



**10<sup>th</sup> Meeting of the GMS Working Group on Agriculture and 19<sup>th</sup> Annual Meeting of the GMS Working Group on Environment**

***Knowledge Event: Facilitating Green Pro-Poor Value Chains in the GMS***

**2 April 2013, Xiengkhouang, Lao PDR**

**Revised  
Summary of Proceedings**

**Introduction**

1. A knowledge event on “Facilitating Green Pro-Poor Value Chains in the GMS” was held on 2 April 2013 in conjunction with the 10<sup>th</sup> Meeting of the GMS Working on Agriculture (WGA-10) and the 19<sup>th</sup> Annual Meeting of the GMS Working Group on Environment (WGE-19) at Xiengkhouang, Lao PDR.
2. Funded through ADB’s Core Agriculture Support Program and Core Environment Program, the event aimed to generate discussion on the topic of green, pro-poor value chain development within the context of the agriculture and ecosystem services, and to provide an overview of the opportunities and barriers related to the development of green and inclusive value chains. It featured a keynote presentation, followed by technical presentations and panel discussions highlighting case studies from the region. A separate session was devoted to presentations of current programs and discussions to identify potential areas of collaboration between the GMS working groups on agriculture and environment (WGA and WGE).
3. Participants from the six GMS countries (Cambodia, PRC, Lao PDR, Myanmar, Thailand, and Viet Nam) and representatives from the private sector and development partners, including ADB, attended. The event was organized by the GMS Environment Operations Center, the WGA and GMS Program secretariats, and Lao PDR’s Ministry of Agriculture and Fisheries and Ministry of Natural Resources and Environment. A list of participants is in [Appendix 1](#) and a copy of the program/agenda is in [Appendix 2](#).

**Session I: Opening Session**

4. H.E. Douangchit Changxayvang, Vice Governor of Xiengkhouang Province, Lao PDR, extended his warm welcome to all participants. He noted that the knowledge event presented an opportunity to exchange ideas and experience among key stakeholders in the agriculture, natural resources and environment sectors in the GMS. This would help inform the deliberation of key development issues including increasing value and safety of agricultural products, greening agricultural production, and improving climate change resilience of agriculture. Lessons learned from the sharing of experience would be important inputs for improving integrated planning in the agriculture and environment sectors and help ensure both efficiency and sustainability for future development in the GMS. He stressed the need to promote eco-friendly agriculture and to balance the economic, social and environmental benefits of related projects. The evaluation of past achievements of both the Core Agriculture Support Program and the Core Environment Program and Biodiversity Conservation Corridors Initiative should inform the work plan of phase II of these programs. He expressed his thanks to the other neighboring countries, international

organizations, social organizations, financial institutions and internal and external experts for their assistance and support for the agriculture and environment sectors in Lao PDR and the latter's efforts to move away from least-developed country status by 2020.

5. In his Opening Remarks, Mr. Chong Chi Nai, Country Director, ADB Resident Mission in Lao PDR, noted the intricate linkage of the agriculture, natural resources and environment sectors in the GMS context, and that much of the rapid economic growth in the subregion in the last two decades had been driven by sectors that drew heavily on the subregion's rich natural resources. For example, agricultural growth, while making significant contribution to the GMS economies and rural livelihood, had also created immense pressure on the subregion's natural environment, hence the imperative to strengthen the linkages between the goals and approaches to agricultural development and environmental conservation. He elucidated this point in the particular experience of Lao PDR, where ADB was committed to support inclusive and sustainable growth through the improved management of natural resources and the environment by improving rural connectivity infrastructure, promoting climate-friendly value chain development, and improving climate resilient water resources management, among others. He highlighted the synergies of the Lao PDR Country Partnership Strategy with the Core Agriculture Support Program (CASP) and the Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI), both of which could help increase the much needed investments in agricultural productivity and natural capital in Lao PDR and the GMS at large. He encouraged the meeting to discuss a collaborative approach to arrive at pipeline investment projects to realize the visions of both the CASP and CEP-BCI and that of the GMS Economic Cooperation Program, by way of technical support to the GMS countries and knowledge management and sharing.

6. Dr. Rosa Rolle, FAO, delivered a keynote presentation on Opportunities for Green Pro-Poor Value Chain Development in the GMS which highlighted the inter-dependency of agriculture and environment and the need for the two sectors to work together. She pointed out that agriculture remained very important in the GMS countries with large populations in rural areas dependent on agriculture directly or indirectly for employment and income. The agriculture sector in the GMS faced a number of challenges including increasing demand for food due to growing populations, increasing competition for land and water resources, high food prices, poverty, rising energy prices, declining farm incomes, high levels of post-harvest losses, environmental performance impacting agriculture, and increasing vulnerability to and risks from climate change. These challenges had important implications for food security in the region. Strategies that promote a green approach to agriculture were needed including promoting a shift away from basic production modes of development based on extraction and consumption, providing means for attaining welfare improvements across society, and offering opportunities for economic growth and investment. Greening of agri-food value chains was increasingly recognized as a promising approach to addressing not only economic development, job creation and inclusive growth, but a wider range of social and environmental development issues. Greening of value chains focused on the sustainable use of natural resources, encouraged energy efficiency and green house gas emission reduction, as well as recycling and reducing the negative environmental impacts of outputs at every stage in the value chain. Green value chains required response to market demand, access to finance, support services and systems, and an enabling environment. She illustrated the organic chili value chain development in Cambodia and gave examples of FAO's initiatives to support green agri-food value chains.

7. Copies of the welcome and opening remarks and the keynote presentation are in Appendix 3.

## **Session II. Facilitating Green Pro-Poor Value Chains in the GMS**

*Chair: Mr. Xaypladeth Choulamany, WGA Lao PDR; Facilitator: Dr. Sununtar Setboonsarng, ADB*

8. This session focused on enabling conditions for green pro-poor value chain development and featured 3 panelists.

9. Panelist 1: Mr. Ganesh Thapa, IFAD, talked about Pro-Poor Value Chain Development and IFAD's work and experience in Asia and the Pacific to empower small holders in the region. In 1993, 3% of IFAD projects included value chain development component; this rose to 46% of IFAD's portfolio in 2009. From 1999-2009, there were 78 projects with value chain development, 57 of which were initiated since 2006. There are currently 21 projects in the Asia Pacific region on value chains, and these emphasize 4 critical objectives: (i) realization of high farm-gate prices; (ii) strong, inclusive farmer organizations; (iii) effective outreach to women, ethnic minorities and the poorest of the poor; and (iv) good governance. Other critical dimensions are also emphasized, including: selection of value chains/products, in-depth analysis of value chain policy issues, targeting the poor, selecting the right governance option and right partners, organizing farmers, improving chain efficiency, and addressing financing, marketing, and managerial risks. He expounded on available governance concepts and options and the broader issues that IFAD is trying to address relating to pro-poor policy and financing instruments, investments, promotion of social entrepreneurs, targeting and gender inclusive concerns, and environment dimension. By way of illustration of public-private partnership, he described the scope and challenges of coconut value chain in Ben Tre, Viet Nam, poultry value chain in Bangladesh, and organic coffee value chain in Lao PDR which IFAD had supported jointly with ADB.

10. Panelist 2: Mr. Suwanna Langnamsang, Managing Director, Lemon Farm, introduced a video presentation of her company as an example of a social enterprise focused on organic and natural food products that cater to increasingly health- and wellness-conscious consumers, and at the same time helping the community and the environment by adopting organic development approaches in the food production chain. She pointed out that cancer has become an epidemic in today's society and among the major cause are pesticides and other toxic residues in food. Noting the problem of ill health in urban area and the problem of poor farming practice and poverty in rural area, she started her social enterprise 16 years ago to address these problems and has successfully expanded into the largest organic supermarket chain in Thailand. Future development would require support for promoting consumer awareness, tax or ban on certain highly toxic pesticides, tax break for environmental products, setting up of pilot projects for various crops, addressing high logistics cost, creating more markets, and improving processing of surplus products to meet emerging demands.

11. Panelist 3: Mr. Christopher John May, IFOAM, spoke about Participatory Guarantee Systems (PGS) and Third Party Certification for Organic Products (3<sup>rd</sup> Party ICS). He noted that the regional demand for organic and eco products was growing rapidly as consumers increasingly required product guarantees as to organic, safe, eco, and fair trade practices. Given that 90% of farmers in the region were poor and marginalized small holders, PGS may be more practical than 3<sup>rd</sup> Party ICS for small holders to gain entry to new markets that were prepared to pay premium for quality. Third Party ICS small holder certification was based around producers being organized into groups, with the compliance rules provided by external agencies, and the products primarily geared for export. The cost 3<sup>rd</sup> party ICS could be expensive, but could be shared among members of a large group with a commodity of sufficient volume. Third Party organic certification bodies had been established in Thailand, China and Lao PDR. On the other hand, PGS 'certification' as a pro poor initiative had simplified the certification process by internalizing key compliance processes and focusing on domestic markets. To strengthen the overall integrity

of the PGS guarantee, it engaged key stakeholders in the certification process and allowed for different cultural norms to underpin the compliance process. Trust building between stakeholders was integral to the PGS process. PGS had wider applications as a guarantee concept for supporting pro-poor participation in green value chains, e.g., eco-tourism and handicrafts. He described 5 ways by which governments could support PGS within the regulatory framework of their countries, i.e., by (i) promoting, instead of regulating, an emerging organic market; (ii) keeping compliance with organic regulation voluntary; (iii) including exemptions in the organic regulation; (iv) adapting group certification with PGS-compatible requirements; and (v) including PGS as one of the conformity assessment systems permitted under the regulation.

#### Panel Discussion:

12. The panel and open discussions highlighted several points along the following key groups of concerns/issues:

#### Role of Government:

- In scaling up activities that are pro-poor, steps need to be taken to ensure sustainability in poverty reduction.
- Government has a big role to play in providing support to small holders in terms of organizing them into groups, providing the required logistics and infrastructure support, technical and capacity building support, institutional innovations like contract farming and promoting linkages with supermarkets/consumers, providing tax break for environment-friendly products, promoting consumer awareness, and promoting social research into enabling conditions.

#### Role of Private Sector:

- As PGS certification could help ensure fair prices for certified commodities, responsible private sector and enterprises could return or share profits with smallholders. Smallholders need to be involved in the whole PGS process, including the actual design of PGS and monitoring.
- Certain challenges in scaling up pro-poor activities and social enterprise could be addressed by increasing consumer awareness, increasing market access, improving pricing structure, and lowering logistics cost to be able to meet the needs and demands of consumers.
- Consumer/demand element is important from the private sector point of view in order to address consumer concerns.

#### Integration of Environment Concerns in Pro-poor Green Value Chain Development

- Integration of pro-poor value chain process concerns and environmental issues could be facilitated by conducting environmental impact assessment prior to project implementation. In promoting organic value chain, for example, there is a system of monitoring use of pesticides, but more needs to be done in terms of optimal monitoring of environmental impact.

#### General Concerns:

- Choosing the best governance options for least developed countries to adopt in the pro-poor value chain and increasing the capacity of the rural poor by way of sharing lessons learned are important concerns.
- Given the high price of organic products, the need for options in promoting greater access of more consumers to the organic foods market was stressed.
- Smallholders should be involved also in post-production processes, but there is need to develop their managerial skills at the local level. It is also important to support contract service providers and intermediary partners that have the technical capacity to work with farmers, and to link farmer groups and support sharing of knowledge, training, and joint problem-solving in collaboration with civil society groups.
- Farmers will generally respond to demands of markets. Prices will go down if the increase in consumer demand is balanced with production and the critical mass for access to organic foods is achieved, and incentives to organic food producers are provided.
- Investors working jointly with private sector producers could help to meet the growing demand for organic products by making producers more aware of the potential of working with smallholders.
- Large segments of the population are still poor and hungry, and government must carefully consider balancing the policy of increasing organic food production for supermarkets and rich consumers versus the need for good planning to ensure overall food security for the poor.
- From the point of view of Lemon Farm as a private organic agriculture producer, organic products are not really very expensive when viewed against other consumer items. It is important to consider what is essential for life, to ponder the question of what to feed people – quality food or poisonous food, and giving people a better alternative towards a healthy way of life.
- Government has the main responsibility of ensuring food security which can co-exist with responsible agriculture through organic value chain. There need not be a trade off for eco-agriculture by way of more environmentally sustainable agriculture and looking at the long-term sustainability of the environment (land and water resources), and changing approaches and strategies to agricultural production.

## **Session II (continuation): Facilitating green pro-poor value chains in the GMS**

*Chair: Mrs. Keobang A Keola, WGE Lao PDR; Facilitator: Mr. Sanath Ranawana, ADB*

13. This session highlighted practical cases on the application of value chain development and showcased successful business models. The presentations looked at other products and approaches to illustrate the linkage between the agriculture, environment, and tourism sectors, and also highlighted the private sector's perspective in working with producers and finding a niche in supply chain development.

14. Panelist 4: Mr. Ranjan Shrestha, SNV Lao PDR, gave a presentation on Enhancing Milled Rice Production (EMRIP) in Lao PDR, as an inclusive business model for rice value chain development by increasing productivity through sustainable partnership between rice millers and small holder farmers. The project, funded by the EC Food Facility Programme, with additional support from Helvetas and SNV (total cost of 2.3 Million Euros), was implemented from January 2010 to November 2011 by the Department of Agriculture of Lao PDR. It aimed to rapidly increase the quality and quantity of milled rice by improving farming practice and post harvest handling. Key results at the farmer level included the establishment of producer networks in over 300 villages with 21,361 small holder households; 30-50% increase in farmers' crop yields; and 60% increase in income from rice due to high yield and premium prices. At the milling level, key results

included increase in average milling capacity from 472 kg per hour to 1,100 kg per hour (+130%); increase in milled rice recovery from 57.7% to 63% (+9%); and increase in paddy purchased from mills from 12,400T to 36,523T. At the policy level, key results included streamlined rice trade procedures, reduced import tax on agriculture input, and application of EMRIP experiences in the development of the national rice strategy. Lessons learned emphasize the following: (i) Private sector is the key entry point for the sustainability of development intervention; (ii) Openness and transparency of the miller selection process is very important to the project success; (iii) Investment by EMRIP in improving milling efficiency by reducing post harvest losses and storage system has stimulated private investment by participating millers; (iv) Extension services systematically coordinated and provided by the millers to the farmer groups is one of the main factors in increasing yield and grain quality; (v) Rice miller groups could be entry point to upscale the program and stimulate peer learning.

15. Panelist 5: Mr. Martin Grijmans, RECOFTC, presented community opportunities from bamboo value chain development in Lao PDR. He noted that half of the biomass in regenerating forests consisted of bamboo. In line with Thailand and Lao PDR's cross-border agreement on renewable energy and ASEAN-level agreements on reducing haze, bamboo and other invasive species in fire prone shifting cultivation areas could be harvested for production of fuel chips for biomass co-generation in Northern Thailand. Bamboo presented a technically and financially viable business model for fuel chip production in transboundary supply chains as an alternative to rice husk, the price of which had gone up in 15 years from 500 to 2,000 Baht per dry ton. Value chain opportunities for bamboo included regional markets for resources (paper pulp, charcoal, and biomass) that were close to poor communities and could help increase employment and income opportunities. Reduction of fire prone fuel loads helped avoid fires in conservation forests and reduced carbon emissions, and better extraction methods reduced harvesting costs. However, there were a number of value chain barriers and challenges for bamboo, including high costs of raw materials from the resource to processing location, unclear land tenure and commercial rights to resources, limited business skills on the part of communities, limited access to finance for local communities to invest in equipment, and inter-country/intra-country differences in rules and procedures regarding non-tariff and biomass subsidies. Efficiency in and outside the value chain needed to be improved to be able to compete with other countries and other products; this required parallel capacity building efforts and developing a supportive business environment.

16. Panelist 6: Ms. Inpeng Samuntee, President, Pakxong-Development Export-Import Co., Ltd., gave a presentation on contract farming for the international market in 4 provinces in Lao PDR. In 2005, the governors of Champasak (Lao) and Ubonrajathani (Thailand) reached an agreement to promote vegetable trade between the two countries, marking the beginning of a contract farming program. Currently, the company has 17 trading partners and exports 18 types of vegetables, with an export value of \$17 million in 2012. As of 2013, there are 747 small producer households in the program, with total cultivated area of 59,000 ha, 32 group coordinators to purchase and collect the produce, daily cash flow of 2.9 billion kibs (\$ 0.4 million), and 987 produce collecting trucks. Operating fund is sourced from bank loan at 14% interest. Production areas are located in 5 provinces of Phu Phieng Bolaven, with 18 products in the exports list. Phase 2 of Pakxong-Development would involve production of organic and halal food for export. She described her role in supporting farmers to file paperwork for export and tax exempt filing procedures, working with government agencies involved in the value chain, and inspection procedure at the Wang Tao border-crossing point. Success factors identified include public-private partnership, and efficient company management of value chain. Challenges include limited access to low interest credit for smallholders, need to provide training and financial service support, and need to invest in cross-border transport infrastructure.

17. Panelist 7: Mr. Paul Eshoo, Wildlife Conservation Society, gave a presentation on a case study of Nam Et-Phou Louey National Protected Area (NPA) in Lao PDR as a community-based tourism model that directly links tourism and wildlife conservation. This involves the development of the Nam Nern Night Safari boat tour along a river based on tourists actually seeing wildlife. A patrol team in the area keeps out the majority of hunters, and tourists stay in bungalows near the park outpost. The tour is designed to provide incentives to villages to protect wildlife as the key attraction, with service groups sharing the work and opportunities in tourism (as guides, boatmen, cooks, camp service staff, and handicraft producers) under a contract made with each of the 14 villages, and signed by every family from each village. Money paid by tourists goes to a village development fund shared by all of the 14 villages surrounding the area, and the more wildlife tourists see, the more money goes to the fund. The fund can be reduced if a villager is caught breaking NPA regulations; he also loses the opportunity to work in tourism. Results after 3 years showed decreased number of infractions and increased revenues going to the village fund. The number of tourists visiting the area is increasing gradually. However, there are certain issues concerning availability of villagers to work when they are busy with other important tasks (since they do not receive salaries), controlling the cost of food provided by the villagers, and incentivizing wages based on visitor feedback. During the first year, there was no tour company interested to be an exclusive partner and operator but now there are more tour companies retailing and marketing the tour.

Panel Discussion:

18. The following points were highlighted during the discussions:

- There are constraints that need to be addressed to increase productivity and ensure sustainability in the supply chain. These include providing access to low-interest loans and creating enabling environment to support producers/communities (through access to technology, training, extension service support for new farming practices, reducing transport costs, adoption of new farming and post-production techniques), and providing incentives to the private sector.
- The successful ecotourism model on wildlife conservation has potential for replication in other promising and not too remote areas.

### **Session III: Potential for Joint WGE-WGA collaboration**

*Chair: Javed Mir, ADB*

19. This session featured overview presentations on WGA and WGE programs and 2012 highlights, as well as discussions on potential collaboration between the two working groups.

#### **CASP: Program overview and 2012 highlights**

20. Dr. Sununtar Setboonsarng, ADB, gave an overview of the Core Agriculture Support Program Phase II (2011-2020), its vision and three strategic pillars. The vision of CASP is for the GMS to be recognized as the leading producer of safe food, using climate-friendly agricultural practices and integrated into global markets through regional economic corridors. Pillar 1 is focused on building global competitiveness by promoting food safety and modernizing agricultural trade. Pillar 2 promotes climate-friendly agriculture through market-based strategy to ensure food

security. Pillar 3 promotes agriculture as a leader in providing clean rural renewable energy and cross-border eco-friendly supply chains. The strategy and its pillars are based on a foundation that includes agricultural research and technology focused on climate-friendly agricultural development, private sector involvement to ensure sustainability, and institutional mechanisms for regional cooperation. Currently, there are two main ongoing regional technical assistance supporting the implementation of CASP II initiatives including RETA 7833 (Biomass for Bioenergy and Food Security) amounting to \$4 Million over the period 2012-2015), and RETA 8163 (Implementing CASP II) amounting to \$7.5 million from Sida for 2012-2017<sup>1</sup>. Previously, 3 RETA projects provided funding support to WGA activities<sup>2</sup>. She described the implementation structure involving the WGA National Coordinators, ADB as WGA Co-Chair and Project Officer, WGA Secretariat and WGA National Secretariat Support Units, development partners, implementing partners, and international and national consultants. She mentioned the ongoing initiative of the GMS Economic Cooperation Program to develop a Regional Investment Pipeline of investments and technical assistance projects to implement the new GMS Strategic Framework for 2012-2022. Key CASP accomplishments to date include policy support for cross-border contract farming; establishment of the Agriculture Information Network Service; completion of case studies on agriculture trade facilitation, biofuels, and cross-border eco-trade; production of knowledge products (brochures, DVDs, publications); conduct of conferences/workshops; and setting up of WGA Secretariat and recruitment of key personnel. Key activities for 2013 include participatory guaranty system, electronic certification and electronic trade system, climate friendly and water-efficient agricultural practices; biomass assessment and related activities; expansion of the Agriculture Information Network Service towards electronic knowledge platform; setting up of WGA National Secretariat Support Units; learning program on agriculture sector management in the GMS; and production of knowledge products. WGA contemplates collaboration with other sectors including environment, trade facilitation, tourism, and HRD.

### **CEP-BCI: Program overview and 2012 highlights**

21. Mr. Sumit Pokhel, EOC, gave an overview of the Core Environment Program and Biodiversity Corridor Initiative (CEP-BCI). The program introduces environmental tools and processes, builds capacity for their use, and leverages their uptake in economic development. The focus is on environmental assessments, planning, piloting innovation, and monitoring – which are the key ingredients for sound environmental management. CEP-BCI is building GMS capacity to understand pressures on natural resources, and engages with the planning processes of the GMS Program's priority sectors – including transport, agriculture, energy, and tourism – to ensure environmental considerations are adopted. Environmental assessments are being mainstreamed in GMS sector plans and development projects. CEP-BCI pilots are designed to test innovative and practical ways to achieve better environmental and social outcomes. So far pilot work has centered on preventing ecosystem fragmentation through biodiversity conservation 'corridors' that link protected areas. These pilots place local communities at the center of conservation efforts

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<sup>1</sup> Expected outputs of RETA 8163 include: (i) Strengthened regional framework and capacity for agri-food quality management; (ii) Established electronic trade of environmentally-friendly agri-food production of smallholders; (iii) Increased adoption of gender-responsive and climate-friendly agriculture; (iv) Facilitated knowledge management and dissemination; and (v) Strengthened regional cooperation on agriculture in the GMS.

<sup>2</sup> RETA 6110 Promoting Partnerships to Accelerate Agriculture Devt and Poverty Reduction in the GMS  
RETA 6324 Expansion of Subregional Cooperation in Agriculture in the GMS  
RETA 6521 Accelerating the Implementation of the Core Agriculture Support Program



and help strengthen local livelihoods by creating linkages to 'green' economic opportunities. Other pilot initiatives include low carbon freight and local level climate change adaptation and mitigation. CEP-BCI is supporting GMS governments to track general environmental trends and progress towards national development goals, as well as the impacts of development interventions. CEP-BCI is supporting this work through national environmental performance assessments, and by establishing platforms to ensure the latest environmental data is readily available to development planners and other stakeholders. Phase II of the CEP-BCI for 2012-2016 has the following main components (i) improving environmental planning systems, methods and safeguards; (ii) improving management of conservation landscapes for sustainable livelihoods; (iii) enhancing climate resilience and promoting low carbon development; and (iv) strengthening institutions and sustainable financing for environmental management.

### **Facilitated discussion: Areas of collaboration (CEP – CASP)**

22. Mr. Suriyan Vichitlekarn, WGA Secretariat, discussed the cross cutting issues in both CEP-BCI and CASP II, the opportunities for comparative advantages, possible joint approaches to enhance synergies, achieve greater impacts, minimize duplication of efforts and contribute better to the vision of the GMS Economic Cooperation Program. He suggested possible flagship themes and initiatives including sustainable land use management, green value chain, and climate change adaptation and mitigation. Possible points for discussion were offered for the meeting to consider. He suggested that the two working groups could possibly agree in principle on the concept of synergies and collaboration, on the selected themes and initiatives, and modality of collaboration that could guide the EOC and WGA Secretariat towards identifying a few initiatives to pursue in 2013 and preparing a detailed collaboration plan for further discussion and confirmation. The outcome of discussions would also help inform the separate working group discussions the following day.

### **Open Discussion:**

23. Countries expressed divergent views about the prospects, and even the necessity for collaboration between CEP and CASP. Some countries supported in principle the concept of collaboration between the two programs, recognizing that there are clear areas where one initiative could inform the other. The challenge in promoting collaboration between the two separate programs would be to synergize their approaches and agree in principle on how to move this forward. They cautioned against resorting to expensive studies and to start small in considering collaboration and cooperation, keeping in mind the importance of consultation along the project continuum, from preparation to implementation. Others were of the view that overlap of projects should be minimized.

24. Others emphasized the need for more discussion to review existing mechanisms both at the country and regional levels and learning from country experiences. They suggested the need to explore simple approaches for establishing collaborative linkages between the two programs and identifying potential areas of collaboration and the necessary elements to support these synergies, in aid of conceptualizing the required supporting framework and mechanisms for collaboration. They also stressed that countries have different ministries overseeing the environment and agriculture sectors and that these ministries have their respective areas of responsibility.

25. Mr. Javed Mir, ADB, clarified that the concept of collaboration between the two programs did not suggest the merging of ministries but rather the working together on common problem areas and concerns to get the best value from cross-sector consultation and collaboration. He

emphasized the need to agree on where to start, where both working groups could pool their efforts and resources, and identify synergies across sectors. He noted that this was the beginning of the consultation process, and the question that begged to be answered was whether it was necessary to collaborate. The meeting was not expected to decide on specific projects but rather to exchange views on whether collaborative activities were desirable. He agreed on the need for a simple approach while keeping in mind that the new GMS Strategic Framework emphasized strengthened multi-sector coordination. The challenge for the two working groups was to find an approach on how to do it well, without necessarily trying to reach a decision at this point on possible options. Collaboration was now a necessity and there was no way of getting out of it, and the two working groups could have a meeting of the minds at the outcome level to enhance the efficiency of the two programs. It was important to balance the costs and benefits of collaboration, and add value to cooperation. This would need further discussion by the two working groups.

26. Lao PDR expressed support for establishing linkage between the two sectors and working on synergies and potential areas of collaboration, for example in solid waste management. Another important sector to consider is trade facilitation in the context of the establishment of the ASEAN Economic Community (AEC), particularly in harmonization of standards at the borders to facilitate trade and protect public health. The two working groups need to discuss the necessary elements to support such synergies, including the supporting framework and mechanisms to adapt to AEC requirements.

27. Thailand suggested that sustainable land use management could be an area for the environment, agriculture, and tourism sectors to work together in support of healthy ecosystems and populations. Another participant suggested including the transport sector as well as, a critical element in the value chain.

### **Joint partner presentations on agriculture and environment**

28. USAID representative shared their interest in promoting long-term equitable prosperity in the GMS. Their work is anchored on 3 pillars: health, education and governance, to support economic growth and the environment (climate change adaptation, biodiversity conservation). USAID channels its assistance through bilateral, regional and Washington-based offices, and examples of initiatives being supported through these channels were given.

29. GIZ representative shared information about their programs in the green sector in the GMS, focusing on Lao PDR. GIZ provides technical assistance to partners and other donors, with the purpose of promoting international cooperation for sustainable development and international education work. They are implementing bilateral and regional programs covering a wide range of topics including coastal zone management, REDD (+), value chain development, and standards. Bilateral programs in Lao PDR focus on rural development, climate-friendly management of the environment and natural resources.

30. IUCN Lao PDR mentioned their work at the policy and country levels to support sustainable use of natural resources, including environment governance, regional work on water and river basin management, forest and ecosystem management, biodiversity management, and ecotourism. They work with other partners and, in other countries, with the private sector, on long-term approaches to sustainable natural resources management and food security.

### **Introducing the GMS Atlas of the Environment – 2<sup>nd</sup> Edition**

31. Mr. Lothar Linde, EOC, introduced the second edition of the GMS Atlas of the Environment that features improved map details and design, and covers emerging issues and achievements in the environment and other related sectors. The Atlas was officially launched at the 18<sup>th</sup> GMS Ministerial Conference held in Nanning, PRC in December 2012. He outlined the structure of the atlas consisting of chapters featuring country profiles, stock-taking of GMS social and environmental conditions, review of major growth sectors and priorities, analysis of environmental challenges, and acknowledgement of achievements and opportunities. The Atlas is distributed in hardcopy, USB card drive, and can also be downloaded from the EOC website. It contributes to the overall GMS Environment Information System (EIS), features of which were also described to participants. Mr. Lothar outlined future outlook in terms of further updating and developing new applications and landscape and site indicators, finalizing a GMS map of special economic zones for use in the Regional Investment Framework, building capacity on regional forest mapping, and adding map archive and data download sections to GMS Map Portal.

### **Closing Session**

32. Mr. Javed Mir, ADB, expressed his thanks to all the panel speakers, development partners, and participants for their contribution to the discussions.

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### **Summary of Key Points:**

- Agricultural growth, while making significant contribution to the GMS economies and rural livelihood, has also created immense pressure on the subregion's natural environment and resources which underpin agriculture productivity itself, hence the imperative to strengthen the linkages between the goals and approaches to agricultural development and environmental conservation.
- GMS countries need to adopt policies and program approaches to support inclusive and sustainable growth through the improved management of natural resources and the environment by improving rural connectivity infrastructure, promoting climate-friendly and inclusive value chain development, and improving climate resilient land and water resources management.
- A collaborative and synergistic approach between the agriculture and environment sectors in the GMS through the CASP and CEP-BCI and under the umbrella of the GMS Economic Cooperation Program could help increase the much needed investments to realize the visions of both these programs and the overall objectives of the GMS Economic Cooperation Program
- The many challenges confronted by the agriculture sector in the GMS have serious implications for food security, and environmental degradation and agricultural performance. Strategies that promote a green approach to agriculture are needed. Greening of agri-food value chains presents a promising approach to addressing not only economic development, job creation and inclusive growth, but a wider range of social and environmental development issues. This approach focuses on the sustainable use of natural resources, and encourages energy efficiency and emission reduction as well as recycling and reducing the negative environmental impacts of outputs at every stage in the value chain.
- Green value chains require response to market demand, access to finance, support services and systems, and an enabling environment that supports infrastructure,

organizational development, green investment, entrepreneurship and business development, skills training and capacity development in green technologies, and adoption of regulatory framework and certification systems.

- The growing demand for organic and eco products necessitate the adoption of regulatory frameworks and certification systems exemplified by the Participatory Guarantee System and 3<sup>rd</sup> Party Certification for Organic Product, as well as the establishment of certifying bodies, as components of the guarantee concept and trust-building dimension for supporting pro-poor participation in green value chains.
- There need not be a trade off for eco-agriculture by way of more environmentally sustainable agriculture and looking at the long-term sustainability of the environment (land and water resources), and changing approaches and strategies to agricultural production.
- The new GMS Strategic Framework for 2012-2022 emphasizes strengthened multi-sector collaboration, given cross-cutting themes (competitiveness, private sector investment and involvement, and green development) that are central to the effective implementation of the GMS Program as a whole. This calls for a simple approach to collaboration between the CASP and CEP to address common concerns and get the best value from cross-sector consultation and collaboration.