

GMS Working Group on Environment

8th Semi-Annual Meeting

30 October 2013

Champasak Province, Lao People's Democratic Republic

Summary of Proceedings

Introduction

1. The 8th Semi-Annual Meeting of the Working Group on Environment (WGE SAM-8) was chaired by Madame Keobang A Keola, Director General, Department of Pollution Control, Ministry of Natural Resources and Environment (MONRE), Lao People's Democratic Republic (Lao PDR), and co-chaired by Mr. Sanath Ranawana, Senior Natural Resources Management Specialist, Asian Development Bank (ADB). The meeting was attended by representatives from the environment ministries and Greater Mekong Subregion (GMS) national secretariats of Cambodia, the People's Republic of China (PRC), Lao PDR, Myanmar, Thailand, and Viet Nam; donor partners; and the GMS Environment Operations Center (EOC) staff. The list of participants is in Appendix 1.

2. The objectives of the WGE SAM-8 were to: (i) review the current status of the Core Environment Program (CEP) implementation and endorse the program's 2014 work plan; (ii) finalize the Regional Investment Framework (RIF) environment pipeline; and (iii) discuss the preliminary concept and preparatory work for the 4th GMS Environment Ministers' Meeting (EMM). The program is attached as Appendix 2.

Session 1: Opening Session

3. Following a moments silence for the victims of the recent Lao Airlines accident, Madame Keobang A Keola, Chair, welcomed WGE-SAM8 delegates on behalf of the Lao PDR government. She introduced the objectives of the meeting and discussed the development context CEP is operating in, emphasizing the need to reduce pressures on natural resources and to protect local livelihoods. She also highlighted the importance of WGE collaboration, CEP achievements, and application of lessons learned to Phase II implementation. Some of the notable lessons from Phase I are the merits of cross-sector working arrangements, the need for technical and institutional capacity development, and the key role played by the national support units (NSUs) in CEP.

4. In his opening remarks, Mr. Sanath Ranawana, Co-chair from ADB, said that CEP had provided ADB with valuable opportunities to engage with countries on ways to

better manage the environment. He overviewed some of the major challenges, including that natural capital is not properly valued and accounted for, and that custodians, including government ministries, are not well-resourced. After mentioning the importance of the GMS RIF and CEP achievements during 2013, he requested the WGE to focus on three areas for CEP: strengthening NSUs, raising the profile of the program, and opening doors to sector collaboration.

5. Country heads of delegation made brief opening statements, thanking Lao PDR, ADB, and EOC for organizing the meeting.

6. Mr. Sounadeth Soukchaleun, Chair of the CEP Technical Working Session held on 29 October 2013, was called to brief the meeting on the main outputs of the previous day, reiterating its objective to share knowledge on key aspects of CEP. Mr. Soukchaleun reviewed the highlights of the presentations and discussions on the CEP conceptual framework, the need for conservation plans and technical support in biodiversity landscapes, the importance of NSUs in program implementation, the shape of a future Environment Operations Network, as well as knowledge management and communications, and mainstreaming gender and social inclusion in the program.

Session 2: Report on the Current Status of Program Implementation and the Work Plan for 2014

7. Dr. Michael Green, EOC Technical Program Head, presented the programmatic highlights of CEP implementation in 2013. During the period, CEP provided strategic inputs to the GMS RIF, the GMS Urban Task Force, and ADB Country Partnership Strategies. CEP also incorporated new strategic concepts – green growth, natural capital, ecosystem-based approaches (EBA), and transboundary biodiversity landscapes – into the different elements of its work program. EOC is now operating at full capacity, with 25 fulltime staff, a multiyear procurement plan, active procurement for a large number of terms of reference (TORs), and a signed letter of agreement (LOA) with Lao PDR. EOC has also made progress in capacity building for NSUs (through workshops and country missions), program development (such as gender and social inclusion, engagement with the private sector, etc.), improved TA administration and leveraging new investments. Despite the progress, a key challenge remains in significant delays at different points of the project cycle from concept development to procurement. Accelerating LOA signing with the remaining five countries is a near term priority. The presentation is attached as Appendix 3.

8. Dr. Vong Sok, Environmental Planning Coordinator, summarized the progress and challenges from Component 1 (Environmental Planning, Safeguards and Monitoring) of CEP Phase II. Key achievements in 2013 included: the incorporation of planning tools in revised environmental protection law in Lao PDR; the integration of environmental considerations into the RIF, the ADB Thailand Country Partnership Strategy, and Viet Nam Red River Basin planning process; the strengthening of the regulatory framework for environmental and social safeguards in Myanmar and Lao PDR; and the establishment of an interactive Environmental Information System, coupled with capacity building activities at the regional and local levels. The component has initiated several new activities, including two TORs under full implementation, two

at the activity initiation stage, two at procurement, and two under development. He identified limited awareness and capacity in the government sector as a key challenge for this area of work. This challenge will be addressed in the 2014 work plan through a combination of awareness raising, technical assessment, and capacity building activities. His presentation is in Appendix 4.

9. Mr. Teo Dang Do, Biodiversity Landscapes and Livelihoods Coordinator, represented Component 2 (Biodiversity Landscapes and Livelihoods). Key highlights noted in 2013 included full mobilization of component staff by April 2013, establishing a partnership with the Biodiversity Conservation Corridors (BCC) project, expansion of biodiversity conservation corridor work in eastern Thailand and in PRC, initiation of legal status for biodiversity conservation corridors in Viet Nam, and leveraging of investment projects in Lao PDR. In terms of new activities, a TOR is under procurement, five TORs are in the development stage, and one is being scoped. Key implementation challenges lie in lack of awareness on the importance of biodiversity corridors, lack of information on biodiversity profiles and monitoring system, the need to balance biodiversity conservation and livelihoods improvement, and lack of efficient collaborative mechanisms for transboundary landscapes. The 2014 work plan is designed to address these challenges through biodiversity profiling assessment in key GMS landscapes, collaboration for management of biodiversity landscapes, community-based conservation options, potential ecosystem-based livelihoods interventions, and piloting of livelihoods opportunities. The presentation is attached as Appendix 5.

10. Ms. Ornsaran Manuamorn, Climate Change Coordinator, discussed progress and challenges from Component 3 (Climate Change). During 2013, the component started implementing the GMS Green Freight Initiative, which builds on work from CEP Phase I. Three new activities have been initiated on climate change adaptation (TORs under procurement) and on reducing emissions from deforestation and forest degradation, or REDD+, (on-the-ground activities are beginning). A new concept for nationally appropriate mitigation actions (NAMA) feasibility for transport is also being developed. At the strategic level, the component contributed to the Thailand REDD+ Readiness Plan, which is expected to receive Forest Carbon Partnership Facility funding in December 2013. With CEP's facilitation, a network of institutions working on climate change adaptation in the GMS has been established to share knowledge and lessons learned. Apart from these activity-based results, Ms. Manuamorn also highlighted the component's progress on building partnerships, both within the ADB and externally, and on knowledge sharing. Going forward, limited technical capacity, buy-in from local stakeholders, cross-sector coordination, and evidence of intervention effectiveness are key issues for the component's activities. The 2014 work plan will address these issues through technical assessments, capacity building, partnerships, and pilot interventions. Her presentation is in Appendix 6.

11. Ms. Pham Thi Khanh Van, Capacity Development Specialist, presented progress from component 4 (Institutions and Financing). In 2013, the component has improved collaboration with other GMS sectors (such as the Working Group on Agriculture and the GMS Urban Development Task Force), initiated NSU capacity strengthening activities, and drafted a new communications strategy for CEP. Specific component outputs were highlighted in several areas including capacity building, knowledge exchange, knowledge products and communications and branding. Key challenges for

the component are building NSU capacity, instituting effective monitoring and reporting system, identifying audience and mechanisms to effectively communicate about CEP, and identifying champions and mechanisms to engage with the private sector. Priorities in the 2014 Work plan include strengthening WGE's role in promoting regional collaboration, strengthening NSUs capacity for program implementation and sector coordination, strengthening EOC's role as a knowledge hub, developing investment projects, and promoting private sector partnerships. The presentation is attached as Appendix 7.

Discussion

12. The donors emphasized that the CEP work plan should be more results-based, which will facilitate improved tracking and reporting of program progress. It is also important to communicate the work plan clearly with the GMS countries. WGE comments emphasized the need for more details on some country-level activities, for strong regional collaboration in the work plan development process, especially on transboundary activities, and for the integration of CEP-supported work and the national activities of GMS governments. For example, a representative from Viet Nam emphasized the need to integrate the SEA START and EOC regional climate change database with national data generated by local institutions.

13. Mr. Sompongse Somsookh, Finance and Administration Head, EOC, presented on CEP finances as of 30 June 2013. From the \$27 million budget¹, \$8.8 million had been received from co-financing partners, of which \$5.9 million has been committed and \$1.8 million disbursed. He showed the breakdown of the CEP budget and disbursement status by each of the four program components and EOC operations. The presentation is in Appendix 8.

Country Highlights

14. Mr. Chuon Chanrithy, Cambodia, began by discussing recent outcomes and lessons from CEP Phase I including a strategic environmental assessment (SEA) on tourism, national environmental performance assessment (EPA), and the scaling up of biodiversity corridors work. He concluded by discussing the priorities for Phase II, including initiation of activities stemming from the tourism SEA, mainstreaming EPA into planning processes, developing environmental information system, and strengthening NSUs. See Appendix 9 for the full presentation.

15. Ms. Xiao Suili, PRC, highlighted major CEP achievements from the PRC perspective. These included a sound mechanism established for GMS environmental cooperation, the emergence of SEA as an important planning tool for the country, enhanced integration of biodiversity conservation in economic planning processes, and increased acceptance of the biodiversity corridor approach. She then discussed lessons learned from Phase I and achievements during Phase II implementation, including work done to get the LOA for PRC ready for signing. She finished by looking at priorities for

¹ In this document, "\$" refers to US dollars

2014, including transboundary biodiversity landscape management activities and knowledge exchange mechanisms. Refer to Appendix 10 for the full presentation.

16. Mr. Sounadeth Soukchaleun, Lao PDR, began with highlights from 2013, including the results of the contingent valuation study of biodiversity, country capacity built through CEP workshops, the signing of the LOA for Lao PDR in July 2013, and progress made with new safeguards activities. He then presented on 2014 priorities, lessons learned, and implementation issues and challenges. His presentation is in Appendix 11.

17. Dr. San Oo, Myanmar, presented 2013 highlights, including CEP safeguards support that is helping develop a national environmental impact assessment system, and work underway to create an environmental information portal. He also mentioned the value of Myanmar representation at regional events on green growth and valuing and accounting for environment. In terms of challenges, Dr. Oo pointed out that Myanmar lacked experience with CEP compared to the other countries and that many capacity gaps exist for implementation. Continuing safeguards work, establishing a country NSU and capacity building were three priorities identified for 2014. See Appendix 12 for the Myanmar highlights.

18. Dr. Songtam Suksawang, Thailand, acknowledged the main 2013 national highlight for CEP was the preparatory work conducted for introducing the biodiversity conservation corridors approach in the Eastern Forest Complex. An LOA for this has been drafted with the Department of National Parks, Wildlife, and Plant Conservation and is being processed. He summarized priority activities for 2014, including detailing out the scope of work for biodiversity conservation corridors as well as transboundary landscape collaboration with Cambodia, Lao PDR, and Myanmar. In addition, the country will focus on undertaking payment for ecosystem services and carbon mapping activities in biodiversity corridors. Refer to Appendix 13 for the full report.

19. Ms. Kim Thi Thuy Ngoc, Viet Nam, overviewed 2013 highlights. These included activity progress for ecosystem assessments and economics of natural capital, the green freight initiative, area-based planning, and climate risk financing. Also key capacity building events, including CEP national scoping workshops and the Viet Nam-hosted regional workshop on ecosystem-based approaches for biodiversity conservation. She then overviewed major lessons learned and priorities for 2014. Her presentation is in Appendix 14.

Statement by Donor Partners

20. Ms. Ulrika Akesson, Government of Sweden, and Mr. Antti Inkinen, Government of Finland, provided feedback on CEP operations through a Joint Statement (see Appendix 15 for the full statement). Eleven key points were raised, including the need for increased results-based management, the urgency to have country LOAs signed, the importance of the proposed communications and capacity building strategies, and the need for further discussions on the long-term vision for EOC as an institution. Nine discussion points were then raised for the meeting to address and resolve, including how to overcome CEP implementation delays.

Discussion

21. Dr. Suksawang, Thailand, asked how regional activities implemented by consultants can be built upon nationally and suggested that regional planning workshops for such activities are needed to ensure all countries have a good understanding. Dr. Green emphasized that capacity building for the NSUs was a priority given their important role in building on regional activities. Ms. Kim Thi Thuy Ngoc, Viet Nam, said that its country stakeholders had been closely involved in the planning of activities, although some now needed more detailing. Mr. Chanrithy, Cambodia, said that the CEP regional work plan had resulted from synergizing national priorities and that his country had no objection to the work plan although ministerial coordination and collaboration were challenges faced in Cambodia.

22. Mr. Sun Xuefeng, PRC, asked about the working arrangements for activities organized by EOC. In response, EOC explained how arrangements varied with the differing nature of activities and geographic scope. A collaborative process was followed with EOC arranging in-country consultations with the WGE, NSUs, and relevant stakeholders.

23. Mr. Soukchaleun, Lao PDR, requested an update on the status of the PRC Poverty Reduction Fund (PRC Fund) waste management proposal. EOC relayed that the proposal had not been short-listed by ADB this year but is being revised to emphasize its regional merits and will be resubmitted in January 2014 for PRC Fund reconsideration.

24. The Viet Nam representative asked EOC to incorporate Viet Nam's national climate projection data into its regional climate change information. Mr. Sumit Pokhrel, EOC, replied affirmatively and recognized the importance of NSUs leading this type of work. He said that once NSUs have the necessary resources and capacity, they will increasingly play a lead role in work planning, coordinating activity implementation, data collection and collation, reporting and knowledge sharing.

25. Mr. Antti Inkinen asked whether annual work plan targets would be met and commented that the targets were somehow vague and thus could be improved. Mr. Pokhrel replied that the targets reflected that 2013 was a preparatory year with the focus on building capacity and getting processes in place. He said that preparatory targets had been met but not procurement. He agreed that the targets could be improved, but pointed out that defining specific targets was challenging for a programmatic technical assistance where work includes aspects such as long-term capacity building and improving planning processes. Mr. Ranawana reasoned that setting realistic targets was also difficult due to uncontrollable variables such as changing situations in GMS countries. Dr. Green added that a monitoring and evaluation workshop scheduled for December 2013 would provide valuable insights and he welcomed the attendance of representatives from cofinancing partners and the NSUs.

26. Ms. Ulrika Akesson requested for some clarifications on the process undertaken for developing the 2014 work plan and made some suggestions for improving the work

plan format. Mr. Pokhrel explained the process and agreed with the suggestions, and that they should discuss further following the meeting.

27. WGE delegates then responded to other questions raised by the cofinancing partners. These included: level of WGE involvement in the RIF process, background on CEP implementation delays, and the status of LOAs, how CEP work supports international conventions, gender mainstreaming in CEP, and how lessons learned from Phase I are informing the new CEP phase.

Session 3: Finalization of the GMS Regional Investment Framework Environment Pipeline

28. The ADB Co-chair updated the meeting on the status of the GMS RIF prioritization exercise, with briefing on the background, process, and timeline. He then presented the RIF environment pipeline which had been consolidated based on the *CEP Program Framework Document 2012–2016* approved during the 3rd GMS Environment Ministers Meeting (EMM) in 2011. The pipeline was circulated for comments, updated, then further taken up during the 19th WGE Annual Meeting (WGE AM-19) held on 3 April 2013 in Lao PDR. Benefiting from comments at WGE AM-19 and the results of an EOC-led spatial multicriteria assessment that applied environmental, social, and climate change filters to RIF investments, it has been further refined into its present version. The RIF now covers 13 environment projects with an estimated cost of \$408.6 million, detailed as follows: five investment projects amounting to \$360 million; and eight TAs totalling \$48.6 million. The pipeline focuses on three strategic outcomes, namely: (i) deliver the biodiversity conservation targets of the new GMS Strategic Framework; (ii) reduce and mitigate the environmental risks to the RIF program and portfolio; and, (iii) enhance climate resilience and sustainability of the RIF investment pipeline and thereby the GMS economic corridors. The presentation is attached as Appendix 16.

29. Pending issues on the RIF environment pipeline (from discussions during the 5th GMS Economic Corridors Meeting in August 2013 and the Senior Officials Meeting cum RIF Steering Committee Meeting in September 2013) were addressed by the meeting, including the ranking of individual projects. During the open discussion, Cambodia had no objection to participate in the project “Enhancing Community Competitiveness and Resilience through Ecosystem-Based Approaches” with medium ranking in investment but high in the preparatory TA. Cambodia and Thailand signified interest to participate in the TA “Low Carbon Freight Corridors.” The countries had no objection to the addition of two TAs proposed by the PRC, namely: (i) “Enhancing Rural Environmental Governance in the Greater Mekong Subregion” (Viet Nam requested to be included in this TA), and (ii) “Establishing Environmentally Sustainable City Partnerships in the GMS.” The WGE agreed to submit the current list of environment projects for endorsement by the 19th GMS Ministerial Conference in December 2013. The finalized list of environment projects in Appendix 17.

30. Donor partners raised a few questions on the potential sources and resource mobilization strategy for carrying out the projects. Mr. Ranawana explained that the pipeline covers projects proposed by the countries as well as those initiated by

cofinancing partners. Some projects would have funding already secured such as the CEP Phase II, while others would have to be worked out by countries in their national budgets, be processed to secure funding from co-financing partners who have pledged for the project, and/or be packaged to attract the interest of other funding agencies and the private sector. Following endorsement, a realistic implementation plan will be prepared based on priority or flagship projects.

Session 4: Preparations for the 4th GMS Environment Ministers Meeting

31. Dr. San Oo, Director, Environment Conservation Department, MOECA, presented some preliminary concept and details of preparatory work for the 4th GMS EMM to be hosted by Myanmar. The EMM will consist of three events namely: (i) a knowledge event addressing key environmental challenges and opportunities confronting the GMS; (ii) an Environment Senior Officials' Meeting to review the final substantive and organizational arrangements for the EMM; and (iii) the 4th GMS Environment Ministers' Meeting proper. The setting up of a task force and scheduling of meetings were tabled for guidance by the WGE members. The proposed preparatory meetings include: (i) task force meeting back-to-back with WGE AM-20 in early April or mid-May 2014; (ii) a reconnaissance mission to visit the proposed venue and discuss logistical arrangements; and (iii) a task force meeting back-to-back with WGE SAM-9 in late October or early November 2014. The host suggested February 2015 for holding the 4th EMM in Nay Pyi Taw, Myanmar.

32. The countries noted the proposed dates and will seek confirmation from their ministers. Viet Nam suggested that the theme for the knowledge event can draw from the several assessments being undertaken by EOC (e.g. assessment on natural capital).

Session 5: Closing Session

33. At the closing session, the Chair read the WGE SAM-8 resolution endorsed by the WGE (see Appendix 18). A clarification on paragraph three of the resolution was raised by Dr. Green who asked whether the regional consultation workshop(s) to further refine the work plan for regional activities would be carried out at the regional level and/or tied with country-specific activities. The Chair explained the need for countries to convene in order to scope the regional activities together and agree on country involvement. The key point is to organize additional consultations, be it jointly and/or tied to country activities wherever appropriate.

34. The Co-chair gave a brief recap of the main agreements and highlights of the day; thanked MONRE and EOC staff for the arrangements; countries for the efforts and progress; and cofinancing partners for their useful feedback and guidance. He reiterated EOC's commitment to work closely with Myanmar in ensuring smooth arrangements for the next WGE meetings as well as the 4th EMM.

35. The Chair expressed her appreciation to the participants for their active participation and declared the meeting closed. The session was immediately followed by a dinner reception.

Appendices

All appendices are hyperlinked, click on the title to access.

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Appendix 2: [Agenda – 8th Semi-Annual Meeting of the Working Group on Environment](#)

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Appendix 9: [Country Highlights: Cambodia](#)

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