

**GMS Working Group on Environment
22nd Annual Meeting
26-27 July 2016
Da Nang, Viet Nam**

Summary of Proceedings

Introduction

1. The 22nd Annual Meeting of the Greater Mekong Subregion (GMS) Working Group on Environment (WGE AM-22) was held on 26-27 July 2016 in Da Nang, Viet Nam. The meeting was chaired by Dr. Nguyen The Chinh, Director General, Institute of Strategy and Policy on Natural Resources and Environment, Ministry of Natural Resources and Environment, Viet Nam; and co-chaired by Mr. Pavit Ramachandran, Senior Environment Specialist, Environment, Natural Resources, and Agriculture Division, Southeast Asia Department, Asian Development Bank (ADB). 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 and other development partners; ADB; experts of NIRAS Finland Oy, consulting firm engaged to manage the Core Environment Program (CEP); and other GMS Environment Operations Center (EOC) staff. The list of participants is in [Appendix 1](#).

2. The meeting (i) reported on the Core Environment Program achievements and key results in 2015; (ii) updated on the implementation of recommendations from the CEP Midterm Review (MTR); (iii) presented the updated work plan and program priorities for 2016-2017; and (iv) updated on CEP engagement with the GMS Program. The technical working session presented, discussed, and sought WGE guidance and agreement on the development process of the CEP Strategic Framework for submission as a deliverable to the 21st GMS Ministerial Conference. The full program is provided in [Appendix 2](#).

Opening Session

3. On behalf of the host Government, Dr. Nguyen The Chinh provided the opening remarks and warmly welcomed the participants. He highlighted the significant socio-economic achievements made by GMS countries during the past decade and at the same time noted the various challenges of progress including environmental degradation, loss of environmental services and reduced ecosystem connectivity as well the concern that poor are not benefiting from economic growth. He expressed the Viet Nam Government's determination to address the challenges on the environment by issuing key legal documents on strategic measures, including the Party Central Committee Resolution to address climate change and strengthen natural resources and environmental protection in 2013; National Green Growth Strategy in 2012; and the revised Law on Environment in 2014.

4. Mr. Pavit Ramachandran stressed the pertinence and timeliness of the meeting in light of the 2015 CEP Phase II MTR, which resulted in strategic shifts as reaffirmed by the WGE. He also shared that the transition of program management to the firm has been concluded seamlessly and cited the full implementation of the MTR recommendations. In addition, he remarked that the meeting is also timely given the countries' commitments to the Paris Climate Conference and 2030 Sustainable Development Agenda. He shared the ADB's commitment to do double its climate finance from its internal resources to US\$6 billion: US\$ 2 billion for climate change

adaptation and US\$ 4 billion for mitigation. Finally, Mr. Ramachandran discussed the ongoing formulation of the CEP Strategic Framework which will shape the vision and strategy for the program and future development of EOC with stronger ownership of WGE.

5. In their opening remarks, the heads of country delegations expressed their appreciation to the Government of Viet Nam for the warm hospitality and excellent meeting arrangements as well as to ADB and other development partners for their support.

6. Mr. Sao Sopheap, Adviser to the Ministry of Environment (MoE), Cambodia expressed appreciation to CEP, ADB, and various development partners in supporting various initiatives including the preparation of the National Environmental Strategy and Action Plan, replicating to Cambodia the Industrial Pollution Projection System, which was earlier implemented by Lao PDR; the Environment Information Portal, and environmental impact assessment. Cambodia also shared that given more challenges, there is a need to move forward beyond 2017 and requested the continued support of ADB and various donors.

7. Mr. Chen Gang, Deputy Director, Division of Asian Affairs, Department of International Cooperation, Ministry of Environmental Protection, PRC emphasized its partnerships with GMS countries and stressed the need to focus on the improvement of environmental quality; introduction of toughest environmental protection regime, address air, water, and soil pollution; implement strict control of environmental risks; and stepping up the environmental infrastructure development, among others. PRC reaffirmed its commitment to cooperate with the GMS countries, ADB and other partners to strengthen environmental cooperation and promote sustainable development to contribute to the achievement of the United Nations' Sustainable Development Goals.

8. Mr. Sivannakone Malivarn, Deputy Director General, Pollution Control Department, Ministry of Natural Resources and Environment, Lao PDR valued the support of ADB and other partners in the socio-economic development of the country. Lao PDR reiterated its commitment to collaborate with other GMS countries and also requested the development partners' continued assistance to further strengthen regional cooperation in the environment sector in the GMS.

9. Dr. San Oo, Director, Environmental Conservation Department, Ministry of Natural Resources and Environmental Conservation, Myanmar highlighted his country commitment to enhance cooperation in the environment sector and move forward the various agenda given the recent change in the government and political dimension in the country.

10. Dr. Rungnapar Pattanavibool, Director, Office of International Cooperation on Natural Resources and Environment, Ministry of Natural Resources and Environment, Thailand emphasized the importance of the meeting in order to discuss the vision and goals of CEP and align them to prepare for, and respond to, global and regional challenges. These include growing populations, rapid urbanization, and the development of Special Economic Zones in the GMS that may cause transboundary waste pollution, loss of biodiversity, water stress and scarcity, and deforestation. Also mentioned were opportunities to promote the implementation of sustainable development goals and to build climate change resilience within the region. Thailand further stressed the importance of having a clear roadmap and program development strategy for CEP that is linked to the GMS Regional Investment Framework (RIF) and aligned with the 10 Year Framework of Programmes on Sustainable Consumption and Production (10 YFP on SCP)

Session 1: Highlights of the Core Environment Program Achievements and Progress

11. Mr. Khieu Borin presented on the Cambodia country highlights. He mentioned that the MoE has undergone a major restructuring in order to meet country development needs. Additionally, the government's newly-established National Council for Sustainable Development and MoE are developing a national Environment Code in support of sustainable development efforts. Implementation of environmental responsibilities is gradually devolving to the subnational level. A key CEP activity during 2015 and continuing into 2016 is the development of a National Environmental Strategy and Action Plan (NESAP). CEP has also supported environmental safeguards strengthening training, industrial pollution projection system (IPPS) modeling, land use change modeling, and ecosystem services valuation. Anticipated outputs for 2016 include substantial completion of NESAP by end of 2016, continued IPPS data collection, and an initiative on transboundary landscape cooperation with Thailand in the Eastern Forest Complex including finalization of a memorandum of understanding (MOU). Lessons learned include the importance of working with other institutions to collect needed data and information for NESAP and IPPS. It was noted that placement of EOC staff in-country has greatly enhanced in-country activity implementation. A copy of the presentation is in [Appendix 3](#).

12. Mr. Wang Yong highlighted that good progress was achieved by PRC in continued efforts to strengthen transboundary biodiversity landscape monitoring and management. Achievements include progress in planning for elephant protection, identification of village livelihood options and development funds, and updating of biodiversity profiles in protected areas and conservation corridors. Two MOUs were signed with Lao PDR and Viet Nam respectively on transboundary biodiversity landscape management, and a conservation plan for elephants was developed between Yunnan, PRC and Lao PDR. Yunnan has additionally developed a Xishuangbanna Prefecture (XSBN) Conservation Plan for 2014-2030 and Action Plan for 2016-2017. Communication and knowledge sharing activities included a workshop organized to share PRC's biodiversity conservation experience with other GMS countries. A video was produced in early 2016 to highlight biodiversity conservation efforts in Yunnan and XSBN and a book is being produced to compile lessons learned in biodiversity conservation and sustainable use of natural resources. PRC plans to organize another regional knowledge sharing event in Yunnan in late 2016 to be participated by biodiversity conservation corridor experts from the GMS, and will complete drafting the Administrative Measures for Corridor Management and development and testing of Community Based Landscape Management guidance. His presentation is in [Appendix 4](#).

13. Mr. Sounadeth Soukchaleun reported that the Lao PDR government has recently endorsed a new National Socio-economic Development Plan (NSED) 2016-2020, a new 10-year Natural Resources and Environmental Management Plan, and two ministerial instructions on Pollution Control and Hazardous Waste Management. Building on the IPPS activity completed in late 2015, CEP is currently supporting preparation of a new Pollution Control Strategy and Environmental Taxation Instruction. CEP is additionally supporting collaborative efforts between Luang Namtha and Yunnan provinces on transboundary biodiversity conservation landscape and development of a draft strategy for transboundary management. CEP is also supporting activities on climate change risk financing, REDD+ readiness and safeguards, and testing of green freight truck technologies. The meeting was informed that the Ministry of Natural Resources and Environment has undergone restructuring which will result in a change of the WGE focal point. It was noted that National Support Unit (NSU) capacity to implement CEP remains limited, and combined with NSU staff changes has affected program reporting and liquidation—these factors have delayed fund replenishment and program implementation. His presentation is provided in [Appendix 5](#).



14. Dr. San Oo of Myanmar stated that good progress was achieved on environmental safeguards strengthening during 2015, culminating with issuance of Environmental Impact Assessment (EIA) Procedure and national Environmental Quality Emission Guidelines (EQEG) in December. CEP safeguard support will continue in 2016, focusing on revision of general EIA technical guidelines, sector EIA guidelines and ambient environmental quality guidelines. It was noted that CEP safeguards work is complemented by a parallel ADB Environmental Safeguards Institutional Strengthening capacity development technical assistance. A key outcome during 2015 was organization of a Natural Capital Dialogue during the 4th Environment Ministers Meeting (EMM) and securing ministerial support for increased investment in natural capital. A Letter of Agreement (LOA) was signed in January 2015 and recruitment of NSU staff occurred later in the year. The NSU is now fully functional and reporting and liquidation is on schedule. Communication efforts included printing and dissemination of the EIA Procedure and EQEG, and distribution of other CEP documents. Lessons learned include a delay attributable to extended ADB procurement procedures that slowed NSU establishment. The Environmental Conservation Department, the CEP focal agency under the Ministry of Natural Resources and Environmental Conservation, still faces a capacity deficit in EIA report review and approval, and project compliance monitoring and in this regard appreciate ongoing technical support from CEP and ADB in building necessary capacity. Key priorities for the remainder of 2016 is technical assistance for development of ambient environmental quality guidelines, expanded support for EIA report review and approval and project compliance monitoring, support for pollution monitoring, and capacity building in strategic environmental assessment (SEA). A copy of his presentation is in [Appendix 6](#).

15. Ms. Kingkan Kheawsaad mentioned Thailand's key country achievements during 2015, which included the consolidation of Biodiversity Conservation Corridors Initiative work in the Western Forest Complex, the green freight activity, and involvement in CEP transition planning. Thailand plans to reflect on lessons learned from CEP Phase I and organize a workshop to disseminate findings. In addition to biodiversity conservation efforts, a green freight initiative is supporting freight and logistic companies to adopt green technologies and is delivering eco-drive training. During 2016, Thailand is continuing to focus on strengthening of biodiversity landscape management; establishment of a Community Trust Fund to support nurseries, and development of a transboundary ecological corridor with Cambodia in the Eastern Forest Complex. It was noted that Thailand chose to establish a Steering Committee instead of an NSU—the Committee involves relevant ministries and works among other things to integrate national plans into CEP activities. Thailand confirmed that it will host the 5th EMM, and is expanding efforts to be involved in other GMS working groups such as tourism. Her full presentation is provided in [Appendix 7](#).

16. Dr. Kim Thi Thuy Ngoc of Viet Nam reported on the major country activities during 2015 such as conduct of SEA for national land use planning, development of an Environmental Protection Planning (EPP) Circular, conduct of a workshop on Sustainable Development Goals (SDGs) and SEA including consideration of natural capital, training on land use change modeling, signing of MOU with Guangxi Province and a series of trainings on transboundary conservation landscape management, conduct of green freight and climate change risk financing activities, steps to establish a Natural Capital (Partnership) Platform to integrate natural capital considerations into sector planning and policy development processes, and support to develop a Payment for Forest Ecosystem Services monitoring and evaluation system. Lessons learned include the need for good collaboration with ongoing initiatives (e.g. natural capital) and CEP programming alignment with country priorities such as SEA and EPP. Regional cooperation was identified as key, especially regarding biodiversity conservation. Priorities for the remainder of 2016 include CEP support for consideration of natural capital and economic valuation into SDGs, continued program support for climate change adaption, application of spatial planning in policy processes, Natural Capital Platform support, green freight continuation, EPP completion, and

transboundary collaboration on biodiversity conservation. A copy of her presentation is in [Appendix 8](#).

17. Mr. Sumit Pokhrel of EOC reported on the regional and cross-cutting components of CEP. He mentioned the two major events that shaped the CEP in 2015 namely: (i) the 4th EMM which provided strategic direction and secured ministerial support for investment in natural capital, and (ii) the CEP Midterm Review. Subsequent program adjustments included re-focusing to consolidate CEP through reducing themes, sectors and learning sites; and better aligning CEP with country priorities (e.g. environmental taxation in Lao PDR). There is now a stronger focus on national policies and planning processes, moving away from community level interventions. EOC has additionally worked to improve CEP implementation efficiency in part through placement of EOC staff in selected countries. EOC also completed a review of all existing contracts and made adjustments (i.e. re-scoping, cancellation or extension) as necessary and put in place an enhanced contract monitoring system. In terms of regional collaboration, the 4th EMM secured ministerial commitment to natural capital investment, further traction was gained in transboundary biodiversity landscape collaboration, there was increased engagement with the Regional Investment Framework, regional and country environmental information portals were enhanced and expanded, and broader engagement occurred with other development partners (e.g. Transboundary Landscape Forum and Climate Change Roundtable). Communication efforts have included regular newsletters and production of several knowledge products. It was highlighted that EOC is perceived as being a strong service provider, both to GMS countries and to ADB in several technical areas. CEP had a number of important achievements at the national level as documented in the country presentations, encompassing capacity building; technical assistance; and policy, planning and legal framework support. Increasingly CEP activities are leveraging funding from other development partners (GIZ, USAID) and ADB for continuation and scaling up of program activities. Estimated committed CEP funding has now been revised down to \$23.72 million with the termination of the co-financing agreement with the Government of Finland in December 2015. [Appendix 9](#) provides more details on the presentation.

Session 2: The Way Forward

18. In line with the MTR recommendations, ADB has engaged and mobilized NIRAS Finland Oy to manage the last two years of CEP implementation. Mr. Suchat Katima, CEP Team Leader from NIRAS Finland Oy, reported on the management firm's inception report submitted to ADB elaborating on the firm's objectives, scope of services, and major deliverables. He highlighted the consolidated and revised 2016-2017 CEP Work Plan and streamlined EOC operational structure. Mr. Katima also identified the major implementation strategies to be employed by both the NIRAS team and existing EOC experts directly engaged by ADB under CEP such as focusing on: (i) fewer, (ii) higher level policy and strategic, and (iii) transboundary regional activities. He updated the meeting on program achievements to date and cited the CEP Strategic Framework post 2017 as one of major deliverables for 2016. A copy of his full presentation is in [Appendix 10](#).

GMS Country Responses

19. The GMS country delegation provided their respective country response to the presentation. Cambodia expected the new management firm to move the implementation of CEP activities forward and proposed to have further discussion with ADB and the new team on how to proceed with the transboundary conservation and biodiversity landscape joint activities with Thailand. PRC mentioned that it is already focusing on national and regional CEP activities and do not expect any change in policies by the new program management firm. Instead, it expects the new management to result in a more efficient implementation of activities. PRC asked about

NIRAS functions and expected engagement with NSUs and possible extension of LOAs beyond December 2016. Mr. Ramachandran clarified that the financing aspect of CEP activities with NSUs will continue to be based on actual contracts already in place, and the request for extending LOAs beyond the current timeline, will be considered on a case-by-case basis.

20. Both Lao PDR and Myanmar proposed to have further discussions with ADB and the new EOC team on their respective proposals for more activities and required budget supplement. Representative from Lao PDR suggested to undertake more transboundary conservation activities for Mekong Headwater under component 2, and explore new opportunities under component 3 on climate change adaptation. Myanmar representative would like to undertake additional activities to enhance government's capacity through knowledge and experience sharing with other GMS countries. Mr. Ramachandran reminded the meeting that EOC has already established a knowledge portal for sharing information and capacity development experiences among GMS countries and other relevant agencies.

21. Thailand looked forward to good opportunities to work with the NIRAS team on biodiversity corridors, climate change, sustainable development and management of natural resources. Mr. Ramachandran informed the group that biodiversity concept and experience has been in place for at least 10 years and CEP has enough good lessons learned available in its portal.

22. Representative from Viet Nam mentioned that the country has developed a platform for knowledge sharing on natural capital and would like to link it with the CEP portal. Viet Nam also expected the EOC and NIRAS team to finalize the post 2017 road map activities in order to chart the next phase of CEP. Finally, Viet Nam sought the help of the new team to identify specific activities that will ensure realistic implementation of the Cao Bang and Guangxi MOU, which was signed in 2015.

Statement from Co-financing Partners

23. Mr. Kriangkrai Thitimakorn of the Embassy of Sweden in Bangkok, representing the co-financing partners, extended his appreciation to the host government and meeting organizers. He looked forward to the discussion around very important cooperation between donor partners and GMS countries. Sweden agreed with the importance of planning for the future of the WGE and commended all stakeholders on the progress of the preparation. He reminded the meeting that the timing, size and set-up of the work and budget post-2017 will remain uncertain for some time, so it is important to already make institutionalization and transition of results and activities an integrated part of the implementation of the final year of CEP Phase II. He emphasized that it is also important to ensure that the results within the current phase of CEP are institutionalized and sustainable for a smoother transition period beyond 2017.

Session 3: CEP Strategic Framework

24. Mr. Pavit Ramachandran reported on the ongoing preparation of the CEP Strategic Framework post 2017. He emphasized the importance of the strategic framework reflecting the broader global and regional development context such as the sustainable development goals, the national defined contributions of countries under the Paris Agreement, and the emerging GMS country priorities like green growth and low carbon strategies. The strategic framework would take into consideration the WGE experience and lessons learned from CEP over the last decade. He reiterated ADB's corporate commitments on climate change and environmentally sustainable growth, citing the availability of new climate funding windows like the Global Climate Fund and other climate Adaptation Funds, which countries can tap.

25. Mr. Ramachandran informed the meeting that the preparation of the CEP Strategic Framework took into account findings from the internal and external evaluations conducted for CEP Phases I and II, recommendations from the 2015 MTR of CEP Phase II, agreements reached during the 2015 WGE Annual and Semi-Annual meetings, country consultations, feedback from development partners, and the inputs of experts engaged to undertake the institutional strengthening review of CEP in 2015. Initial results from the exercise pointed to a focused and demand driven set of activities building on CEP's core competencies. It is also envisioned that a diversified, blended funding structure can be considered given the availability of new funding opportunities. Equally important, the implementation arrangement should be efficient and flexible enough to consolidate the MTR recommendations, including providing the NSUs with stronger role in implementing the CEP activities and taking on many of EOC functions.

26. Initial agreements on a likely CEP core functions and service include (i) facilitating collaboration on regional management of natural capital based on the 4th EMM directives; (ii) providing information and knowledge management support; (iii) in-country environment policy, strategic planning and safeguards support in areas of sustainable infrastructure, natural capital, and climate change; and (iv) finance and investment services including project preparation and resource mobilization. Moreover, the review of various regional institutions in terms of organizational structure, legal personalities, country contributions, and program financing revealed that while such institutions provided useful lessons, there is limited applicability for CEP. Mr. Ramachandran enjoined the meeting in identifying a CEP post 2017 financing model and implementing structure that is more adaptive and flexible to emerging GMS country needs, while empowering WGE to take the lead role. His presentation is in [Appendix 11](#).

27. Two resource persons, Mr. Joseph Lufkin and Mr. Kewal Thapar, presented the potential sustainable financing model for CEP. They proposed a framework and a set of guiding principles for CEP post 2017 as follows: (i) access new funding sources through a wider based program; (ii) focus on flexible and efficient services delivery to GMS countries; (iii) attention to donor policy priorities, objectives and reporting requirements; (iv) enhanced support for NSUs to implement national level activities through increased decentralization; (v) greater role for WGE in proposing CEP projects and targets; (vi) increased private sector participation; and (vii) emphasis on financial viability and project sustainability.

28. Both resource persons cited the many sources of funding that are available under today's international financial architecture. They added that GMS countries can benefit from more technical support in tapping international climate resilience, disaster risk management, and environmental conservation funds and funding. Countries can be made more aware of global donor and investment funding as a marketplace driven by priorities and policies of financiers. EOC as WGE technical secretariat can assist countries to structure projects and bundle them into programs so that they are financially viable and attractive to donor partners. It is also important that countries are informed of the larger development policy context like climate change and sustainable development goals as seen by international financiers, and how their respective aid budgets are estimated and allocated.

29. Post-2017, CEP needs a central project preparation, management and funding facility to provide services and support to WGE in preparing a pipeline of viable projects, arranging funding, and providing ongoing support to project implementation especially in results monitoring and reporting to financiers. CEP's financial sustainability can come from its flexibility in dealing with a wide range of financiers and donors globally. CEP needs to strengthen its capacity to package projects that are financially viable and meet financier and donor policies and priorities; understanding the financial characteristics of national and regional projects; and ability to find and create opportunities for private participation through revenue generation.



30. Keeping in mind the feedback received from the country consultation, Mr. Thapar re-emphasized that a formal structure is not the best option for CEP. He reiterated the lessons from a review of the Regional Power Coordination Centre, Mekong River Commission, and Coral Triangle Initiative as not applicable to CEP. Similar structure would need treaty and host country agreements, which will require lengthy high-level negotiations, planning, and possibly ratification by parliaments. Funding of operating costs will most likely be through annual country contributions and the financial burden will fall upon GMS countries as many donors will not fund operating costs. Finally, it is difficult to maintain equitable balance among countries, their project priorities, and the funding of those projects, given their varying sizes, resources and economies. He proposed for WGE to identify and propose to EMM the best organizational structure for CEP service delivery facility, including a set of funding options for core functions and program activities. A copy of the joint presentation is in [Appendix 12](#).

31. A technical working session took place to provide the WGE with more time to discuss and agree on the process of preparing the CEP Strategic Framework. Three breakout groups were organized as follows: (i) Group 1 on 'Developing a Sustainable Financing Model for CEP,' comprising WGE focal points, NSU Heads, GMS National Secretariat, and development partners; (ii) Group 2 on 'Decentralization of CEP Functions and Services,' comprising WGE Coordinators, NSU Heads/Coordinators; and (iii) Group 3 on 'Post 2017 CEP Program Framework, comprising NSU/PSU staff, representatives from other sector working groups and EOC staff. List of participants per breakout group is in [Appendix 13](#).

32. Group 1 members agreed that CEP's thematic areas will continue to be: (i) biodiversity landscapes; (ii) strategic environmental planning and safeguards and monitoring; (iii) climate change adaptation/mitigation and disaster risk reduction; and (iv) knowledge management and information sharing. Nevertheless, CEP (and EOC as technical secretariat) need to be restructured, given new donor priorities and the availability of funding market opportunities. There is still a need for ADB and/or donor financial support to implement CEP activities and undertake capacity building for GMS countries. After considering several possible options, the group prioritized the future CEP services to countries to include: (i) technical support on preparation of national and regional projects for funding and implementation; (ii) program portfolio management and identifying private funding opportunities for sustainable projects through revenue generation; (iii) facilitating regional collaboration and continuing support for WGE meetings; and (iv) mainstreaming climate change adaptation and disaster risk reduction preparedness in all CEP natural capital projects. A set of recommendations on best structure for service delivery facility and funding options for (a) core functions and (b) program activities will be prepared for endorsement to EMM. The group report is summarized in [Appendix 14](#).

33. Group 2 participants agreed that the role and functions of the NSUs need to be promoted and strengthened through a systematic coordination for more active participation in the implementation of CEP activities. However, the team also noted the varying degree of capacity and skills of NSU staff in the six GMS countries. In addition, the experts working in the NSUs were directly engaged by ADB and appeared to work independently outside of the formal NSU structure. Furthermore, NSUs do not have enough number of staff to coordinate all the CEP activities. Among the numerous tasks that NSUs can work on, priority could be on (i) updating and maintaining the respective country national information portal and its linkage with the CEP regional information portal, using national resources; (ii) collecting and sharing data, statistics and information at national and sub-national levels; (iii) conducting preliminary country needs assessment and initial listing of project identification notes; (iv) providing government facilities for CEP meetings, workshops and study visits; (v) facilitating CEP experts' in-country activities and serving as the counterpart of the experts; and (vi) serving as the focal point of all CEP activities and coordinating with CEP implementing agencies, consultants and partners.. Details of discussion are summarized in [Appendix 15](#).

34. Group 3 members focused their discussions on (i) good practices/innovations emerging from the CEP Phase II that can be continued or expanded further in post-2017; and (ii) potential transboundary or cross-border projects/activities under the CEP core functions which can be implemented jointly by two or more countries in post 2017. These topics were further broken down across the four CEP thematic areas. The team's major agreements can be summarized as follows: (i) countries must go beyond signing of memorandum of understanding to actual implementation of management actions; (ii) knowledge sharing should additionally include country experiences with payment for ecosystem services policies, ecosystem valuation, community involvement in natural resource and environmental management and biodiversity conservation, ecosystem-based approaches to climate change mitigation and adaptation, and monitoring and evaluation of biodiversity conservation interventions; (iii) proposed CEP transboundary biodiversity landscape activities should be guided by an assessment of successful efforts during CEP Phase II and consider the potential to better integrate biodiversity and climate change considerations into policy and planning processes; (iv) there is good potential for further promotion of strategic environmental assessment to sector planning processes, and strengthening of country safeguard systems; (v) CEP should also support rural and urban waste management, and green and climate change resilient urban and infrastructure development; (vi) scale up the CEP Phase II green freight activity and the potential to attract private sector and other funding to support this activity; (vii) CEP to focus separately on knowledge dissemination and information sharing, as well as support country efforts to track SDG implementation including localized SDGs; and (viii) promote and support improved data generation and information sharing, including program relevant indicator selection, introduction of data sharing protocols, and establishment of information exchange networks or platforms that respond to country demand. The summary report is presented in [Appendix 16](#).

35. Mr. Suchat Katima provided a synthesis on the discussions of the three breakout groups. He emphasized the overall agreement on the need for a sustainable financing model for CEP in line with its core functions and the changing country and donor priorities. He gave the commitment that the team from NIRAS and EOC will undertake further review of the strategic framework to incorporate the discussions and recommendations from the participants. Mr. Ramachandran added that the four CEP thematic areas continue to be relevant. While there have been several new suggestions, he reminded the meeting that further review and consolidation will be undertaken to ensure that the areas covered are focused and more manageable. The draft of the CEP Strategic Framework will be circulated to the countries for comments after incorporating the meeting inputs and internal review. Subsequently, country and partner consultations will be undertaken.

Session 4: CEP in the Context of the GMS Regional Investment Framework

36. Mr. Duong Hung Cuong, Ministry of Planning and Investment, Viet Nam, provided an update on the status of preparations for key GMS Program events, such as (i) the 8th GMS Economic Corridors Forum (ECF-8), scheduled on 3-4 August 2016 in Phnom Penh, Cambodia; (ii) the 21st GMS Ministerial Conference (MC-21), to be held on 30 November to 1 December 2016; in Chiang Rai, Thailand; and (iii) the 6th GMS Leaders' Summit, tentatively planned to be held in August 2017 in Viet Nam. For MC-21, Mr. Cuong highlighted the various deliverables, including the GMS Core Environment Program Strategic Framework post 2017, as a deliverable of the environment sector/WGE. Other details of these GMS meetings are in [Appendix 17](#).

37. Ms. Pinsuda Alexander from ADB briefed the meeting on the 3rd GMS Regional Investment Framework (RIF) Implementation Plan (IP) Progress Report and Midterm Review.

Ms. Alexander presented an overview of the RIF and RIF-IP 2014-2018 and the status of implementation of the environment sector investments and TA projects during the First Progress Report, as of 30 June 2015 and the Second Progress Report, as of 31 December 2015. She also discussed the preparation of a Midterm Review of the RIF-IP, taking account of the following: (i) refresh the RIF-IP and review its relevance with emerging needs and developments of the GMS countries; (ii) identify non-performing projects in the RIF-IP and consider taking out of RIF-IP but retain in the RIF pool; and (iii) consider adding projects to RIF-IP (from RIF long list) or any new projects outside RIF, subject to endorsement of WGE. She requested WGE members to provide the updated status of environment projects as well as suggestions for additional projects which may come from the long list of the RIF or possible projects outside the list. A copy of her presentation is in [Appendix 18](#).

38. Mr. Sumit Pokhrel of EOC discussed the implications and links of the RIF to CEP work. He remarked that CEP's engagement to RIF commenced in 2012-2013 and subsequently to the RIF-IP 2014-2018 identifying 92 investment and technical assistance (TA) projects across 10 sectors with a value of \$ 30.1 billion. For 2015-2018, CEP support to RIF-IP includes (i) further strategic prioritization and refinement (sub-corridor concept plans, Economic Corridor Extension and Realignment study); (ii) investment preparation and implementation (capacity development TA's, project preparatory TA's and loans); and (iii) monitoring and performance. In addition, Mr. Pokhrel discussed CEP's support to two TA projects (TA 7561 and 8564) and CEP's Green Freight Initiative. His presentation is attached as [Appendix 19](#).

Closing Session

39. The WGE AM-22 Resolution was read and adopted with no further comments during the plenary. A copy is attached as [Appendix 20](#).

40. Cambodia confirmed that it has been decided in principle that the Ministry of Environment would host the annual and semi-annual meetings of the WGE in 2017. Mr. Sopheap mentioned that they need to first discuss with EOC on shared responsibilities before presenting the proposal to the Prime Minister for final consideration and approval.

41. The co-chair commented that the meeting had provided very clear guidance on priority activities and implementation arrangements for taking CEP forward and that this feedback will be reflected in revising the CEP Strategic Framework post 2017 which will be submitted for notation at the 21st GMS Ministerial Conference on 1 December 2016. He thanked the WGE for supporting the process being undertaken to develop the Strategic Framework including identifying financing options. EOC will coordinate with the countries on the holding of the 5th EMM where the CEP Strategic Framework can be endorsed. He reminded the meeting that attention needs to be given to ongoing implementation of CEP Phase II and that NIRAS as the new program management firm will work to ensure efficient implementation. He noted upcoming GMS meetings (ECF-8, MC-21) to which the WGE outputs can inform.

42. Appreciation and thanks were extended to Viet Nam as the host, and to EOC team for organizing the meeting.

Appendices

All appendices are hyperlinked, click to access.

[Appendix 1: List of Participants](#)

[Appendix 2: Program of WGE AM22](#)

[Appendix 3: Country Highlights in 2015: Cambodia](#)

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

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

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

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

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

[Appendix 9: Regional and Cross-cutting Components](#)

[Appendix 10: Highlights of NIRAS Inception Report and Work Plan](#)

[Appendix 11: CEP Strategic Framework post 2017](#)

[Appendix 12: CEP Funding—Towards A Sustainable Financing Model](#)

[Appendix 13: Breakout Grouping List](#)

[Appendix 14: Group 1 Summary—Developing A Sustainable Financing Model for CEP](#)

[Appendix 15: Group 2 Summary—Decentralization of CEP Functions and Services](#)

[Appendix 16: Group 3 Summary—Post 2017 CEP Program Framework](#)

[Appendix 17: Update on the Status of Preparations for the ECF-8, MC-21, and the 6th GMS Leaders' Summit](#)

[Appendix 18: Briefing on the 3rd GMS RIF Implementation Plan Progress Report and Midterm Review](#)

[Appendix 19: Implications and Links to CEP Work](#)

[Appendix 20: WGE-AM22 Resolution](#)