

## **Greater Mekong Subregion**

### **19<sup>th</sup> Annual Meeting of the Working Group on Environment**

**3 April 2013, Xiengkhouang, Lao PDR**

#### **Summary of Proceedings**

1. The Nineteenth Meeting of the Working Group on Environment (WGE AM-19) was held in Xiengkhouang, Lao PDR. The meeting was held in parallel to the Working Group on Agriculture's 10<sup>th</sup> Annual Meeting, and was preceded by a joint knowledge event on 2 April and a joint field trip on 4 April. WGE AM-19 was organized by Lao PDR's Ministry of Natural Resources and Environment (MoNRE) and the GMS Environment Operations Center (EOC). The aim of the WGE meeting was to report on Core Environment Program implementation progress made in 2012, highlight major program activities, and discuss priorities for regional environmental collaboration.
2. Thirty-three government delegates attended from the six GMS countries, including 22 environment ministry participants and 11 participants from other ministries such as energy, transport and tourism. Also in attendance were representatives from the Asian Development Bank (ADB), EOC, and CEP-BCI partners, including from both co-financing partners, the governments of Finland and Sweden. WGE members from each country chaired sessions during the meeting.
3. The agenda, list of participants, presentations, the WGE resolution and other key documentation from the meeting is available on the EOC website: [www.gms-eoc.org](http://www.gms-eoc.org)

#### **Session I: Progress Highlights and 2013 Priorities**

4. Mr. Sounadeth Soukchaleun, Ministry of Natural Resources and Environment, Lao PDR, welcomed participants and introduced the meeting agenda, which consisted of four sessions: Session 1: Progress Highlights and 2013 Priorities, Session 2: Showcase of Key Program Activities, Session 3: Country Priorities for Regional Cooperation on Environment, and Session 4: Closing.
5. Mr. Sumit Pokhrel, EOC, began Session 1 with an overview of CEP-BCI's 2012 progress and priority activities for 2013. Mr. Pokhrel indicated that 2012 was the transition year for the program with most emphasis on wrapping up Phase I commitments and planning for Phase II

implementation. He added that despite challenges present during the transition year, significant progress was made, including:

- Secured Phase II funding from the governments of Finland and Sweden as well as preliminary approval for financial support from the Nordic Development Fund.
- Preparation of a proposal for the Global Environmental Facility to co-finance Phase II.
- Established partnerships with different agencies to leverage financing to fill investment gaps in the broader landscape.
- Engaged in ADB's GMS Regional Investment Framework development process, enabling potential influence over a portfolio of projects estimated at a total value of 9 billion dollars.
- Initiated safeguards work in Myanmar.
- Strengthened and detailed Phase II program design, including incorporating a results-based management approach, including four component strategies which detail out major activities, milestones and monitoring indicators.
- Successfully organized a major international conference 'GMS 2020' which looked at energy, food and water security in the GMS and has helped inform CEP-BCI Phase II planning.
- Produced the *GMS Atlas of the Environment*, 2<sup>nd</sup> Edition, which is the flagship knowledge product of CEP-BCI.
- Adjustments made in administrative and financial arrangements to optimize Phase II implementation.

Mr. Pokhrel ended the presentation with an overview of the four component strategies, the EOC staffing situation, and 2013 work priorities under each component.

6. Mr. Sompongse Somsookh, EOC, then provided a finance update as of 31 December 2012. The presentation focused on funding committed by donors, a summary of 2012 disbursements and planned 2013 disbursements.

7. Mr. Sanath Ranawana, ADB, presented on program implementation procedures, focusing on the new administrative arrangements as stipulated by ADB for Phase II. He highlighted the following points:

- The program is considered as a grant investment project by ADB.
- EOC is treated as a Technical Assistance implementing agency, under supervision of ADB's Southeast Asia Regional Department.
- EOC operates as an advance payment facility and must submit statements of expenses to ADB headquarters. There will be an annual audit and the audit reports will be circulated to donors.
- Letters of Agreements, which were a major contracting modality for engaging national partners under Phase I, will be used only when entities cannot be engaged through any other form of contractual arrangement.
- The selected method of engaging partners should be specified in annual procurement plans and cleared internally by ADB.

- EOC is responsible for all disbursements related to Technical Assistance activities and is responsible for fiduciary controls.

8. Ms. Naeeda Crishna-Morgado, EOC, then presented the new CEP-BCI Results Monitoring Framework. She explained this framework is necessary to complement and operationalize the original Phase II Technical Assistance Design Monitoring Framework. The new framework will enable EOC to track progress with CEP-BCI implementation, collect evidence of success and areas to improve, and ensure more informed decision-making and prioritization.

9. Following the presentations, WGE representatives and co-financing partners were provided the opportunity to ask questions and make comments. Thailand commented on their experience implementing Nationally Appropriate Mitigation Actions (NAMA) in Thailand. Viet Nam emphasized the need for CEP-BCI to prioritize the economic valuation of natural capital; capacity building for regional mapping, policy development, and safeguards; and also the need to mobilize more resources for climate change activities.

10. Lao PDR requested further clarification on the 2013 priorities presented and requested further capacity building on how to monitor progress of program work done by the country's line agencies. Finland appreciated the great steps made in seeking partnerships and exchange of experience, for instance how Lao PDR experience on safeguards is being used to inform Myanmar. The representative also raised questions concerning administration and finance, particularly on 2013 disbursement targets.

11. Cambodia expressed its appreciation to the EOC and suggested another round of consultation is needed for planning country activities and should involve key sector agencies such as energy and transport. The representative also pointed out that the national election is approaching in Cambodia, and CEP-BCI should use that transition period to focus on setting up the National Support Unit (NSU). He overviewed the current status of the establishment of a legal working group for setting up a NSU in Cambodia.

12. PRC appreciated the efforts made by EOC and thanked ADB and donors for their support. Concerning the NSU setup, PRC said it wants to be more involved with implementation in Yunnan and Guangxi and also that it needs to be more informed regarding consultant assignments and engagement. PRC also emphasized the need to use program funds more on activities rather than consultants. Myanmar appreciated EOC support on safeguards and said that it was determined to increase Environmental Impact Assessment capacity in the country.

13. Thailand expressed its appreciation to ADB and donor partners for their contribution and said the CEP-BCI Phase II work-plan complemented Thailand's 11<sup>th</sup> National Social and Economic Development Plan 2012–2016. Thailand also appreciated technical assistance for developing the country's REDD-readiness proposal, and said that biodiversity conservation corridor work had helped the country reduce conflicts with communities in the protected area

buffer zones and they were looking to scale up the concept throughout the country. Suggestions were made on transboundary conservation cooperation with Myanmar and Cambodia.

14. The representative from Sweden, Ms. Ulrika Akesson, raised questions on how the program aims to strengthen the capacity of the countries in monitoring and evaluation during 2013, how it will work on climate change since it is a relatively new area for the program, and how to select activities to be done through regional programming.

15. Finland and Sweden then delivered a development partner joint statement. Both countries strongly commended the initiative of bringing together the two working groups on Agriculture and Environment as well as development partners. They emphasized the need to expand cooperation between the two working groups with the GMS energy sector. The partners recognized 2012 was a year of inclusive and successful planning for CEP-BCI and urged that actions and activities with concrete results to henceforth be accelerated so that the intended programmatic objectives can be met. The partners considered the following key points critical to the success of the program: (i) country level commitment and ownership; (ii) staffing; (iii) partnerships and cross-sector coordination; (iv) poverty dimensions, gender equality and rights; (v) information dissemination and awareness raising; (vi) knowledge products; (vii) new funds; (viii) and reporting on results and risks.

16. To stimulate discussion, leading questions were presented for the WGE members. Questions and proposals focused on: (i) the longer term strategic directions for CEP-BCI including the roles of EOC, NSUs, and the WGE; (ii) encouraging the need for a systematic engagement plan for partnerships (including the private sector) and cross-sector coordination at both the country and regional levels; (iii) establish the need from countries for improving communications and dissemination of CEP/GMS knowledge products; and (iv) clarity over how poverty, human rights and gender aspects will be addressed in Phase II. The statement ended with a request for a written management response to be submitted within one month of the meeting and for this to become standard practice at subsequent WGE meetings.

17. Lao PDR appreciated the support from Sweden and Finland, and recommended the increase of knowledge and skills transfer from EOC to build national capacity. Viet Nam commented on the important role of NSUs in facilitating partner coordination due to their understanding of the local context and also in facilitating national level capacity building. Viet Nam also mentioned there is a need to strengthen communication and dissemination, which is currently emphasized at the regional level.

18. Mr. Ranawana responded to the above questions and comments by referring to the next presentations on ADB's Regional Investment Framework and capacity development. He thanked the co-financing partners for their appreciation of the planning work done for Phase II and acknowledged the clear message that the program needs to move from planning to concrete actions on the ground. In response to concerns raised by Finland and Sweden on poverty, gender and human rights in CEP-BCI, Mr. Ranawana said that EOC planned to apply a

gender filter at the conceptual stage of all activities and that a social and gender specialist was currently being recruited to assist in this regard.

19. Mr. Sumit Pokhrel, EOC, added the program had allocated budget and human resource to conduct several rounds of consultations with countries on NSU development and activities had been identified and outlined in Letter of Agreements. In terms of implementation of the broader program, Mr. Pokhrel highlighted that to ensure efficiency, detailed concept papers were required before developing activities and that 90% of planned activities now have these as well as a procurement plan for 2013. Given this basis, Mr. Pokhrel said he was confident that the program was ready to move forward and achieve the 2013 disbursement targets.

20. The session ended with remarks from Lao PDR and Thailand on the significance of private sector engagement, the sharing of Thailand's experience in private sector engagement with Lao PDR, as well as welcoming Sida and Finland assistance in how to engage more with the private sector.

## **Session II: Showcase of Key Program Activities**

21. The session begun with three presentations on activities initiated in 2012 and was followed by a moderated panel discussion. The first presentation was delivered by Ms. Lu Yiqing, Ministry of Environmental Protection, PRC, on the topic of landscape assessments, ecosystem services and biodiversity. It focused on biodiversity management in Guangxi province, and introduced the Guangxi Biodiversity Strategy and Action Plan (2011–2030) as well as planned biodiversity corridor work in Guangxi under CEP-BCI Phase II.

22. In the next presentation Mr. Tran Anh Duong, Ministry of Transport, Viet Nam introduced the 'green freight' initiative which started in 2013 under CEP-BCI's climate change component. He overviewed the importance of the initiative, planned pilot projects and the expected outcomes, including increased collaboration between transport and environment ministries.

23. Ms. Pham Thi Khanh Van and Ms. Teresita Cruz-del Rosario, both EOC, jointly delivered the third presentation on the institutional capacity needs assessment exercise which began in January 2013. They stated that the objective of the assessment is ultimately to strengthen environmental planning and decision-making in the GMS through the implementation of CEP-BCI and with particular emphasis on the WGE and NSUs. They also presented on the assessment methodology, timeframes and the intended output of capacity building strategies developed for each country.

24. In the moderated panel discussion that followed the presentations, questions were raised on capacity building and how NSUs be integrated into the components of the program. The response from EOC was that the capacity development strategy is considered as a means to strengthen what is already in place. Capacity develop was looking into medium and long-term, which was the direction where the NSUs were heading toward. The longer-term vision for

EOC aimed to evolve into a network of environmental centers of expertise based in the GMS countries, where countries can contribute their expertise to each other.

25. PRC suggested NSUs should be developed as national knowledge hubs to disseminate program results to a wider range of stakeholders. Viet Nam, Cambodia, and Thailand echoed the need to build national capacity and suggested approaches such as conducting a joint capacity building program with other donors on networking, and requested EOC to facilitate this including accessing additional funds for capacity building in the countries.

### **Session III: Country priorities for regional cooperation on environment**

26. The aim of this session was to give GMS countries the opportunity to discuss directions for future environmental cooperation. The session included presentations on the development of the GMS Regional Investment Framework (RIF) and opportunities for GMS countries stemming from the PRC Poverty Reduction Fund. Partner organizations were given an opportunity to introduce their programs, after which a discussion on priorities for future cooperation followed. The session ended with a closed-door session for WGE representatives.

27. Mr. Ranawana began with an overview of the RIF development program and oriented the WGE on the role CEP-BCI has had so far in shaping the RIF. Mr. Ranawana also introduced potential environmental investments to be included in the investment pipeline.

28. Ms. Li Xia-China, Ministry of Environmental Protection, PRC, presented on PRC's Poverty Reduction Fund and how it can support green development in the GMS, including linkages with the RIF. This was followed by a presentation from Mr. Eric Benedict about the Stockholm Environment Institute's work on agriculture and environment in Asia.

29. The impact of RIF on regional-level planning was the main focus of the panel discussion which followed the presentations. Mr. Ranawana commented that projects in the pipeline needed to go through national standard procedures and that EOC has played a crucial role in regional-impact screening by providing analytical support on baseline mapping and flagging potential environmental issues. Mr. Javed Mir, ADB, commented that any proposed project is required to meet certain technical and financial viability and safeguard standards of ADB or individual countries. He pointed out for instance, that hydropower development projects should consider transboundary impacts and impacts on biodiversity loss.

30. Commenting on the proposed support to the CEP-BCI from the PRC Poverty Reduction Fund, Mr. Ranawana suggested that this could be an opportunity to engage with PRC's private sector operating in the region and promote the adoption of good corporate social responsibility practices.

31. The session ended with the WGE closed door meeting (no minutes).

## **Session IV: Closing**

32. Myanmar reported on the closed session and read out the WGE resolution. In the resolution, GMS countries said they valued the collaboration with the WGA through the joint knowledge event and encouraged EOC to identify and initiate collaborative activities in consultation with the WGA secretariat. The resolution also recognized the importance of proactively engaging in the RIF, and supported the proposal of holding a knowledge event in the as part of the 4<sup>th</sup> GMS Environment Ministers Meeting in 2014. The countries thanked the Governments of Finland and Sweden as well as ADB for their ongoing support and also the Nordic Development Fund as a new donor. The resolution encouraged ADB to complete the recruitment process for CEP-BCI's Technical Program Head and to execute all processes required to fill key NSU staff positions without further delay. The resolution ended with thanks to Lao PDR for hosting the WGE meeting and EOC for their role in organizing it.

33. Lao PDR then gave a brief summary of the meeting outcomes, noting that 2012 was a transitional year and that many achievements had been made. The need to operationalize NSUs and speed up program implementation were the two main major priorities identified for 2013.

34. Dates for the 8<sup>th</sup> WGE Semi-Annual Meeting were discussed and tentatively set during the third week of October 2013. The meeting will be held in Lao PDR although the exact venue will be determined closer to the time.

35. Mr. Javed Mir provided closing remarks and he began by thanking participants for their productive engagement during the meeting. Mr. Mir noted three key operational priorities for the program. These included (i) results-focused implementation and reporting, (ii) increased ownership by GMS countries, (iii) and accelerated implementation by ensuring core capacity is soon in place for both EOC and NSU levels.

With that, the meeting closed.