

GMS Working Group on Environment 9th Semi-Annual Meeting

11-13 November 2014, Bagan, Myanmar

Summary of Proceedings

Introduction

1. The 9th Semi-Annual Meeting of the Working Group on Environment (WGE SAM-9) was chaired by Dr San Oo, Director, Environmental Conservation Department, Ministry of Environmental Conservation and Forestry (MOECAF), 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 GMS Environment Operations Center (EOC) consultants. The list of participants is in Appendix 1.

2. The objectives of WGE SAM-9 were to: (i) review the current status of the Core Environment Program (CEP) implementation (ii) review next steps for the Regional Investment Framework (RIF) Implementation Plan; and (iii) gain endorsement of the program's 2015 work plan, including preparations for the 4th GMS Environment Ministers' Meeting (EMM4). The program is attached as Appendix 2.

Opening Session

3. Dr. San Oo provided opening remarks on behalf of the host Government, welcoming participants and emphasizing the importance of natural capital investments for mainstreaming environment in GMS economic cooperation (Appendix 3).

4. Mr. Javed Mir provided opening remarks on behalf of the Asian Development Bank. Mr Mir highlighted some key CEP achievements during 2014 and stressed the importance of the meeting not only to take stock of CEP progress but also to consider the 2015 work-plan within the wider context of the forthcoming EMM4 (Appendix 4).

5. Country heads of delegation made brief opening statements, followed by a recap of key messages from the Day 1 Technical Workshop on Strengthening Partnerships for Investing in Natural Capital (Appendix 5).

Session 1: Reporting on the Current Status of Program Implementation and the Work Plan for 2015

Overall CEP Highlights and Finance Report, January–June 2014

6. Dr. Michael Green, EOC Technical Program Head, presented on the implementation status of CEP for January–June 2014. The presentation included progress towards annual milestones in

the CEP Design and Monitoring Framework, as well as achievements including partnership strengthening, capacity building, and policy and institutional outcomes. A brief financial overview was covered, as were challenges such as complex procurements. Dr. Green finished with upcoming CEP priorities, including EMM4, developing an institutional vision for EOC, the CEP Midterm Review, and actions to strengthen CEP National Support Units. Refer to Appendix 6 for the presentation.

Country Highlights

7. Mr. Sao Sopheap, Cambodia, began by presenting major 2014 outcomes which include the signed Letter of Agreement (LOA) with ADB and the establishment of National Support Unit (NSU). He also highlighted progress with CEP regional activities in Cambodia relating to green freight, climate risk financing, situational analysis of green value chains, and key policy knowledge events. He also presented key challenges and planned activities for 2015, the latter including the development of the national strategy and action plan for safeguards strengthening and the formulation of a National Environmental Strategy and Action Plan. Refer to Appendix 7 for the presentation.

8. Mr. Wang Yong, PRC, overviewed major CEP achievements, which included three LOAs signed and National and Provincial Support Units staffed. In addition, he highlighted that implementation of biodiversity conservation corridor activities under Phase II had begun in both Yunnan and Guangxi. These included field surveys of species and vegetation, an assessment of Village Development Funds, and workshops and dialogues with environment officials from Lao PDR, Viet Nam, and Myanmar on transboundary biodiversity collaboration. In terms of challenges, Mr Yong mentioned the time required to develop a legal mandate for corridors may exceed the duration of CEP, and that mainstreaming CEP activities with those of other development partners needs strengthening. Priorities for 2015 were also mentioned. Refer to Appendix 8 for the full presentation.

9. Mr. Sounadeth Soukchaleun, Lao PDR, highlighted key achievements including the establishment of a technical committee to guide the NSU, completion of a capacity needs assessment for the Pollution Control Department, and provincial level pollution monitoring training and database development. Institutional and technical capacity limitations were cited as the main issue facing CEP implementation. Priorities for 2015 were also mentioned. Refer to Appendix 9 for the full presentation.

10. Dr. San Oo, Myanmar, presented key achievements, including progress with safeguards support. This included the near finalization of environment impact assessment procedures and technical guidelines, environmental quality guidelines, as well as the preparation of a safeguard capacity building technical assistance. Dr. Oo also highlighted the initiation of ecotourism support activities, and well-advanced work to develop a Myanmar Environmental Information Portal. Dr. Oo cited institutional capacity and coordination issues as the major challenge facing CEP implementation. Priorities for 2015 were also mentioned. Refer to Appendix 10 for the full presentation.

11. Dr. Rungapar Pattanavibool, Thailand, overviewed CEP highlights including the signing of an LOA with ADB for CEP support for establishing biodiversity conservation corridors in the Eastern Forest Complex. Other highlights included country engagement in regional capacity building initiatives, and progress with climate change activities, including the Green Freight Initiative. Dr. Pattanavibool cited the time taken for procurement as a CEP challenge and wrapped up by introducing priorities for 2015. Refer to Appendix 11 for the full presentation.

12. Mr. Hoang Viet Khang, Viet Nam, overviewed CEP highlight, which included capacity building and technical support for strategic environment assessments (SEA) relating to national

power development planning as well as socioeconomic development planning. Progress with transboundary landscape management in Cao Bang and Guangxi, the Green Freight Initiative, and climate risk financing assessments, were also mentioned. Two important CEP supported knowledge exchange events held in Viet Nam were acknowledged, one on natural capital and the other on Viet Nam's experience with Payments for Forest Environmental Services (PFES). Mr. Khang ended with some lessons learned and priorities for 2015. Refer to Appendix 12 for the full presentation.

Discussion

13. Cambodia enquired about Viet Nam's experience with PFES, Viet Nam responded with a brief overview of how PFES is set-up in the country, including the support from CEP for a monitoring mechanism.

14. Discussions then broadened out to topics including how regional cooperation supports country activities, examples of the sustainability of CEP activities, and the importance of cross-sector coordination. Some examples of regional cooperation informing national activities given were safeguards support in Myanmar, which had involved inputs from Lao PDR's safeguards experience (and international expertise) and also regional interest in Viet Nam's SEA experience for energy planning as well its implementation of PFES.

15. An example of sustainability of CEP activities was provided by Thailand where the biodiversity conservation corridor pilot work in Tenasserim led not only to CEP support in the Eastern Forest Complex, but also provided a model for non-CEP projects elsewhere in the country, including Thailand Government-funded initiatives. On the challenge of cross-sector coordination, Myanmar agreed it was a big issue for the country, although slowly improving. The example of Viet Nam's cross-sector NSU Steering Committee was cited as an effective coordination mechanism in the subregion. It was also pointed out that coordination was not only a challenge for countries, but also between development partners.

Component Presentations

16. Mr. Iain Watson, EOC, summarized 2014 progress under Component 1: Environmental Planning, Safeguards and Monitoring. Highlights included:

- raised regional awareness on natural capital;
- built capacity on impact valuation for an SEA of Viet Nam's revised power development plan;
- provided environment inputs into ADB's Myanmar Country Partnership Strategy;
- supported capacity building for the Pollution Control Department and provincial pollution modeling;
- developed new and updated statistics and maps for CEP's online knowledge hub;
- supported Myanmar to develop a national online environmental information system;
- strengthened safeguards in Myanmar and Cambodia.

17. Mr. Teo Dang Do, EOC, summarized 2014 progress under Component 2: Biodiversity Landscapes and Livelihoods. Highlights included:

- provided policy, planning and investment support for transboundary biodiversity landscapes (TBLs);
- enhanced regional collaboration and management in TBLs;
- supported community-based conservation and livelihoods development; and
- strengthened partnership between CEP activities and other projects, including the Biodiversity Conservation Corridors project.

18. Ms. Ornsaran Manuamorn, EOC, summarized 2014 progress under Component 3: Climate Change. Highlights included:

- climate investments catalyzed under the RIF and Clean Technology Fund;
- capacity building and training reaching over 185 practitioners;
- climate change publication produced and Mekong climate data hosted online; and
- regional dialogue and partnerships on adaptation strengthened through CEP-led climate change roundtable meeting series.

19. Mr. Duncan McLeod, EOC, summarized 2014 progress for Component 4: Institutions and Financing. Highlights included:

- enhanced regional learning, knowledge exchange, and partnerships with 51 capacity building events reaching 2000+ stakeholders;
- increased demand for CEP knowledge hub services (33% increase in website visitor sessions compared to 2013);
- country capacity increased for smoother CEP delivery; and
- an additional \$1.5 million co-financing secured.

Refer to Appendix 13 for the presentation on the four CEP components.

Statement by Donor Partners

20. Mr. Daniel Klasander, Government of Sweden, and Mr. Antti Inkinen, Government of Finland, issued a Joint Development Partner's Statement on behalf of their two countries, as well as the Nordic Development Fund. Eight key points regarding CEP were raised:

- the need for increased efficiency and sustainability;
- the importance of the upcoming Midterm Review;
- the importance of CEP leverage;
- the relationship between environment and human rights;
- the positive progress made with engaging business;
- the need to address audit procedures;
- their support for EMM4; and
- the importance of the 5th GMS Summit for CEP messages.

Development partners requested that a management response on the above points be provided within one month. Refer to Appendix 14 for the full statement.

Discussion

21. A representative from Cambodia commented that country ownership of CEP is essential for its sustainability and that this can be ensured by engaging countries in activity conceptualization and aligning activities to country priorities. Since countries now have LOAs and NSUs, Cambodia added that CEP is now better placed to implement the program and strengthen linkages with development partners in country.

22. PRC concurred with the sustainability comments made by Cambodia, and added the importance of close cooperation with other line agencies and state bodies, particularly for policy influence. PRC mentioned that direct cooperation between the countries was very important and that regional cooperation in this regard had become easier in recent years. PRC noted that CEP regional activities were slow to be implemented due to the challenge of procuring firms capable of undertaken activities in multiple countries and that bilateral activities may be a better approach.

23. Lao PDR suggested raising further awareness among decision makers of CEP implementation would be beneficial, as would the sharing of activity results with line agencies and between central and local authorities. Lao PDR agreed with PRC's suggestion on more bilateral activity cooperation.

24. On sustainability of CEP outcomes, Myanmar suggested that activities need to be clearly linked with existing and newly developed national and subnational strategies and action plans. Myanmar raised an example that the Forest Department are not very well informed about the new CEP ecotourism activity, and suggested that this would be avoided if the GMS coordinating body was more informed and effective.

25. Concerning sustainability of outcomes, Thailand shared some lessons from its experience with international cooperation in regard to implementing regional and subregional activities, including building cooperation across various forums e.g. ASEAN Biodiversity Program.

26. Viet Nam highlighted the need to leverage CEP results with other programs, for instance, through PFES work where CEP funding leverages government funds. Viet Nam also commented that for sustainability of outcome in the long term an initiative should have legal binding.

27. ADB responded on some of the comments. This included a clarification that WGE is part of the overall GMS process which ADB is committed to support through 2020. Also that the CEP Midterm Review should look at whether CEP programming is too ambitious and whether some activities should be scaled back. Regarding sustainability, it was mentioned that 90% of ADB project completion reports look at various elements of sustainability. On audit procedures, ADB gave a reminder that audit requirements for CEP were initially only part of the agreement with Finland. Subsequently, all financing partners requested an audit of the entire financing arrangement but as this differs from the existing Finland requirement then a revised co-financing agreement would be necessary.

Session 2: Other Matters for Updates

Preparations for the 4th GMS Environment Ministers' Meeting

28. Due to time constraints this item was only briefly addressed. Dr. Michael Green summarized the action points from the EMM4 3rd Task Force Meeting (held the previous day), which included revisions to the draft Joint Ministerial Statement and Natural Capital Partnership concept note, as well as dates for the next EMM4 4th Task Force Meeting.

Refer to Appendix 15 for the presentation on EMM4 preparations.

Institutional Development of EOC and an Environment Operations Network

29. This item was deferred to the Closed Session for WGE, ADB, and co-financing partners.

Session 3: Next Steps for the GMS Regional Investment Framework Implementation Plan

30. Mr. Ranawana presented on the GMS Regional Investment Framework (RIF) Implementation Plan, beginning with an overview of spatial and prioritization processes for the RIF

investment pipeline. He then overviewed the RIF Implementation Plan, including its objectives, criteria for prioritization of investments, environment aspects, priority technical assistance, monitoring and evaluation, and next steps.

Refer to Appendix 16 for the full presentation.

Discussion

31. A clarification was sought on the extent of ADB funding of RIF pipeline projects. ADB clarified that approximately 20% of total projects are funded by ADB and that other projects will be funded by other bilateral partners, while some projects do not yet have funding sources clarified. Further, ADB pointed out that project design has not yet occurred for most projects. In response, Viet Nam stressed the need to seek co-financing with other donors to ensure implementation of the RIF Implementation Plan.

32. Viet Nam pointed out that high priority projects in the RIF Implementation Plan need to be included in national plans, citing that in Viet Nam's case, they will not be able to implement a RIF project if not specified in the national plan. CEP co-financing partners said they were pleased to hear that countries acknowledged the need to include the RIF projects in their national plans as that will ensure that country priorities are taken into account.

33. Clarification was sought about environmental screening of the RIF projects as well as proposed mitigation measures, and extent of synergies between environment and other sectors. In response, ADB gave the example of energy projects which undergo an environmental sustainability assessment. With regards to other sectors, the role of EOC and CEP is to work with relevant ministries to generate understanding the risks and ensure environmental screening of the RIF projects. While there are other processes at the project level, there is a need to ensure that there are mitigation measures to minimize negative externalities. As such, strengthened and improved safeguards should be in place.

Closed Session for WGE Representatives and Co-financing Partners

No minutes available.

Closing Session

34. During the closing session, the Chair read the WGE SAM-9 resolution endorsed by the WGE (see Appendix 17). The Co-chair gave a brief recap of the main agreements and highlights of the day; thanked MOECA and EOC staff for the organizational arrangements; countries for their 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 upcoming EMM4. The Chair expressed his appreciation to the participants for their active participation and declared the meeting closed.

Appendices

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

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Appendix 2: [Agenda – 9th Semi-Annual Meeting of the Working Group on Environment](#)

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