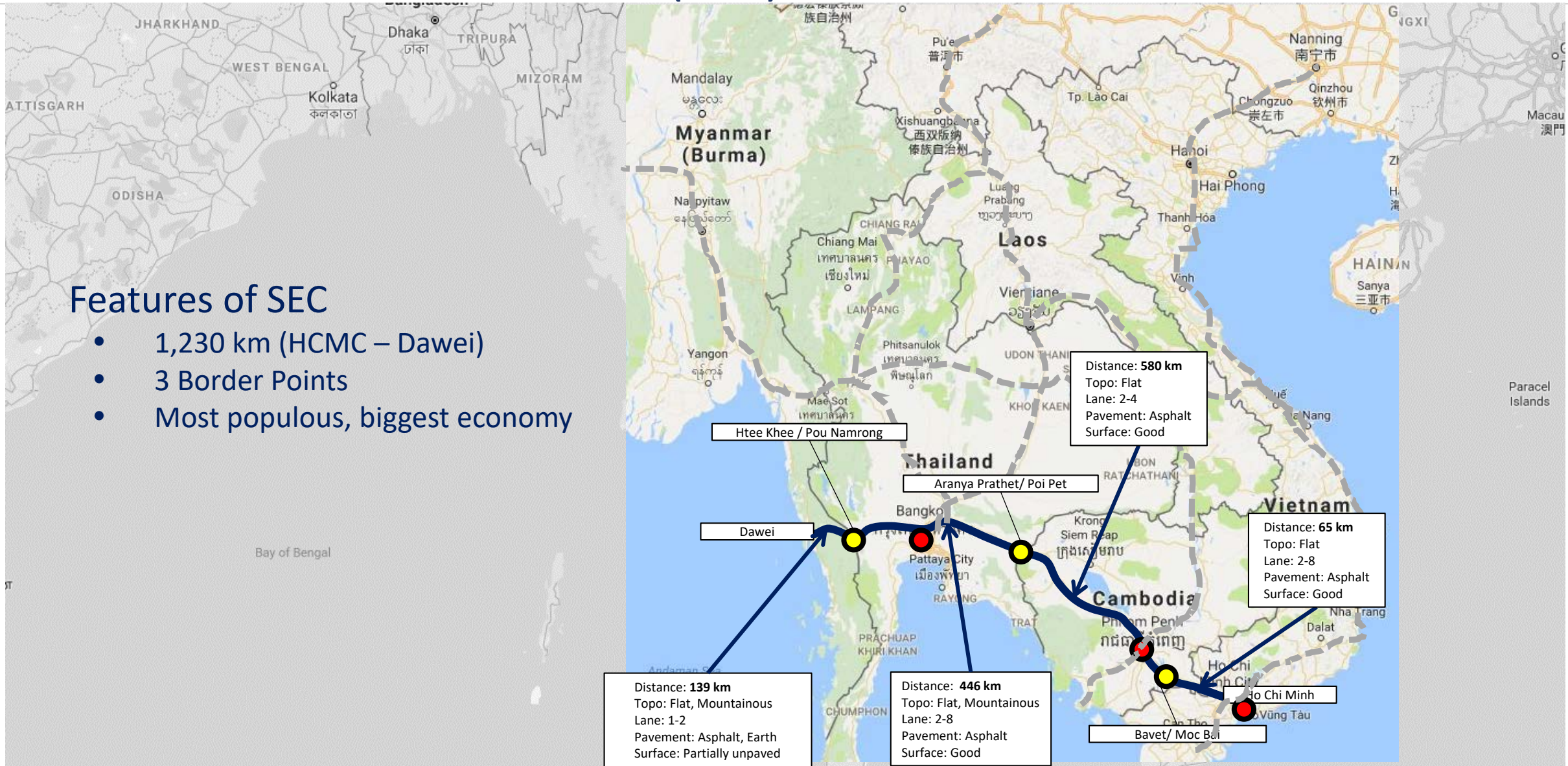
OVERALL GOAL	To strengthen connectivity between Cambodia and Vietnam through Southern Economic Corridor
OBJECTIVE	To reduce time and improve reliability for border-crossing at Bavet – Moc Bai
TARGET COUNTRY	Cambodia and Vietnam
PERIOD	2018 – (preparatory stage)
MODALITY	Technical assistance, Loan (TBC)
BACKGROUND AGREEMENTS	Cross-border Transport Agreement in Greater Mekong Subregion, Bilateral agreements, MOU for expressway



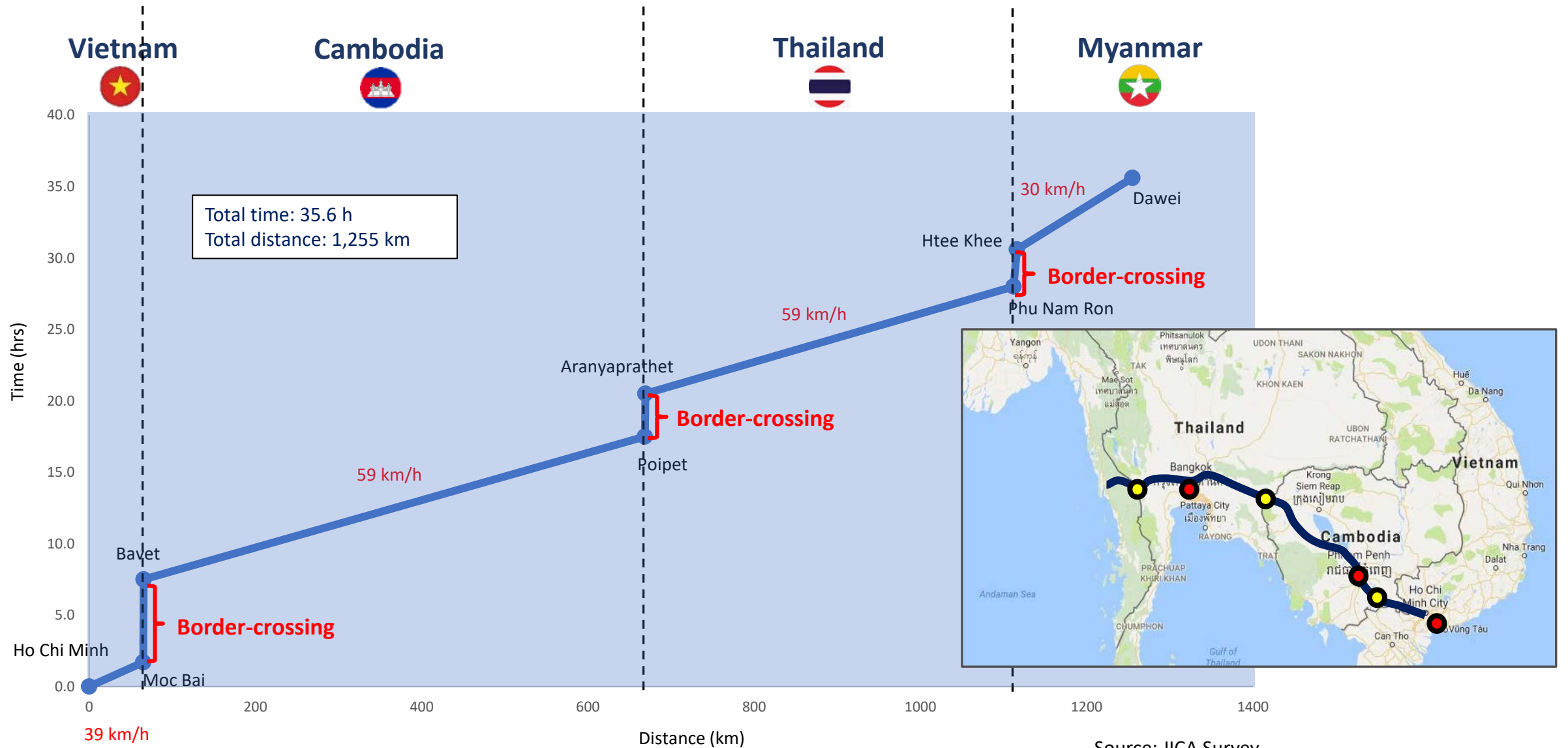
Southern Economic Corridor (SEC)

Features of SEC

- 1,230 km (HCMC – Dawei)
- 3 Border Points
- Most populous, biggest economy



Transport Time



Source: JICA Survey

Geography of Bavet - Moc Bai Border Point



Cambodia side

Vietnam side

Checkpoint

Source: Google Map

Performance of Border Clearance

Bavet Cambodia		Moc Bai Vietnam	
3.7 hours	Time	2.8 hours	
416.7 USD	Cost	49.2 USD	
7	Number of samples	6	

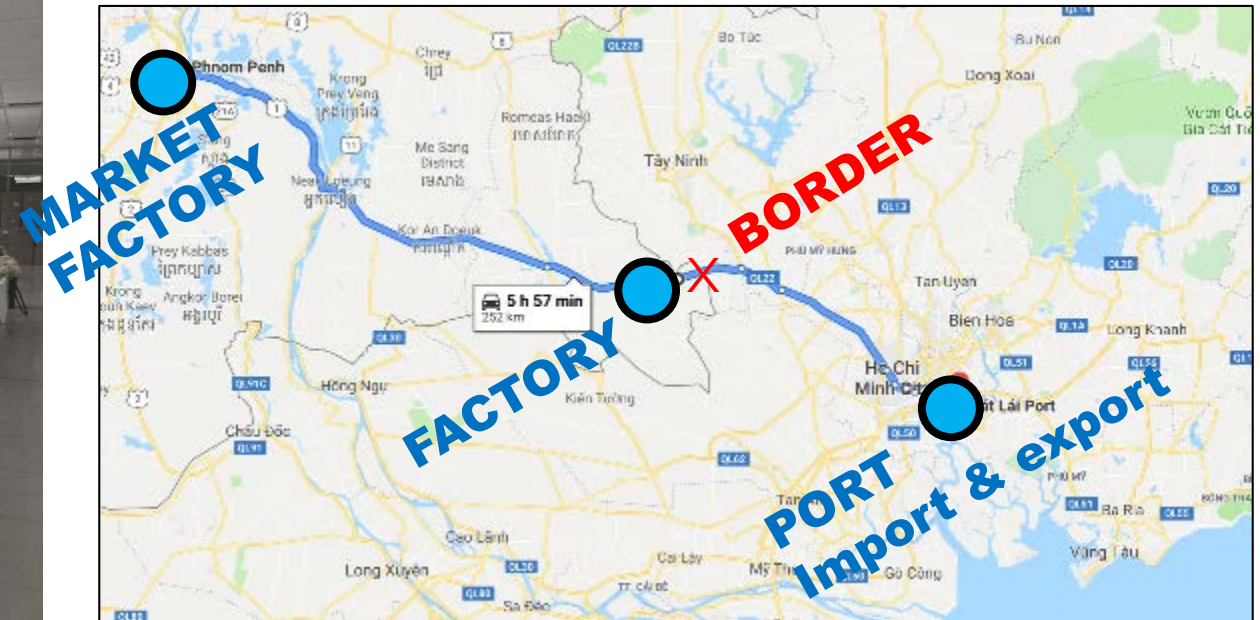
Reference
Densavanh - Lao Bao Border

Densavanh Laos		Lao Bao Vietnam
2.1 hours	Time	2.0 hours
307.5 USD	Cost	75.8 USD
4	Number of samples	4

Source: JETRO-IDE

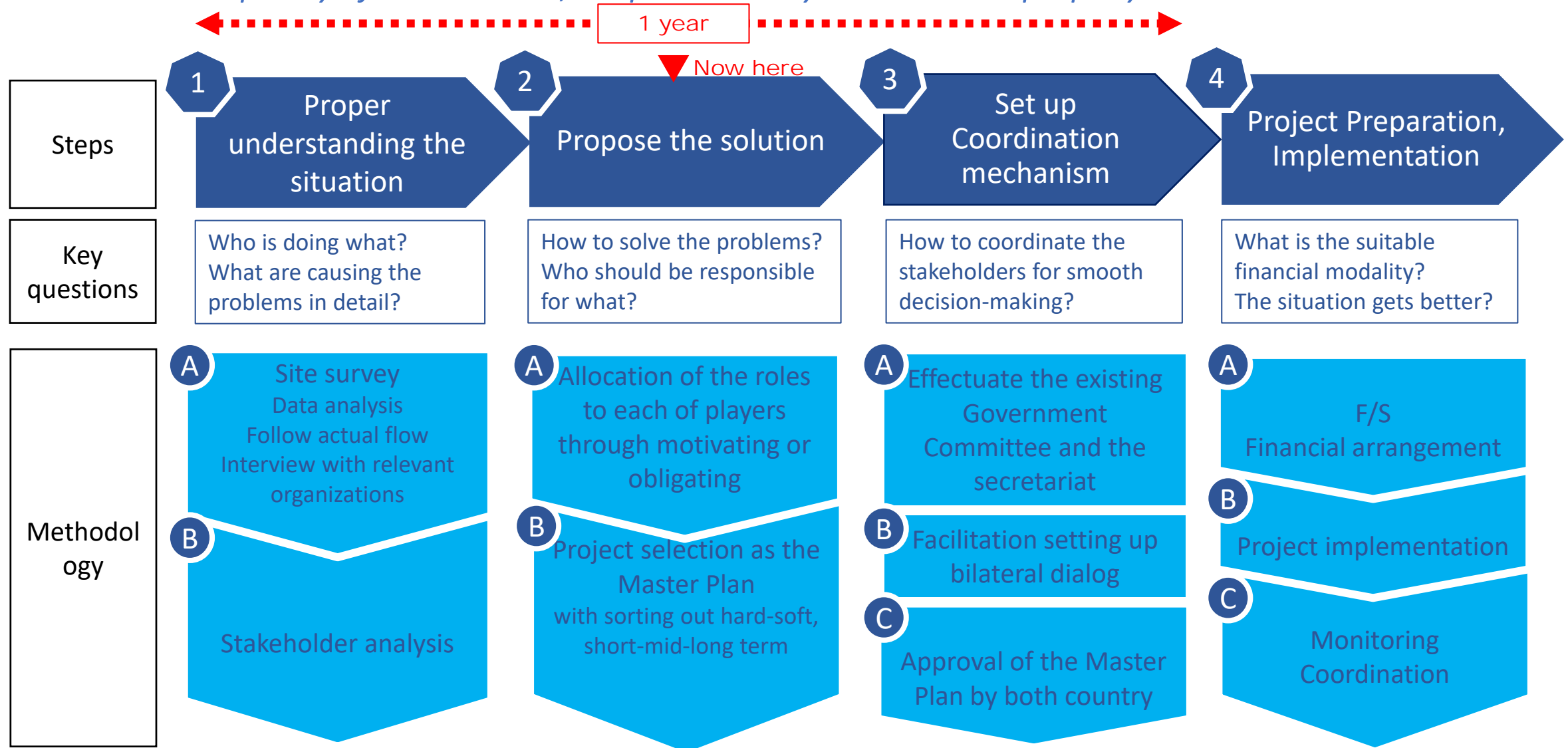
Negative effects from slow and unreliable border-crossing

The trend of manufacture sector is becoming more time-strict and cost-sensitive under global competition. Worsening border-crossing offsets their efforts.



3. Preparation for the project

Due to the complexity of the situation, deep-dive survey were done to properly understand the issues.



1 A Major issues found

There are many issues identified over the entire border area. They are found not only in government side. Private sector also contributes to big congestion.



Infrastructure Government

- Lack of traffic lanes
- Lack of parking space



Operation Government

- First come, first served
- Difference of operating hours
- Double inspections



Private Sector Private

- Waiting time due to lack of communication among drivers and brokers
- Lack of capacity for customs clearance








1 B Stakeholder analysis

Key facts: Existing agencies (Customs and Immigration) do not have enough incentive to reform. Private sector is possible to become the driving force.

	Organization	Incentive for improvement	remarks	
Government		Central Government		
		Cambodia	High	- The connectivity with the neighboring countries is important.
	Vietnam	Low	- Trade volume with Cambodia is not so big as with the other world.	
		Customs	Partly high	- Focuses on Customs check rather than speed up.
		Immigration	Low	- Focuses on security assurance rather than speed up.
		Ministry of Transport	Potentially high	- Is aware of traffic problem at the border, but usually not involved.
Private Sector		Local Government	High, but not powerful	- Represents the country in the local-level bilateral meeting as the chair.
		Logistics Service Providers	High	- Claimed hectic process of Customs. - Got used to the lengthy situation.
		Manufacturers	High, but not powerful	- Are suffering from longer cargo transit time, which directly causes to shorten manufacturing time.
		Land developers	High	- Are planning to develop the border area in commercial basis, in some of which include parking space and container station.

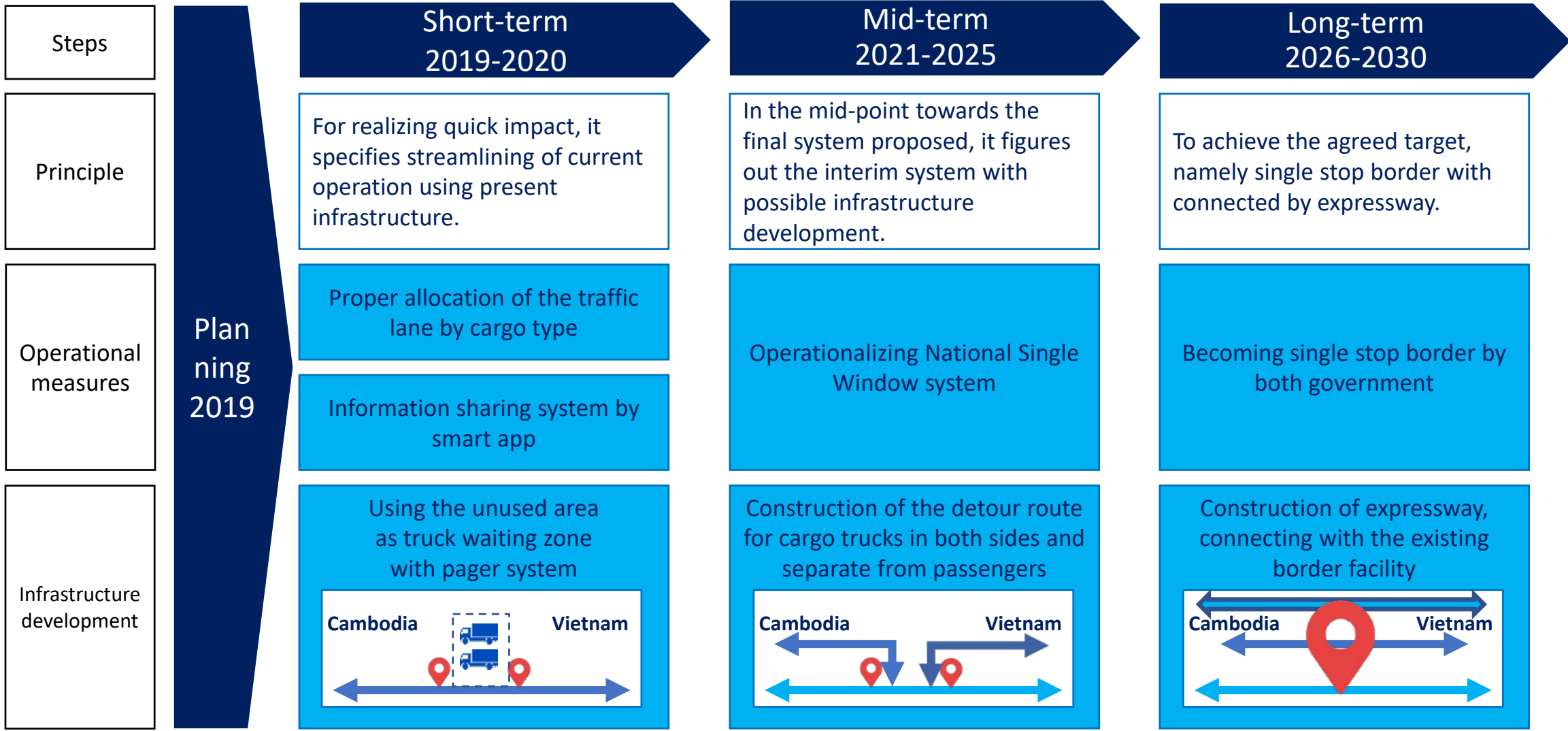
2 A Strategy to motivate, obligate the players

*Key strategy: As seemed that Cambodia is more beneficial, we encourage Cambodia first.
MoT should be the initiator with simplifying the overall issue as a traffic congestion.
Total coordination mechanism should involve the highly motivated private sector.*

Organization		Incentive for improvement	Strategic measures
Government	 Central Government Cambodia Vietnam	High Low	- The project facilitates bilateral dialog and mainly encourages Cambodia side to bring in Vietnam in justification with regional agreements.
	 Customs	Partly high	- Should follow regional agreements such as NSW, CBTA.
	 Immigration	Low	- Should support other agencies to follow regional agreements.
	 Ministry of Transport	Potentially high	- Should take a lead to initiate the interventions because this is a problem of traffic and transport.
	 Local Government	High, but not powerful	- Should keep the same position to take a lead local-level coordination.
Private Sector	 Logistics Service Providers	High	- Should be involved in the process as a driving force as a member of TWG.
	 Manufacturers Land developers		- Vietnamese companies with high willingness to expand business to Cambodia will play an important role to take the Vietnamese Government on board.

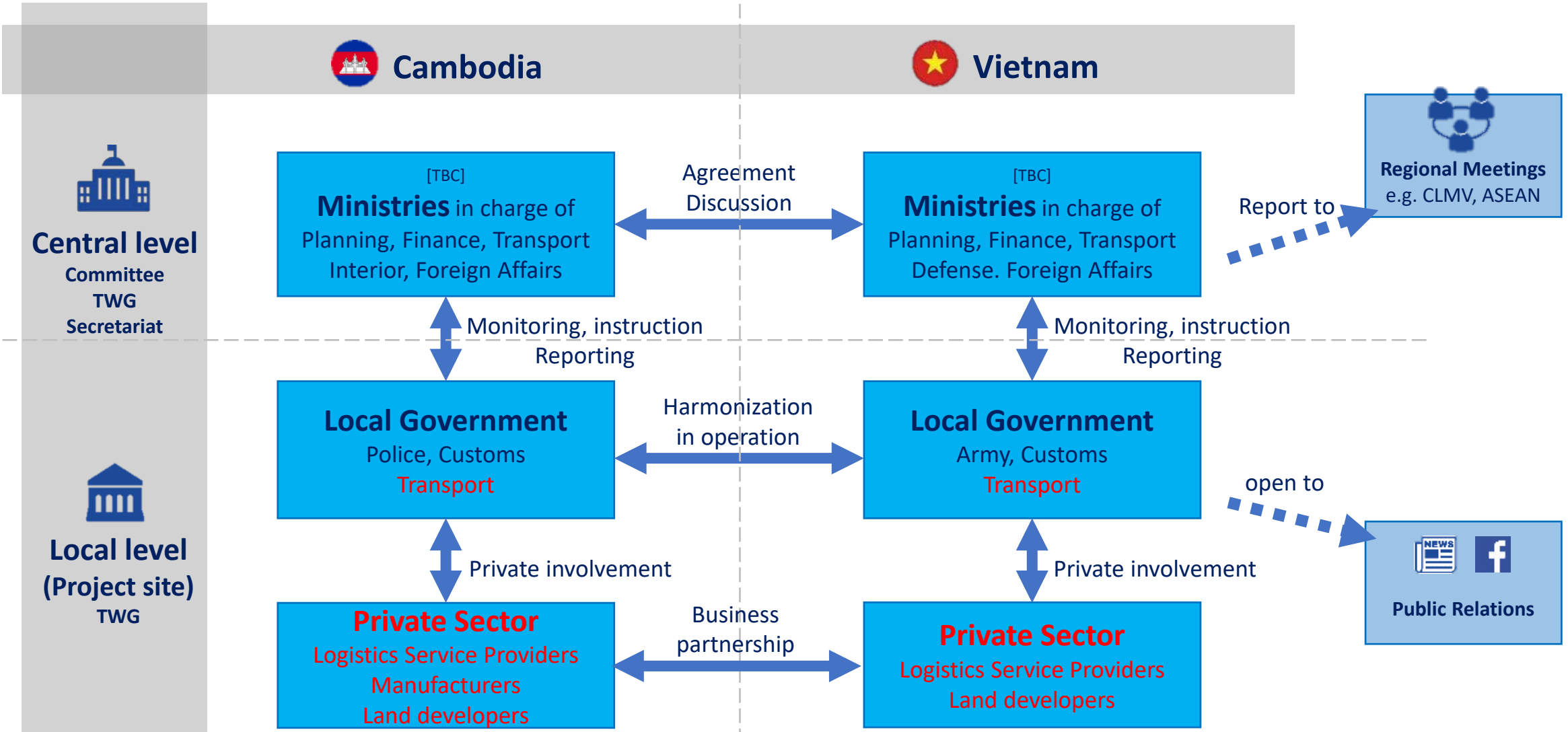
2 B Solutions to be proposed as 3-phased approach

The existing national agreements are ambitious and need time, so we will propose phased plan in which quick impacts will be produced.



3 A B Coordination mechanism

The expecting mechanism will be a network to be resilient, where the players can interact.



4. Critical challenges and lessons learned for cross-border cooperation

Critical challenges

Different position, different degree of interests, different legal and regulatory framework by country

Lessons learned

✓ In order to move the governments, national-level agreement is a must.	Relevance
✓ It might be necessary to make quantitative evidence such as statistic data, which provides the governments with stronger justification.	Relevance
✓ It might be a good idea to involve the private sector in the implementing mechanism, which helps the things move forward.	Efficiency Sustainability
✓ It tends to appear blank periods, which extinguishes the momentum and the past progress. Try a temporary solution or other activities to fill in the blank.	Efficiency
✓ Do function the coordinating mechanisms at both central level and local level. Key for success is that voices from the project site be reflected in the central level management.	Effectiveness Impact
✓ Create network of stakeholders for resilient structure.	Impact Sustainability
✓ Be partnering with the one with strong will to take a lead. At the same time, make an effort to have the other following.	Efficiency
✓ Be careful of the hidden obstacle in-between the countries concerned.	-
✓ Prepare the measures to overcome the barrier of languages	Efficiency

Thank you.

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