

## **GMS Working Group on Environment 10<sup>th</sup> Semi-Annual Meeting**

**11 November 2015  
Chiang Mai, Thailand**

### **Summary of Proceedings**

#### **Introduction**

1. The 10<sup>th</sup> Semi-Annual Meeting of the Greater Mekong Subregion (GMS) Working Group on Environment (WGE-SAM10) was held on 11 November 2015 in Chiang Mai, Thailand. The meeting was chaired by Dr. Rungnapar Pattanavibool, Director, Office of International Cooperation on Natural Resources and Environment, Ministry of Natural Resources and Environment, Thailand; and co-chaired by Mr. Pavit Ramachandran, Senior Environment Specialist, Asian Development Bank (ADB) and Project Officer for the Core Environment Program (CEP). The meeting was attended by representatives from the environment and other relevant ministries of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam; the GMS National Secretariats; co-financing partner; ADB and GMS Environment Operations Center (EOC) staff. The list of participants is in [Appendix 1](#).

2. The meeting: (i) reported on progress in implementing the Core Environment Program in the first half of the year; (ii) updated on the status of implementation of the Midterm Review (MTR) recommendations and actions and presented the proposed Work Plan for 2016; (iii) reviewed progress with the institutional design and transition options for CEP and EOC, and identified preliminary financing needs and financing options; and (iv) updated on the outcomes of the 20<sup>th</sup> GMS Ministerial Conference and discussed next steps for CEP's engagement in the GMS Regional Investment Framework (RIF). The full program is provided in [Appendix 2](#).

#### **Opening Session**

3. Dr. Rungnapar Pattanavibool provided opening remarks on behalf of the host Government. After welcoming all participants and thanking the ADB and EOC for their support, she overviewed the meeting agenda. Mr. Pavit Ramachandran then gave opening remarks on behalf of the ADB. He highlighted the important juncture that the GMS Core Environment Program is at in terms of implementation and that the program had successfully dealt with many of the challenges by acting on the MTR recommendations. He also highlighted the importance of current efforts to map out future institutional arrangements. Heads of country delegations followed with brief remarks.

#### **Session 1: Reporting on the Current Status of Program Implementation and the 2016 Work Plan**

4. Mr. Sumit Pokhrel, EOC, presented on overall CEP progress during 2015. These included the program's contributions to policy, planning, and institutional outcomes; capacity building; knowledge generation and exchange, and on the ground pilot work such as the Green Freight Initiative and integrated conservation and livelihoods work. Regional achievements were highlighted, including two bilateral Memoranda of Understanding (MOU) signed for biodiversity

conservation collaboration, and the regional commitment secured through the 4<sup>th</sup> GMS Environment Ministers' Meeting (EMM4) for increasing investments in natural capital. He also explained adjustments made to the CEP work plan following the MTR and how these will contribute to more efficient delivery of the program. His presentation is provided in [Appendix 3](#).

5. Mr. Khieu Borin presented on Cambodia country highlights, including initiation of CEP support to the development of a National Environmental Strategy and Action Plan (NESAP), and an action plan for strengthening the country's environment safeguards system. He then overviewed upcoming work priorities, among them the development of an online national environment portal and the piloting of the Industrial Pollution Projection System (IPPS). Mr. Borin completed his presentation with some challenges and issues. One of these was the need for urgent institutional capacity strengthening for the Ministry of Environment following recent restructuring and also for the newly established National Council for Sustainable Development. A copy of the presentation is provided in [Appendix 4](#).

6. Ms. Xiao Suili presented on PRC's progress, focusing largely on biodiversity conservation activities in Yunnan and Guangxi, including transboundary collaboration mechanisms with neighboring countries. She provided an overview of integrated conservation and development activities supported by CEP in Deqin, Xishuangbanna, and Cao Bang and two MOUs recently signed with Lao PDR and Viet Nam for biodiversity collaboration. A main priority identified was to scale up knowledge generation and exchange through knowledge products, information systems, and learning events. The slow disbursement of project funds was highlighted as an ongoing challenge, while the One Belt One Road initiative was cited as an opportunity for CEP to leverage off for transboundary and cross-sector collaboration. The full presentation is attached as [Appendix 5](#).

7. Mr. Nakhalin Vorasarn presented on Lao PDR implementation progress. Key 2015 outcomes included the climate change risk financing study and resulting guidelines, the successful application of IPPS, and strategic environmental assessment (SEA) awareness raising and training for provincial authorities regarding socioeconomic development planning. Challenges mentioned included cash flow issues and technical capacity weaknesses. He also highlighted upcoming priorities, among them the production of legal documents on pollution, further SEA trainings, and the development of national pollution control standards. His presentation is provided in [Appendix 6](#).

8. Dr. San Oo presented on Myanmar country progress. Among the highlights were: support to safeguards strengthening with the finalization of environmental impact assessment technical guidelines and the leveraging of a \$1 million safeguards capacity building ADB technical assistance (TA). The launch of the online Myanmar Environment Portal and a new Ecotourism Policy and Management Strategy were also mentioned. Myanmar also successfully hosted the EMM4. In terms of priorities, further safeguard strengthening work is planned as is institutional capacity strengthening for the Environmental Conservation Department. Human resource capacity deficit for CEP implementation in Myanmar was identified as the major challenge, with the plan to lodge EOC technical support in country greatly welcomed. His presentation is provided in [Appendix 7](#).

9. Ms. Kingkan Kheawsaard presented on Thailand implementation progress. The two major areas of work highlighted were the establishment of biodiversity corridors in the Eastern Forest Complex and the implementation of the Green Freight Initiative. For the corridor work, consultants have been recruited and an inception report produced. Assessments are now underway as is the piloting of livelihood interventions. With the Green Freight Initiative, 2015 has seen the testing of fuel efficiency technologies, logistics support, and the development of an eco-driver training program. Emerging work for 2016 includes support to develop nationally

appropriate mitigation actions for the transport sector, SEA strengthening, and developing low carbon strategies for special economic zones. Challenges identified included national support unit (NSU) capacity, knowledge generation and sharing, and in country coordination. A copy of her presentation is attached as [Appendix 8](#).

10. Ms. Kim Thi Thuy Ngoc presented on Viet Nam implementation progress. These included inputs to the SEA of the revised Power Development Plan VII, and knowledge generation and sharing events, including one on sustainable development goals (SDGs). In addition, the MOU between Cao Bang and Guangxi provinces for biodiversity conservation collaboration, and an impact assessment of biodiversity corridors support under CEP were finalized. For climate change work, the ongoing Green Freight Initiative and climate risk financing study were highlighted. Other outcomes included CEP support for an emerging Natural Capital Partnership in Viet Nam, and strengthening monitoring and evaluation aspects of the country's payments for forest environmental services scheme. Harmonizing between national and regional priorities was identified as a challenge, as were financial issues and communication mechanisms, both regional and national. Key priorities identified included land use modeling support, mainstreaming environment into planning processes, operationalizing the Natural Capital Partnership and continuing implementation of the Green Freight Initiative. The presentation is provided in [Appendix 9](#).

## **Update on the Status of Implementation of the MTR Recommendations and Actions**

11. Mr. Pavit Ramachandran presented the results of stocktaking on the implementation progress of the MTR recommendations and actions. He started by highlighting the key messages of the MTR, namely:

- (i) Program needs more focus to improve delivery, enhance efficiency, and ensure successful outcomes;
- (ii) Management systems need streamlining and improvements to ensure greater accountability;
- (iii) Priority policy actions need to be catalyzed to optimize 'poverty reduction dividends';
- (iv) Gender and social inclusion could be more systematically integrated/applied across the CEP portfolio; and
- (v) Climate change activities need stronger engagement at institutional/policy levels.

12. He mentioned that while the program started as country demand-driven, the relatively adhoc clustering of numerous activities over the years has resulted in fragmentation of program focus with the risk of diluting impacts. The strong community focus within the program, which built on the biodiversity conservation corridors initiative under Phase I, was found to be sound, but needs to be reinforced by policy orientation to ensure that benefits from poverty reduction are maximized. The gender and social inclusion elements have been integrated at the activity level but call for a more systematic and strategic gender mainstreaming plan across the program. Similarly, climate change activities which receive strong country support, and which are included in the program of other development partners, need a stronger push from EOC at the strategy and policy level.

13. In response to the MTR findings, CEP Phase II identified four priority actions, namely: (i) refocusing of activities based on a geographic and sector/thematic focus to ensure stronger synergies, programmatic coherence, improved delivery, and simpler reporting; (ii) instituting systems for contract management, real time cash flow management and reporting; and work planning within prevailing budgetary parameters; (iii) identifying strategic areas, country based linkages, and projects as part of the RIF Implementation Plan; and (iv) initiating activities to put the program on longer term sustainable footing. EOC engagement with the ADB Country

Partnership Strategy (CPS) process is being enhanced with the alignment of national activities with country and subregional priorities. Also, EOC technical staffs are being deployed for on-the-ground implementation support and NSU strengthening. On the latter, the institutional and capacity development needs of the countries were considered in preparing the updated work plan.

14. A major finding of the MTR was the need to restructure the EOC management. Mr. Ramachandran reported that procurement of a consulting firm to provide program implementation service has been initiated. The consulting service recruitment notice was posted on 11 November 2015. Mobilization of the consulting firm is expected by end of the first quarter of 2016. In the interim, a Program Manager with a cross-cutting role between CEP and the Core Agriculture Support Program (CASP) will be engaged before the year ends to fill the gap on program delivery with the departure of the technical program head for CEP and to move forward the program implementation for CASP. As recommended by the MTR, EOC has redefined the responsibilities and procedures for its financial, administration, and procurement team.

15. From a program standpoint, EOC has sharpened its focus on the RIF Implementation Plan (RIF-IP) by looking at the (i) study on corridor extension and realignment; (ii) section specific corridor plans; and (iii) study on GMS special economic zones. For the RIF-IP monitoring system, EOC will help identify the indicators for natural capital links. Engagement with the Agriculture Value Chain Project has just started in Lao PDR, Cambodia, and Myanmar. It is taking a broader look at market assets and how environmental considerations can be mainstreamed. The Corridor Towns Development Project III is still at concept stage and more needs to be done. The CEP engagement with the RIF-IP would be further discussed in a later session.

16. Following the initial discussions during the June 2015 Annual Meeting, the institutional future of the CEP (and EOC) within the GMS context is being mapped out. Continuing to strengthen CEP's role as a regional information/knowledge hub and clearing house on environmental management trends was reconfirmed by the GMS countries. They all agreed on the importance of consolidating and strengthening CEP's role as a technical advisory center on areas that are already being supported, such as integrated development planning, SEA, climate change, disaster risk resilience, and transboundary biodiversity landscape (TBL) management. In particular, GMS countries voiced their need for assistance in mobilizing resources from emerging climate financing windows, developing a pipeline of viable project concepts, including support for project development, implementation, and results monitoring. It is expected that EOC will establish strategic collaboration with development partners, leading global and regional research institutions, and academe on areas of common interest. The recent collaboration with the World Resources Institute and Columbia University on the SDG agenda are expected to bring in tangible results and raise the profile of CEP. A Roadmap for the program beyond 2017 is being developed, including an array of financing options and resource mobilization strategies. A copy of Mr. Ramachandran's presentation is in [Appendix 10](#).

17. The Chair presented a brief summary of the key updates and reminded the country delegates of the need to discuss further the MTR findings, recommendations, and the actions taken thus far. She highlighted the importance of sustainable goals in particular sustainable cities. The MTR noted the country-to-country focus of the program as in the area of TBL management, but within the countries, climate change resilience is an area linked to the SDGs, which should be addressed. Dr. Nguyen Van Tai from Viet Nam pointed out the need to align the CPS with the national plans and asked how EOC can help integrate the donor programs in-country. He also raised the challenge of integrating the RIF-IP in the national plans after the program ends. He suggested that ADB resident missions should continue to support countries

integrate RIF-IP. Mr. Ramachandran responded that for ADB, there is only one business plan covering the national and regional projects. These are included in the Country Operations Business Plan. The alignment of the RIF-IP and timing of activities are done as part of programming exercise. There can be RIF-IP related meetings in-country to bring the process forward. Ms. Kim Thi Thuy Ngoc noted the focus on 2 landscapes and suggested that Central Annamites be included as a third landscape in Viet Nam. She also raised that two years may be too short for a consulting firm to manage the CEP and suggested that the program be extended for three years instead.

18. Mr. Ramachandran informed the meeting that EOC provides a more strategic approach in supporting countries, for example, where investment projects are already ongoing in the countries, EOC helps identify where ADB technical assistance can complement those. As part of refocusing and rebalancing the CEP portfolio, the updated work plan covering 2016-2017 targets 3 TBLs, i.e., (i) Sino-Karst landscape of Cao-Bang and Guangxi; (ii) Mekong Headwater triboundary landscape of Yunnan, Myanmar, and Lao PDR; and (iii) Cardamom Mountains landscape of Cambodia and Thailand. While CEP is not exiting from community level engagement, activities will be selective and more targeted to ensure value addition. Climate change activities are also being integrated in CEP landscape management activities, Cambodia's NESAP, and Lao's strategic planning training exercise. The CEP TA completion date is December 2016, co-terminus with the co-financing agreements of the Nordic Development Fund and Sida. A no-cost extension is being processed to extend the completion date to 2017 to ensure remaining activities can be brought to a smooth and proper completion.

## Financial Report

19. Mr. Sompongse Somsookh, EOC Finance and Administration Head, presented an overview of the CEP financial status (see [Appendix 11](#)). He informed the meeting that by end 2015, total funds for the TA will be about \$23.8 million, which is lower than the \$29.3 million commitment, because of the delayed remittance of the Government of Finland's second tranche and forthcoming termination of its co-financing agreement in December 2015. Expected maximum contribution from the Government of Finland is about \$8.55 million equivalent compared with the original committed amount of \$14 million. He noted that as of 9 November 2015, cumulative disbursements against the Finland funds amounted to \$2.8 million; however, this amount will increase by about \$2.5 million after the reclassification of project expenditures. He reported that the cash flow planning and process of the TA was affected by Finland's delayed remittance, particularly in 2014 when ADB picked up pace of the activities by recruiting consulting firms and individual consultants, and signing LOAs with various government entities. To ensure that targets are achieved within the TA timeframe and without violating ADB's contractual obligations, ADB made the disbursements from available cash of Sweden and Nordic Development Fund, with the intention of reallocating the charges once the Government of Finland's second tranche is received. Having received the funds, and the co-financing partners' agreement in writing, adjustments for the expenditure reallocation to reflect the appropriate cost-share among the donors for activities that have been undertaken and charges that have been recorded up to 25 September 2015 are in process. He also reported that the total undisbursed Finland financing for LOAs stand at about \$500,000 and he sought the cooperation of the NSUs to speed up the liquidation of LOA partners expenditures by submitting the required documents. The remaining \$2.7 million should be utilized by end December 2015.

20. Mr. Daniel Klasander, representing the Government of Sweden, asked (i) how the program could be brought forward given the lower TA amount of \$23.8 million compared with the original committed amount of \$29.3 million; and (ii) how EOC plans to resolve the concerns raised by at least 3 countries on the lengthy process of reimbursement for NSUs. Mr. Ramachandran responded that CEP has a more streamlined program and resources should be sufficient to deliver the revised work plan post MTR. Several measures were put in place to

ensure that the revised TA amount is sufficient such as: (i) processing the financial closure of completed contracts to realize savings; (ii) cancelling non-performing contracts; (iii) fast-tracking LOA and contract disbursements; and (iv) reprioritizing the program with some activities selectively scaled back for a more strategic focus on environmental policies. On the topic of reimbursement and/or liquidation of LOA funds by NSUs, EOC has acted on the MTR recommendation and redefined the responsibilities and procedures for its financial, administration, and procurement team. Communication between EOC and ADB has been strengthened and timely support is now made available. A member of the financial team has been tasked to travel to the countries and worked hand-in-hand with the NSU finance team starting with Viet Nam, followed by Cambodia and the three NSUs in PRC. The Chair reminded the country delegation to work together and ensure that submission deadlines are met. An EOC staff suggested that a session on financial procedures can be included in future work planning sessions.

### **Statement from Co-financing Partners**

21. Mr. Daniel Klasander on behalf of the co-financing partners delivered the Development Partners' Joint Statement (see [Appendix 12](#)). He thanked the organizers and the host country for the opportunity to discuss the progress of CEP. He noted the momentum gained by the program and the vital reform process initiated following the MTR. He highlighted four areas that development partners would want to follow up on, namely: (i) a presentation of a clear vision for the WGE and EOC; (ii) an update on the progress of the implementation of the work plan regarding sharper focus on the RIF-IP; (iii) a comprehensive plan and approach to get the CEP and NSUs embedded in the country system, including the systematic support from the ADB; and (iv) reassurance from the ADB that the full and necessary administrative and technical management of the program will be in place soonest. He ended the presentation by mentioning that the development partners would like to follow the practice of receiving a written management response to the Joint Statement within a month.

### **GMS Country Responses**

22. The GMS country delegation provided their respective country response to the co-financing partners' statement.

23. Mr. Sao Sopheap from Cambodia highlighted the positive outcomes of the EMM4 and the MTR in providing clear recommendations on reforming CEP and EOC for responding to the GMS countries' priorities. Cambodia has since made a remarkable progress in strengthening national support, ownership, and leadership for a great future of the Mekong. Cambodia is committed to participate in all discussions to come up with a clear vision for WGE and EOC, and fully supports the initiative of decentralization of planning and implementation of CEP work plan. He acknowledged the ADB and CEP support on their ongoing activities and emphasized the need to work harder together to realize the many activities within the time and available resources. He noted the development partners' constructive statement on the need for joint action to enhance the effectiveness and efficiency of the CEP activities. He called on EOC to work closely with and in support of the WGE and NSUs in the national planning process, project design, and implementation of the RIF; as well as to expand its cooperation network with other concerned regional and global institutions and organizations, especially the United Nations agencies. Cambodia also called for further financial support from development partners to CEP beyond 2016.

24. Ms. Hu Yunfang from PRC reaffirmed her country's appreciation to the ADB for organizing the MTR and to EOC for responding with quick and effective actions to promote program efficiency. PRC is prepared to join other GMS countries in making good use of MTR findings and suggestions for better implementation and development of the program. She

stated that CEP is the main and most important pillar of GMS environmental cooperation and its design and implementation should be aimed at (i) improving environmental conditions of the GMS countries, (ii) integrating environment into mainstream policy, and (iii) focusing on environmental infrastructure construction. PRC shares the view that more investments are needed for GMS environmental cooperation. Thus, funding channels need to be widened, and level of social capital participation needs to be raised under proper guidance. PRC emphasized the significance of the RIF-IP and suggested that CEP considers designing programs relating to environmental infrastructure construction such as sewage treatment and domestic waste disposal, and programs relating to cross-sectoral fields such as combining biodiversity conservation and rural poverty relief.

25. Mr. Heuan Chanphana of Lao PDR reiterated the Ministry of Natural Resources and Environment's commitment to play a central role in coordinating the various key line ministries and driving regional environmental cooperation. He raised concern on how EOC can help Lao PDR in moving the SDGs forward, as well as engaging in the RIF-IP process considering the limited time left for the implementation of CEP. He called on ADB and EOC to continue supporting the NSUs within the CEP framework. The country appreciated the management reform being taken, including the engagement of a consulting firm to manage the program by end December 2015.

26. Dr. San Oo from Myanmar expressed gratitude to the development partners, ADB, and EOC for the continuing support to Myanmar. The country is committed to cooperate in all activities to achieve the program's outcomes and results.

27. Mr. Prasert Sornsathapornkul delivered the country response from Thailand. He emphasized that concerted efforts by ADB, EOC, and the WGE under an accountable and collaborative action are needed to ensure that MTR recommendations are implemented in a timely manner. Thailand welcomes the recommendation of a clear focus on the RIF-IP process and views engaging with important development sectors, such as energy and transport, as a key to achieving sustainable and inclusive development in the GMS. The country looks forward to strong and sustained support from ADB and development partners in embedding CEP in the country systems and having a functioning environment operations network with independent coordination institution.

28. Ms. Kim Thi Thuy Ngoc on behalf of Viet Nam highlighted the need to have partnerships with other ongoing initiatives to leverage resources. She suggested that in Viet Nam, EOC should work with the Ministry of Planning and Investment on the RIF-IP as it is already coordinating with the GMS Program Secretariat. There is a need to identify the appropriate measures for EOC to support, including the activities specific to Viet Nam.

## **Session 2: Institutional Development of CEP**

29. Mr. Peter Thomas, Institutional Development Specialist, presented the preliminary institutional vision and proposed design options for the CEP's and EOC's institutional strengthening process. He first laid out the current CEP institutional structure, followed by a review of the recommendations and lessons learnt from other regional programs (such as the Coral Triangle Initiative and the Secretariat of the Pacific Regional Environment Programme), other GMS coordinating units (the Mekong Tourism Coordination Office, Regional Power Coordination Center, Mekong River Commission, and Greater Mekong Railway Association), and best practices for effective regional coordination. Based on this review, he proceeded with the conceptual framework of the key features of an ideal future CEP/EOC regional coordination organization, and the next steps to finalize the future institutional design. His full presentation is in [Appendix 13](#).

30. To complement Mr. Thomas' presentation, Mr. Joseph Lufkin, Resource Person-Financing Specialist, provided potential financing options and modalities. He highlighted that though there are many funding sources available worldwide, it is a very competitive market and funding would go to programs which demonstrate solid quality and offer good return on investment for funders and/or provide services which are in demand. CEP would need to set up new mechanisms and approaches to finding and arranging sustainable financing for environmental projects. The approach should be based on meticulous project preparation with analysis of funder interests; and improved operations and systems to enable better project monitoring and evaluation, and financial reporting to funders. He then introduced a wide array of potential funding sources which CEP can tap. He proposed to position CEP as a project preparation and implementation support facility to GMS countries, primarily focusing on assisting countries in exploring more systematically a wider range of external funding sources (e.g. grants, trust funds, taxes, fees, subscriptions, etc.) and to assist countries in successfully administering these funds and satisfy funders performance monitoring and reporting requirements. A copy of the presentation is attached as [Appendix 14](#).

31. The presentations were followed by open discussion. All WGE members agreed that CEP has a unique mandate and position to access and work with a wide range of stakeholders, and that this competitive advantage should be systematically reflected in the institutional design and leveraged to attract funding sources. Lao PDR reemphasized that careful scoping and design is particularly important to ensure country priorities are taken forward in light of strong competition for funding from other organizations (e.g. United Nations Environment Programme). Thailand and Viet Nam highlighted that the institutional structure should be thoroughly designed and agreed on first in close consultations with WGE members, as this will determine which funding options are suitable and viable, and which ones are not. PRC also pointed out that the funding base should be widened to increase sustainability of the next phase of CEP. ADB and Thailand suggested to explore and test alternative funding options on a small scale well before the end of Phase II to assess feasibility and incorporate lessons learnt early in the next phase design and to allow for a seamless transition. Cambodia and Lao PDR pointed out the limited time left in Phase II and urged ADB to accelerate the institutional and funding design, e.g. through formation of a task force.

### **Session 3: CEP's Engagement in the GMS Regional Investment Framework**

32. Mr. Vudthidech Chamnikij, National Economic and Social Development Board, Thailand, updated the meeting on the outcomes of the 20<sup>th</sup> GMS Ministerial Conference (MC) with theme on "*Taking Action for Inclusive and Sustainable Development in the GMS*", held on 9-10 September 2015 in Nay Pyi Taw, Myanmar. Guided by the 5<sup>th</sup> GMS Summit in December 2014, the 20<sup>th</sup> MC considered ways toward fulfilling the GMS Leaders' mandate to take concrete actions toward realizing inclusive and sustainable development in the GMS; and assessed the GMS's strategic role in strengthening the ASEAN Economic Community and advancing the SDGs.

33. The one deliverable endorsed by the GMS Ministers at the 20<sup>th</sup> MC is the GMS Urban Development Strategic Framework 2015-2022 which sets out a broad framework aimed at encouraging and facilitating a coordinated approach to the development of urban areas throughout the GMS. The Framework comprised three strategic pillars focusing on: (i) planning and development of key urban centers, (ii) planning and development of border areas, and (iii) capacity development in urban planning and management. It identified four crosscutting themes, namely: (i) green development and climate change resilience, (ii) disaster risk management, (iii) inclusive development, and (iv) enhancing competitiveness. The Framework



which will now be implemented will provide opportunities for collaboration between the GMS sector working groups.

34. Progress of other initiatives was noted by the GMS Ministers at the 20<sup>th</sup> MC:
- The GMS Projects Database, a web-based platform that maps and describes GMS projects approved since 1992 and projects in the RIF pipeline. The Database will provide access to government agencies and development partners to add and update information as well as links to other websites. Ongoing refinements are currently underway including expanding the Database project portfolio monitoring applications especially for the RIF-IP.
  - The Transport and Trade Facilitation (TTF) Action Program for the GMS, an integrated program of advisory support and capacity building focused on enhancing cross-border transport and trade in the subregion. The TTF Action Program comprised four core areas: (i) expanding transport and traffic rights along GMS corridors, (ii) simplifying and modernizing customs and border management, including customs transit, (iii) support for enhanced transport and logistics, and (iv) strengthening capacities of sanitary and phytosanitary agencies.
  - The GMS Tourism Marketing Strategy and Action Plan 2015-2020 sets out a concrete plan to cost-effectively promote multi-country travel, increase market awareness, and improve market linkages between the GMS countries. It serves as a building block for the new GMS Tourism Sector Strategy which is expected to be completed in 2016; subsequently, to be submitted for endorsement by the 21st GMS MC.
  - The Framework on GMS Cross-border E-commerce Cooperation Platform initiated by the PRC's Ministry of Commerce, with a view to (i) keep abreast of global cross-border e-commerce and accelerate development of GMS e-commerce commodity market, (ii) utilize e-commerce as a means to promote and facilitate cross border trade, and (iii) help micro- and small- and medium enterprises to better integrate into international markets and participate in global supply chains.
  - The First Progress Report of the RIF-IP indicated a reasonably good progress despite short period coverage since its adoption. For investment projects—57% commenced their feasibility study, 45% have identified financing, and 16% have commenced implementation; while for TA projects—50% have identified financing and 28% have commenced implementation. However, 55% of investment projects and 50% of TA projects have not yet secured financing. There is still a significant financing gap of \$26 billion for investment projects and \$48 million for TA projects. Preparation of subsequent progress report of RIF-IP will require inputs from GMS National Coordinators, GMS sector forums, working groups, and task forces.

To move forward the momentum in the GMS Program, focus will include: (i) acceleration of implementation of projects and initiatives in the RIF-IP pipeline by mainstreaming priority projects into national development plans and promoting strong cross-sector collaboration; (ii) proactively seeking support from development partners and private sector to finance RIF projects; and (iii) commitment to the development of economic corridors as the anchor to realizing inclusive and sustainable development in the GMS. The presentation is provided in [Appendix 15](#).

35. Mr. Lothar Linde, EOC, overviewed CEP's support to the RIF which commenced in 2012-2013 through the conduct of baseline mapping economic and environmental assets, suitability/risk evaluation, and identification of broader corridor sections and related investment priorities. Subsequently in 2014-2015, CEP provided initial support on sub-corridor planning and RIF-IP monitoring framework. For 2015-2018, CEP support to RIF-IP will focus on three areas: (i) further strategic prioritization and refinement, (ii) RIF-IP monitoring and performance assessment, and (iii) investment preparation and implementation. First, on further strategic prioritization and refinement, the following activities/outputs are planned: (i) study on corridor extension and realignment, specifically, for three main GMS corridors initiated nearly 20 years ago, new developments, e.g. opening of Myanmar, PRC's rapid growth, and ratification of cross-border transport agreement, review GMS corridor alignment and extension options to align better to the new development context; (ii) section-specific concept planning, including, development of spatial plans for selected sections of economic corridors; (iii) study on GMS special economic zones. Second, on RIF-IP monitoring and performance assessment, emphasis will be as follows: (i) development of 2015 monitoring system as a bi-annual, paper-based reporting template, (ii) enhancing reporting from paper-based to online/electronic reporting mechanism, (iii) implementing online system by 2016, and (iv) amending and adding value to RIF-IP monitoring with performance indicators, i.e., quantitative and qualitative indicators. Third, on investment preparation and implementation, CEP will assist project preparatory TA process by providing analytical inputs to potential target projects such as: Agribusiness Value Chain Project (analysis, climate risk insurance), Road Infrastructure Development Project in the Viet Nam Highlands (analysis), and Corridor Towns Development Project III (analysis).

36. To continue to effectively support the RIF-IP, CEP needs to undertake the following: (i) confirm RIF-IP support needs/opportunities with the GMS Secretariat; (ii) select activities that support CEP design and monitoring framework outcome and impact indicators that are compatible with future institutional vision of CEP (WGE, EOC); (iii) identify EOC staff and estimate financial resource and procurement needs; (iv) minimize costs of RIF support by leveraging results from existing CEP and CASP activities, and (v) sufficiently anchor RIF support tasks in CEP work plan and terms of reference. A copy of the presentation is in [Appendix 16](#).

## **Closing Session**

37. The WGE-SAM10 Resolution was read and adopted. A copy is attached as [Appendix 17](#).

38. The Chair announced that during the Resolution drafting, the countries decided not to establish a task force and that the WGE would take on the task of guiding the institutional strengthening process. This decision was taken on the basis that the WGE itself could fulfill this function within the mandate of its broad terms of reference. There was consensus that the task at hand is crucial and warrants the attention of high level WGE representatives. Specifics can be discussed at the Technical Workshop the following day.

39. The Viet Nam delegation confirmed their hosting of the next WGE meetings in 2016 and proposed to hold the 21<sup>st</sup> Annual Meeting of the WGE in Da Nang in June 2016; the exact date to be coordinated with the other countries.

40. The Co-Chair briefly summarized the key points of the day's discussions. He informed the meeting that ADB is following up on the MTR recommendations and actions. While priority is given to outlining the institutional strengthening process, continuous improvements on implementation procedures are underway. The Program is looking at all possible ways to further engage in the RIF process and promote cross-sector collaboration.

41. The Chair congratulated the countries for their achievements in the first half of the year and expressed her sincere appreciation for their contribution to the discussions. She encouraged the group to actively participate in the technical working session that will discuss the institutional development of CEP and EOC and some financing options in more detail, including expectations from the WGE in lieu of the proposed task force to guide the process. She thanked the co-financing partners and ADB for their continued support and EOC for organizing the meeting.

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## Appendices

All appendices are hyperlinked, click to access.

[Appendix 1: List of Participants](#)

[Appendix 2: Program of WGE-SAM10](#)

[Appendix 3: GMS CEP 2015 Progress](#)

[Appendix 4: Country Highlights in 2015: Cambodia](#)

[Appendix 5: Country Highlights in 2015: PRC](#)

[Appendix 6: Country Highlights in 2015: Lao PDR](#)

[Appendix 7: Country Highlights in 2015: Myanmar](#)

[Appendix 8: Country Highlights in 2015: Thailand](#)

[Appendix 9: Country Highlights in 2015: Viet Nam](#)

[Appendix 10: MTR Recommendations and Actions–Stocktake of Implementation Progress](#)

[Appendix 11: CEP Financial Overview](#)

[Appendix 12: Development Partners' Joint Statement](#)

[Appendix 13: Institutional Support for Environmental Cooperation in GMS](#)

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