INSTITUTIONAL DETERMINANTS FOR DRY PORT DEVELOPMENT AND LOGISTICS PERFORMANCE IN THE LAO PEOPLE’S DEMOCRATIC REPUBLIC

Vientiane, 24 October 2019

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PROJECT SCOPE AND ACTIVITIES

- Study, compile and analyze the relevant institutional frameworks in the participating countries on the basis of good practice example in Republic of Korea:
  - Study visit of ESCAP and all project focal points to RoK 17-18 October 2018 (MOLIT and Uiwang ICD)
  - Study visit of ESCAP project team to OTP and Laem Chabang (Bangkok) on 27-28 November 2018
  - Study visit of ESCAP project team to Pnom Penh on 23-24 January 2019 (MPWT and Tec Srun)
  - Study visit of ESCAP project team to Vientiane on 11-12 February 2019 (MPWT and Thanaleng)
  - Study visit of ESCAP project team to Hanoi on 28-29 March 2019 (MoT and My Dinh)
  - April-June 2019: compilation and analytical assessment of information, preparation of first draft study report
  - 25 June: Workshop
  - July-August: Finalization of study report
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STUDY REPORT耐
Institutional Framework refers to formal organizational structures, rules and informal norms for service provision including:

- ESCAP Agreements;
- Governance institutions (domestic)
- Legal institutions (domestic)
- Social and organizational structures (domestic)
PROJECT RESEARCH QUESTIONS

- Is there a positive correlation between strong logistics performance and institutional arrangements?
- Which institutional elements can be more positively linked to dry ports and logistics policy?
- How can we measure institutional strength?
- How can countries strengthen their institutions to perform better in logistics?
Key dimensions of Institutional strength: Enforcement and stability

- Identification of key institutional components
- Assessment of whether they exist or not in the participating countries
- Analysis of institutional components
Seven key components identified in RoK:

• (i) it is a Party to ESCAP’s Intergovernmental Agreement on Dry Ports;
• (ii) its actions in that regard are guided by a relevant national masterplan;
• (iii) a lead decision-making entity has been designated;
• (iv) there is a multi-agency coordination mechanism at the policy level;
• (v) there is coordination across mode-specific authorities in defining infrastructure and/or investment plans;
• (vi) the private sector has a defined role and involvement in the policy consultation process and;
• (vii) there is a legal framework on Public-Private-Partnerships that enables/facilitates private sector financing and investment in facilities.
Key Findings
(i) Being a Party to the Agreement

- The Intergovernmental Agreement on Dry Ports provides a flexible and regionally defined framework for Dry Port development.
- The Agreement can contribute to long term development and institutional stability.
- It can help identify the entity responsible for leading, coordinating and implementing Dry Port Policy domestically.
- Two countries in the project are not yet Parties.
Key Findings
(ii) Existence of a national masterplan

- A national masterplan:
  - Can help define and guide key priorities;
  - Can provide a framework for cooperation among stakeholders;
  - Can coordinate sub-sectoral policies

- All countries in the project have national masterplans for logistics and/or dry ports. However:
  - Different set-ups and content
  - Mandates are defined at different government levels
  - Different implementing methods

- The report describes the differences between masterplans
Key Findings
(iii) Designation of lead entity

- A lead entity:
  - Serves as a visible head and leader in policy formulation/implementation
  - Can ensure policy coherence and clarity
  - Can define a common vision across sub-sectors

- Three of the project countries do not have a clearly designated lead entity.
Key Findings
(iv) Multi-agency coordination mechanism at the policy level

- An institutionally mandated coordination mechanism:
  - Allows dialogue and analysis of interrelated policies
  - Can ensure good coordination within the government
  - Can create synergies and economic advantages
  - Can clearly prioritize policy objectives

- Only one of the project countries does not have a clearly designated coordination mechanism, but implements informal coordination.

- The other countries have established different types of mechanisms, described in the study report
Key Findings
(v) Coordination across mode-specific authorities

- Coordination across modal authorities (road, rail, IWT, maritime):
  - Can ensure cost efficiency in infrastructure planning and delivery
  - Can promote intermodal transport and modal shift
  - Can create better connections to seaports
  - Can clearly prioritize intermodal policy objectives through dry ports that are served by more than one mode of transport

- Only one of the project countries does not have a clear coordination across mode-specific authorities.

- The other countries have implemented varying levels of coordination practices, described in the study report.
Key Findings
(vi) Defined private sector role and participation

- The private sector are the major generators and users of cargo. Involving them in policy dialogue:
  - Can ensure inclusiveness
  - Can leverage private sector knowledge and innovation
  - Can help identify operational priorities
  - Can increase access to private capital

- Only one of the project countries does not have an institution-level mechanism for private sector consultation

- The other countries have implemented difference mechanisms for private sector consultation, described in the study report.
Key Findings
(vii) Existence of PPP specific framework

- A clear, stable and enforced PPP legal framework:
  - Can utilize private resources for infrastructure delivery as a public good
  - Can attract domestic and private investment on clear terms
  - Can provide access to better technology and expertise
  - Can mitigate public sector financial risks

- Two of the project countries do not have a clearly elaborated PPP law
- The other countries have PPP law at varying degrees of maturity.
### Key Findings

<table>
<thead>
<tr>
<th>Elements</th>
<th>RoK</th>
<th>Thailand</th>
<th>Vietnam</th>
<th>Lao PDR</th>
<th>Cambodia</th>
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The overall ratings are: High, High, Medium, Medium, Medium.
Conclusions and Recommendations

- National policy should ideally be conceived in an integrated manner and not as the sum of sector development plans.
- Planning should be done through a participative process that is public-private and inter-institutional.
- The development of a national policy on infrastructure, transport, and logistics is a process of ongoing improvements, requires periodic modifications.
- Forums should be created for dialogue and analysis, as well as that coordination and cohesion be achieved within the government and beyond.
- A lead agency serving as the visible head under clearly defined jurisdictional relationships has shown to make a difference towards a common vision and execution of related policies.
Integrated logistics and multimodal transport require:

- modern legal frameworks and flexible structures;
- the establishment of a legal frame of reference that is clear, cohesive and condensed into a single legal body that will facilitate enforcement;
- policies that ensure coherence and consistency of national policies and enable synergistic outcomes; and
- the drafting of legislation that streamlines the logistics and transport of products, and not merely as a function of the mode by which they are transported.
Thank you

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