



**TWELFTH MEETING OF THE GMS WORKING GROUP ON AGRICULTURE (WGA-12)
Bangkok, Thailand, 25-26 June 2015**

Summary of Proceedings

I. Introduction

1. The Twelfth Meeting of the Greater Mekong Subregion (GMS) Working Group on Agriculture (WGA-12) was held on 25 to 26 June 2015 in Bangkok, Thailand. WGA-12 was preceded by the 21st Meeting of the Working Group on Environment (WGE-21) on 23 June 2015, and the 3rd Joint Knowledge Event (JKE-3) of the WGA and WGE on 24 June 2015, with the theme, “Developing Inclusive and Sustainable Agricultural Value Chains in the GMS”.

2. The Meeting was organized and sponsored by the Asian Development Bank (ADB) in cooperation with the Ministry of Agriculture and Cooperatives (MOAC) of Thailand. It was attended by over 65 participants from the six GMS countries (Cambodia, People’s Republic of China [PRC], Lao People’s Democratic Republic [Lao PDR], Myanmar, Thailand and Viet Nam), ADB, finance partners (Government of Sweden and Nordic Development Fund [NDF]), and the WGA Secretariat (WGA-S). Resource speakers from the public and private sectors, as well as representatives of development partners¹ also attended. A list of participants is in [Appendix 1](#) and a copy of the Program/Agenda is in [Appendix 2](#). The Meeting was chaired by Ms. Doojduan Sasanavin, WGA Coordinator for Thailand and Inspector General of MOAC; and co-chaired by Mr. Pavit Ramachandran, Senior Environment Specialist, Environment, Natural Resources and Agriculture Division, Southeast Asia Department, ADB.

II. Session 1: Achievements and Contributions of CASP 2 Towards Achieving the Vision of GMS as the Leading Producer of Safe Food, Using Climate Friendly Practices and Linked to Global Markets through GMS Corridors

A. Opening Session

Welcome and Opening Remarks

3. Meeting Chairperson, Ms. Doojduan Sasanavin, MOAC, warmly welcomed all the participants to the WGA-12, which provides a venue for countries to exchange practical experiences in achieving and realizing the vision of the Core Agriculture Support Program Phase 2 (CASP 2). Agriculture is a vital source of subsistence for Thailand and many other nations, but it is vulnerable to external factors such as decreased rainfall, drought, wildfire, and reduced water availability. This means that farmers need to adapt to changing conditions in agriculture and climate change to sustain and improve production quality. She noted that

¹ ASEAN Sustainable Agri-food Systems (SAS) Project, Better Rice Initiative Asia (BRIA), Food and Agriculture Office Regional Office for Asia and Pacific, (FAO/RAP) Government of Finland, Government of Sweden, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), International Rice Research Institute (IRRI), International Union for the Conservation of Nature (IUCN), Mekong Institute, Oxfam, Remote Sensing Technology Center (RESTEC) of Japan, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), United States Agency for International Development (USAID), World Wide Fund for Nature (WWF)-Greater Mekong

ensuring food security is a challenge locally and internationally and emphasized that the outcomes of the meeting will be very important since it provides a venue for reviewing the progress of pending issues, identifying priority areas of cooperation, and discussing ways to accelerate activity implementation. She expressed confidence that the two-day meeting will produce fruitful discussions that will bring in new opportunities for bilateral and multilateral cooperation, since cross-border and intra-GMS agricultural trade is very crucial to realizing AEC integration.

4. In his opening remarks, Mr. Yashushi Negishi, Country Director, Thailand Resident Mission, Asian Development Bank, warmly welcomed the participants and thanked the government of the Kingdom of Thailand for hosting the meeting, which would provide the opportunity for GMS sector representatives to gather together and dialogue on shaping the direction of CASP 2, a policy influencing technical assistance program that strives to support the GMS countries' vision for the "GMS to be recognized as the leading producer of safe food, using climate-friendly agricultural practices and integrated into global markets." According to him, regional coordination systems provide GMS countries within the Association of Southeast Asian Nations (ASEAN) significant opportunity to increase economic dividends from respective national programs. ASEAN agricultural products are expected to be ready to compete in the global market by offering safe, healthy and quality foods, through the harmonization of quality and standards, assurances of food safety and standardization of trade certification. Thus, it is important to ensure that the benefits of opening of borders support the needs of each country. He also noted that CASP 2 has made moderate, but noteworthy progress and ADB is very interested to learn how CASP 2 can better support and be more effective in influencing policies, and ensure suitability with the national policies and institutional arrangements. He encouraged the WGA-S to continue to increase its efforts in coordinating with each country to achieve shared goals. He also underscored the main priority of ensuring inclusive growth and taking welfare of smallholder farmers into consideration in policy and program implementation. Mr. Yashushi concluded his remarks reiterating that ADB looks forward to working in close collaboration with each government to achieve the common goal of "competitively producing safe food that is also safe for the environment."

5. Copies of the welcome and opening remarks are in [Appendix 3](#).

B. Adoption of Agenda

6. Meeting Co-chairperson, Mr. Pavid Ramachandran, ADB, introduced the provisional agenda and meeting arrangements ([Appendix 2](#)).

7. During this session, Cambodia commented that it is necessary for the GMS countries and the WGA-S to have open discussions about issues and country-level activities. PRC requested the WGA-S to circulate a directory of participants (titles, contact information, etc.) to all the delegates to strengthen further cooperation and collaboration after the meeting. Cambodia emphasized the need to give an opportunity to all the countries to discuss on the difficulties of activity implementation during the two-day meeting. GMS countries unanimously adopted the proposed agenda.

C. Overview of CASP 2 Achievements

8. Dr. Apichai Thirathon, WGA Secretariat Manager, presented an overview of CASP 2 Achievements in 2014. He provided a recap of the CASP 2 vision—which is to expand market

access for Climate Friendly Agriculture (CFA) products, and placed emphasis on the importance of creating a certification system for CFA products. He also provided a brief overview of the initiatives under the four Regional Technical Assistance (RETA) projects that support CASP 2²

9. In his presentation, Dr. Apichai highlighted the key achievements under the program. Major breakthroughs include the successful establishment of the National Secretariat Support Unit (NSSU) in all 6 GMS countries, which was vital to enhancing cooperation between the WGA-S and GMS countries, and the use of the Letter of Agreement (LOA) mechanisms in each country to carry out country-level activities that align with national agricultural development priorities and enhance country ownership of the program, and encourage strong collaboration with civil society organizations, private sectors and other GMS working groups. In terms of CASP 2 Pillar 1: “promoting quality management” of agriculture production to improve value supply chain, Participatory Guarantee System (PGS) National Workshops have been implemented successfully in 6 GMS countries and PGS pilot sites have been selected in Viet Nam and Thailand. Activities currently being developed under Pillar 2: CFA adoption include the establishment of demonstration farms, development Memorandum of Understandings (MoU) with the private sector to promote market linkages and the Early Warning System (S-DMEWS), Soil Suitability Mapping and Nitrogen Assessment and the production of awareness-raising and knowledge events and products. Finally, Pillar 3 activities are geared towards the promotion of clean energy (bioenergy), and focus on cross-cutting policy and regional cooperation initiatives.

10. Dr. Apichai noted that there are some areas in activity implementation that need further improvement, such as enhancing government cooperation by gaining a better understanding of government protocols. Further, in order to ensure sustainability, activities must be aligned with GMS government priorities. Dr. Apichai also provided a briefing on the proposed upcoming events for 2015, which is included in [Appendix 3](#).

Open Discussion:

11. PRC congratulated the WGA-S on providing a comprehensive outline of the key CASP 2 achievements in 2014. He shared that during the past year, there has been good progress in the implementation of CASP 2 activities in PRC. In order to improve further cooperation and activity implementation, PRC proposed to strengthen communications between the countries and the GMS WGA-S and emphasized the need to also reflect on ongoing issues and challenges as part of the discussion. PRC also recommended tapping local institutions for capacity building to improve activity implementation, especially at the planning stages. PRC also informed the meeting that they have the capacity and means to contribute more in terms of sharing their technology expertise in the sector.

12. Cambodia shared the same view as PRC and suggested that WGA-S should highlight the implementation challenges in discussions because it is essential to solving pending issues and difficulties. For instance, Myanmar noted that there had been many difficulties in the implementation of the PGS requiring a lot of political support. The important issue on the delays in signing the LOA and its fund disbursement has also been raised by PRC who requested an explanation on the cause of delay. The Co-Chair acknowledged that the delay in budget disbursement was mostly from the ADB side. Both Cambodia and Myanmar emphasized the

² RETA 8163: Implementing the GMS Core Agricultural Support Program, RETA 6521: Accelerating the Implementation of the Core Agriculture Support Program, RETA 7833: Capacity Building for the Efficient Utilization of Biomass for Bioenergy and Food Security in the GMS, and RETA 6390: Transboundary Animal Disease Control for Poverty Reduction in the GMS.

need to have flexible and customized (country-specific) approaches with regard to activities being implemented.

13. PRC commented that the proposal for instituting “Centers of Excellence” is a good point that could be taken up. Its purpose and approval mechanisms needs to be clearly defined and suggested that ADB might be in a good position to facilitate giving out such awards to deserving entities.

14. Mr. Kriangkrai Thitimakorn, National Programme Officer, Sustainable Communal Services Development Cooperation Section, representative of the Government of Sweden, underscored that CASP 2 is a pro-poor program that also seeks to further promote gender responsiveness and he suggested WGA-S to elaborate on how CASP 2 incorporated gender and pro-poor agriculture perspectives in CASP 2 activities.

D. Country Presentations on National Priorities, Short-Term and Medium-Term Plans

Cambodia Presentation on National Agriculture Development Sector Policies

15. Mr. Srey Vuthy, Director, Department of Planning and Statistics, Ministry of Agriculture, Forest and Fisheries (MAFF), presented on the Strategic Development Plan of Cambodia (2014 – 2018) and general context of agriculture development policies in Cambodia. Overall, the agriculture, fisheries and forestry sector constitute 28.7% of the GDP (2010-2014), with the crops subsector comprising 59% of total agriculture sector. The Agriculture Sector Strategic Development Plan (2014-2018) is geared towards increasing agricultural growth to around 5% and focuses on three main areas: (i) productivity improvement, (ii) diversification policy, and (iii) commercialization policy – with the overall objective of reducing the current poverty rate from 16.9% to 12.9%, and increasing economic growth by 7% and agriculture productivity by 4% by 2018. The ministry has identified four pillars, with five supporting programs: (i) increasing production by 10%, (ii) promoting animal health and production by increasing livestock by 3%; (iii) promoting sustainable fisheries resources management; (iv) preserving forestry and wildlife, (iv) establishing thirty-two forestry communities per year; (v) and providing support services to build capacity to increase human resources. The main priority of MAFF is to reduce production costs and increase productivity and market competitiveness in order to augment farmers’ income. Moreover, to promote and enhance value chain development, MAFF seek to reorient the focus from extensive to intensive farming. Cambodia is also working on expanding cooperation with private sector to increase investment and income for the country, including a “Public Private Farmer Partnership” initiative.

PRC Presentation on National Agriculture Development Sector Policies

16. Dr. Zhang Yun, PRC WGA National Focal Point, presented PRC’S agricultural sector development priorities and goals. She pointed out that the top priority for PRC is to increase food production for the 1.3 billion people in PRC. The policy on the promotion of food security under the slogan “to feed China mainly by ourselves” puts great emphasis on the advancement of science and technology and focuses on food quality and safety. The policy comprises initiatives for improving production, building new agricultural operation systems, market upgrades, intensifying socialized agriculture services, and promoting integrated development of primary, secondary and tertiary industries in rural areas to increase farmers’ basic benefits.

17. Mr. Yueming Shen, National Secretariat Specialist (NSS) of PRC, presented on PRC’s national policies for agriculture. PRC’s national GDP continues to grow by 7% and the

agricultural sector constitutes 3.2% of the growth. The agricultural sector's work plan for the current year focused on maximizing arable land and developing advance technologies. Sustainable agriculture is the main focus area of the Central Committee of the Communist Party and the State Council of PRC. According to Mr. Shen, in order to promote agricultural sustainability, the country's land area has been categorized or divided into agricultural zones and the Guangxi and Yunnan Provinces fall under the "moderate development zone". Overall, five priority areas for PRC are as follows: (i) improvement of agricultural productivity; (ii) protection of arable land; (iii) promotion of water safety and agricultural water security; (iv) improvement of agricultural and rural environment; and (v) environment rehabilitation and improvement.

Open Discussion:

18. According to Cambodia the definition of "optimized development" needs to be clarified and they asked PRC to shed more light on their implementation procedures for commodity subsidies for agricultural production. The Chair also sought clarification on the issue of increasing subsidies for farmers, in light of World Trade Organization (WTO) mandates, which call for the gradual decrease of subsidies. PRC clarified that it adheres with WTO regulations on direct subsidies ("yellow box"). PRC's subsidies are mainly provided directly to the farmers through animal feeds, grains, agro-materials such as pesticides and fertilizer. Furthermore, with regards to the import volume of agri-products, PRC responded that in spite of promoting self-sufficiency of agriculture production, as in the past year, it would still import large amounts of agro-produce from the US, some countries in the region and the Middle East. PRC also mentioned that for the next year, it will continue to increase food production through "integrated production capacity," improve food safety; and speed up agricultural reforms and development in the rural areas.

Lao PDR Presentation on National Agriculture Development Sector Policies

19. Ms. Phimmason Xaymontri, Deputy Director of Planning Division, Department of Planning and Cooperation, Ministry of Agriculture and Forestry, presented Lao PDR's Agriculture and Forestry Development Plan (2016 – 2020). According to her, food security, improvement of commodity production and forest management, are the main focal areas of Lao PDR's agriculture development. The overall goal is to increase agriculture production, which covers 19% of the total GDP. For Lao PDR, the main source of livelihood is rice production. There are ten programs that cover all sectors in the field of agriculture, including: food production, commodity production, forestry development, sustainable development, rural development, agriculture forestry infrastructure, land development management, agriculture forestry research, service extension on agri forestry, disaster protection and human resource development.

Open Discussion:

20. The representative of Government of Sweden emphasized the need for countries to elaborate on the linkages of their national policies with CASP 2. The Co-chair agreed with the Swedish government representative and also noted that CASP 2 is a policy-influenced TA and its main focus is on the addressing policy gaps, priorities and strategies to tackle agricultural development in each country through common themes that are linked together. Apart from the explicit focus on food safety and food quality, which is a priority for all GMS countries, another priority aspect is reshaping the rural development sector, especially its off-farm segments and

giving a push beyond production to the service and manufacturing industry. It is equally important to transmit profits to small farmers, SMEs and other aspects of the value chain. In spite of varying national priorities, the Chair also encouraged the countries to continue to work closely with ADB to come up with regional projects that embody win-win solutions that will benefit the entire region.

21. In relation to food security strategy, Viet Nam shared that it has been engaged in cross-border trade on rice (around 70,000 tons per year) with Lao PDR. For instance, it noted that the country has been importing sticky rice from Lao PDR and there has been continuous cooperation and dialogue between the two countries. Lao PDR added that they will also export sticky rice to Cambodia while it is continually expanding its cooperation agreements with different countries. For example, Lao PDR has an SPS system cooperation arrangement with PRC, and expects to have similar cooperation mechanisms with Viet Nam and Thailand. Thailand also expressed interest engaging in exploring trade cooperation with Lao PDR on products such as sticky rice.

Myanmar's Presentation on National Agriculture Development Sector Policies

22. Dr. Thanda Kyi, The WGA National Focal Point of Myanmar, informed the participants that Myanmar shares the vision of ASEAN Cooperation in food, agriculture and forestry, which focuses in food safety and security. Myanmar adopted the ASEAN Integrated Food Security (AIFS) from 2016 – 2020 in accordance with the ASEAN framework. The Ministry of Agriculture and Irrigation (MOAI) focuses its efforts on “securing sustainable food and nutrition security” in the food system. Key interventions are focused on promoting sustainable markets, seed industries, inputs, agro-based industry, and reducing production costs, logistics costs and transaction costs in the market. Since 2013, Myanmar has enacted laws for the protection of farmer rights. Recently, the country has launched the rice sector development strategy to improve and increase rice yields and production in order to become one of the top rice exporters in the world as it was during World War II. It was pointed out that their policy on Good Agriculture Practices (GAP) and organic agriculture standards align with ASEAN standards. Myanmar successfully launched the National Zero Hunger Challenge (ZHC). Dr. Thanda also announced that Myanmar has achieved MDG-1. The key priorities for Myanmar include improving supply chain management, agro-based infrastructure, research and development, climate change mitigation, inclusive and sustainable agriculture growth (land and water productivity, rice-based agriculture diversification, support for smallholder farmers), expanding regional trade, and increasing agri-sector competitiveness.

Open Discussion:

23. PRC congratulated Myanmar in their achievements in reaching their MDG-1 target and expressed interest in obtaining more information about Myanmar's rice value chain. The Co-chair also commended Myanmar on its progress in unlocking structural constraints and policy barriers, but underscored the remaining challenges that needs to be addressed such as on-farm improvements, increasing yield, boosting productivity, linking research and extension (i.e. farmer field schools), and focusing interventions on value chains (particularly smallholder farmers).

Thailand's Presentation on National Agriculture Development Sector Policies

24. Mr. Piyawat Naigowit, Policy and Plan Analyst, Bureau of Foreign Agricultural Affairs, and Ms. Angkana Puttasri, Senior Policy and Plan Analyst, the Office of Agricultural Economics, MOAC, highlighted CASP 2 achievements in Thailand. They briefed the participants on the implementation structure between the MOAC and WGA-S/ADB. They also shared that the agriculture sector in Thailand constitutes about 8.6% of GDP, and 68% of that comprises the crop sector. The Agriculture Development Plan (2012 – 2016) envisions providing a good quality of life for farmers, securing food and increasing income for farmers and the whole country. There are three strategies under the plan. Strategy 1 promotes farmers' quality of life (i.e. building farmers' occupation and promoting income security, building knowledge base for sustainable farm production and strengthening farmer organizations). Facilitating agricultural trade is also given a high priority because it aims to encourage farmer competitiveness and enterprises' to access international trade. Strategy 2 promotes production capacity, such as the development of agricultural marketing systems and building connectivity with regional and international economies under ASEAN and other frameworks. Strategy 3 aims to enhance agricultural resources management. The projects within MOAC focus on managing agricultural economic zones to create a balance between demand and supply of agri-products to control price volatility, promote "smart farmer development" and enlarge irrigation and water retention areas.

Open Discussion:

25. Cambodia remarked that it would like to receive some advice and ideas from Thailand on their experience in encouraging the strong involvement of the young generation in rural area activities, such as farming. The Chair responded that there are numerous programs that encourage active participation of young farmers that empower them to become leaders. For instance, there are activities that support farmers to sell to new niche markets (i.e. weekly farmer markets). This activity encourages young farmers to become leaders and to play a bigger role in new technology adaptation and market innovation. The other countries agree that they share the common problem the young generation's disinterest in engaging in the agriculture industry. Lao PDR also raised the issue on how to maximize farmers' net benefit from agriculture sector.

Viet Nam Presentation on National Agriculture Policies and Strategies

26. Dr. Dao The Anh, Deputy Director General of Field Crops Research Institute (FCRI) cum Director of Centre for Agrarian System Research and Development (CASRAD) presented the national policies of Viet Nam. They stated that Viet Nam is facing some challenges with climate change and globalization. Farmers use more chemical inputs and pesticides, and the methane level, mostly from rice production is very high. Viet Nam is a strong exporter of rice, coffee, pepper and rubber, but production quality management mechanisms of smallholder farmers remain as a challenge. As a consequence, the value of the product is low which results in low income and revenues for farmers. Therefore, Viet Nam's national vision focuses on the growth of production and increasing the value of agricultural products. The three main sectors that Viet Nam focuses on are: (i) food security, (ii) adaptation to climate change and (iii) mitigation to create green value chain with innovative technologies. The government continues to prioritize channeling large amounts of its budget to research programs for rice, coffee, and mushrooms. Moreover, approximately 70% of the land is dedicated to improving the irrigation systems. The food safety law has been gradually enacted since 2010. Viet Nam's human resource capacities,

such as technical skills, and marketing and branding knowledge, remain weak. The new Rural Development Plan (2016 – 2020) focuses on attracting private sector in investments, land security, and promoting the role of farmer organizations in an attempt to harmonize with international standards

27. Dr. Nguyen Anh Phong, Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), presented the national policies and strategies to promote sustainable climate friendly agriculture in Viet Nam. He provided the latest data on Viet Nam's agriculture growth and the contribution of agriculture sector to total greenhouse gas emission (43%). To address the environmental issues of agriculture sector, the Viet Nam government has enforced several policies, strategies and programs that apply innovative technology in agriculture such as alternative wet/dry paddy cultivation, system of rice intensification (SRI), biogas in livestock, water use efficiency and power generation from agricultural residue.

Open Discussion:

28. The Co-Chair congratulated Viet Nam on their very focused presentation and noted the convergence areas with CASP 2 in terms of food safety (i.e. strengthening PGS consumer alliances) and CFA (i.e. nutrient loading and pesticide, and inefficiencies and losses and cost associated with post-harvest). PRC requested for further information on investing and maintaining irrigation systems (i.e. on whether farmers pay for use of water), specifically in terms of how the ministry in Viet Nam mobilizes the budget and where the funds are from. Viet Nam shared that the investment for building irrigation projects comes from almost 100% national and state budget. Currently, with preferential policy for agriculture, farmers can use water for their farms freely but still have to pay for pumping fees including electricity and service fees. For PRC's case, the Ministry of Irrigation manages irrigation, which comprises over 40% of total arable land in China.

29. Copies of the presentations under this session are in [Appendix 4.1](#), [Appendix 4.2](#), and [Appendix 4.3](#).

III. Session 2: Implementation Progress on Letter of Agreement (LOA) and Memorandum of Understanding

A. Implementation of CASP 2 Activities under LOA and MOU: Current Status, Challenges and Opportunities

30. Dr. Prum Somany, WGA National Focal Point of Cambodia, made a presentation on the progress of implementing the LOA and MOU in Cambodia. He noted that Cambodia was the first country to sign the LOA in October 2014 and there are a total of six proposals that were approved covering all TA 8163 outputs. The target outputs aim to support agriculture policies and strategies on food safety, GAP and CFA. The Cambodia LOA activities target to impact about 1,625 smallholder farmers, aim to develop 78 demonstration sites and expand market linkages. The inception report was approved in March 2015, first budget installment was received in April 2015, and financial disbursements to LOA partners are on track. The progress report for April – June 2015 is in the process of being prepared.

31. Dr. Somany informed the Meeting that four MOUs have been submitted to ADB and waiting for approval. The activities comprise capacity building for farmers on CFA practices, improvement of market linkages and production of awareness-raising materials. These activities

will contribute significantly to the government's program on agricultural development (i.e. provide support to relevant departments), as well as improve livelihood of farmers, and enhance CFA and food safety. The key successes include government ownership and strong interest and support from implementing partners. On the other hand, the involvement of the private sector remains as a major challenge. Dr. Somany proposed the WGA-S to conduct site visits in the future.

32. Dr. Zhang Yun, WGA National Focal Point of PRC informed the participants that PRC expected to sign the LOA with ADB very soon. China has initiated calls for proposals in August 2014 and has selected and approved five projects. Three MOUs have been signed in January 2015 and some activities have been implemented, such as CFA training courses and farmer field visits. There are some challenges in the implementation of LOA and MOU initiatives. For the LOA, Dr. Zhang also raised concerns on how to achieve sustainable impacts through these small-scale projects. PRC is very keen to add value to MOU activities. The challenge is on how to scale-up PPPs and maintain their engagement. She added that within such scope of work, there are large opportunities to link activities and engage more partners in future investment projects. Dr. Zhang added that PRC has very good Information and Communications Technology (ICT) practices to share with other countries.

33. Ms. Sengphet Lattanavong, WGA NSS of Lao PDR, presented on the progress of LOA and MOU implementation in Lao PDR. The LOA was signed on 5 February 2015 and there are a total of four projects that were approved by MAF in December 2014. Three departments are in charge of implementing the four projects in four provinces, seven districts and thirty-five villages. She also noted that due to the delays in fund disbursement, some of the LOA activities have been rescheduled from February to May 2015 and the implementation timeframe of many planned activities will be undertaken during the dry season. On-the-ground implementation (i.e. conducting project inception meetings with the concerned stakeholders in each province) of three of the four projects has also started. The LOA activities have enhanced local capacity and country ownership in activity implementation. However, the procurement procedures and policies within NSSU are still under development, causing procurement bottlenecks. The unique government protocols related to the implementation of activities under TA 8163 has caused some complications in the development of MOUs. However, the Lao PDR Ministry of Agriculture and Forestry and WGA-S will continue to seek for ways to continue developing MOU cooperation mechanisms with private stakeholders in the near future.

34. Ms. Myat Thuzar Thein, WGA NSS of Myanmar, presented on the progress of LOA and MOU implementation in Myanmar. Myanmar has selected and approved three projects that commenced in December 2014. For the MOU, the main objective is to promote organic agriculture or climate friendly agriculture by providing support to smallholder farmers to participate in exhibitions and trade fairs. Financial procedures, promotion of agribusiness value chains and expanding market linkages still remain as a challenge in LOA and MOU implementation. Despite the challenges, these activities provide opportunities to enhance public private partnerships, produce awareness-raising materials, and produce results that will align with national priority areas. In line with PGS implementation in Myanmar, she suggested the need for the WGA-S to support in-country trainings for national staff in order to better understand and establish PGS certification systems in Myanmar.

35. Dr. Bunjirtluk Jintaridth, Director of Acid Sulfate Soil Improvement Subdivision, Department of Land Development from Thailand informed the Meeting that the LOA funds are used to further promote PGS and the biochar project in Thailand. For the PGS, there are five

target locations and the team has visited all the sites in June 2015. The biochar project was developed for the proper use and full utilization of agricultural wastes. The ministry saw the need to conduct research on defining ways to better use biochar to conserve natural resources and the environment. The output of the research aims to produce information to help farmers better understand the use of biochar.

36. Mr. Nguyen Thanh Dam, WGA National Focal Point for Viet Nam, presented the progress of LOA and MOU implementation in Viet Nam. There are a total of eight LOA activities that will be implemented in seven provinces. Six out of eight projects have commenced. Recently, the NSSU has conducted training on LOA fund disbursement for LOA partners. Some challenges in LOA implementation include: (i) delays in activity implementation due to fund transfer delay, (ii) difficulties in fund disbursement due to the lack of specificity on which cost norm to follow (the LOA financial disbursement guidelines, therefore, must both comply both with national and ADB regulations), and (iii) identifying methods for obtaining tax refunds from the government. He updated the meeting that a finance and administrative assistant has already been engaged, but is still in the process of learning the ADB disbursement procedures and guidelines. With regards to the MOU, there are two MOUs that have been signed between ADB and the private sector. However, no activities have been implemented yet. Viet Nam requested the WGA-S to give support and advice on how to mobilize the activities more quickly. Similar to other countries, the implementation of the LOA and MOU has encouraged private public partnership and country ownership in Viet Nam.

37. Copies of the presentations under this session are in [Appendix 5](#).

IV. Session 3: Sharing Experiences in Project Implementation by Consultants and Feedback from GMS Countries

A. Satellite-Based Drought, Flood and Food Security Monitoring System by Remote Sensing Technology Center of Japan (RESTEC)

38. Mr. Shin-ichi Sobue, General Manager, Strategic Planning and Management Department, RESTEC, presented their work on Satellite-Based Drought, Flood, and Food Security Monitoring System in Asia, and their upcoming plan to apply this system to GMS countries. He emphasized the importance of sharing information regarding drought conditions in the GMS to promote sub-regional food security cooperation. He reported that collecting drought information for the entire sub-region with conventional methods is too costly, and that cross-country comparisons are difficult because of different data collection methods. Thus, satellite technology presents a good alternative, providing near real time and objective drought indexes for the GMS. He described a system that provides drought indexes by country and province, as well as satellite data on precipitation and evapotranspiration, using Thailand as an example. Under ADB RETA 6521, a satellite-based drought monitoring and warning system in the GMS will be integrated into the existing GMS Agriculture Information Network Service (AINS) website. Mr. Sobue then presented their work plan and training schedule proposed for each GMS country, spanning September to October 2015. He also requested for support and assistance from countries in assigning national technical focal persons, providing information on rice production, and preparing for a two-day training workshop.

Open Discussion:

39. Cambodia confirmed that they would provide the contact details for the national focal points and training arrangements. In Cambodia's experience, more than one data source is needed in convincing farmers to change their farming habits, and expressed concern on RESTEC's use of a single data source. Viet Nam and Myanmar shared this concern. The Co-Chair confirmed that the system needs to be contextualized to fit with various country situations, as well as, have more than one source of data to provide farmers with sufficient information.

40. The Chair noted that the timeframe for the two-day training workshop might be too intensive, and that crop production data in each country is sensitive, making it difficult to share with RESTEC. PRC supported the Chair's comments, adding that data information is managed by different agencies, requiring approval from different governmental levels to get data. In turn RESTEC provided the assurance that the data will be used only during the training within the country, and will not be taken by RESTEC or used for other purposes.

41. The Chair concluded by instructing the WGA-S to have further discussions with RESTEC and consultations with countries on data requests, trainees, and timeframe to help secure country's support and coordination.

B. Agri-business Development in Lao PDR and Thailand by Green Net Foundation

42. Mr. Vitoon Punyakul, the team leader of the Earth Net Foundation to implement the agri-business development activity in Lao PDR and Thailand, agreed to share the presentation without making an oral presentation due to late arrival and time constraint.

C. Participatory Guarantee System (PGS) in the GMS by Lemon Farm

43. Ms. Suwanna Langnamsank from Lemon Farm presented their Participatory Guarantee System (PGS) mechanism as an internal certification system for smallholder farmers producing organic products for consumers' and their own health benefits. Lemon Farm is a social company founded in 1999 with 12 branches bringing health and clean food from farmers to consumers. Given that third-party certification can be too costly for smallholder farmers, PGS is an effective alternative to help the poor. PGS helps producers improve product quality, as well as, collectively market and monitor producer compliance and production activities. In turn, consumers can be assured that verified standards have been met for the production, processing, packaging and transportation of a product. Through PGS, smallholder producers are certified based on the stakeholders' active participation. PGS is built on trust and transparency and can be used to improve health, increase income and enhance market. The organic standards of the International Federation of Organic Agriculture Movements (IFOAM) are used as the standard, localized for farmers to use and apply in their farms. Ms. Langnamsank further explained the process for establishing and operating a PGS site, where documentation and peer reviews are crucial in monitoring product quality.

Open Discussion:

44. Lao PDR had queries on the credibility and acceptance of PGS as a quality assurance system, and on the target market for PGS products. Mr. Chris May, ADB consultant, clarified that PGS-certified products is for domestic, local markets, not for export. He also noted that

IFOAM's registration system allows PGS operators to register their farms under self-evaluation certification.

45. Viet Nam asked Lemon Farm to share their experience on quality control when farmers are more income-oriented and might not follow organic standards. Ms. Langnamsank clarified that marketing, documentation and cross-checking are crucial, and must be controlled strictly. Health awareness and the new market opportunity of organic are crucial factors influencing the change of farmers' practices.

46. Myanmar expressed appreciation for PGS as a certification tool for smallholder farmers but also expressed concern on its effectiveness in case the market is not ready for PGS-certified organic products. Mr. Lindsay Saunders, ADB consultant, noted that PGS is not only used for organic products but can also be adapted for other safe food as well. He added that PGS is primarily an aggregation and quality assurance mechanism and helps save coordination costs when working with smallholder farmers. So PGS helps both with market linkages and the coordination of smallholder farmers.

47. Cambodia emphasized the importance of government's recognition of PGS as an official certification system, and asked the consultant about bringing PGS into the national policy smoothly and sustainably. He also asked about the link between organic agriculture and Genetically Modified Organisms (GMO). In connection, the Chair remarked that countries are not required to totally prohibit GMO to have organic farming system, but certified organic farms cannot use GMO products.

48. The Chair concluded the session by remarking on the benefits of using PGS as an alternative tool for smallholder farmers and local markets. She also noted that there are different approaches to integrating PGS with governments' official systems, from regional to national level or vice versa.

D. Biomass Management for Bio-energy and Food Security by Landell Mills Company (LML)

49. Mr. Lindsay Saunders, ADB's consultant, presented the achievements of Technical Assistance (TA) 7833: Capacity Building for Efficient Utilization of Biomass for Bioenergy and Food Security in the GMS", implemented in Lao PDR, Cambodia and Viet Nam. The TA focused on pilot testing innovative business models to scale up efficient biomass technologies for bioenergy and food security. Mr. Saunders reported on the business models implemented for improved cook stove (ICS), biogas-bioslurry and biochar-biofertilizer. The adoption of ICS has been increasing significantly with output-based contracts and the involvement of women unions and/or farmer unions in each country. He noted that without increased margins and volume-per-producer, the sector is unlikely to support the quality control and standards being proposed. He also presented the results of lab tests to-date showing that biochar filters can be used for treating bioslurry, reducing environment pollution by removing nitrogen and phosphate. However, there should be more tests and pilots on the efficiency of using biochar as a biofertilizer. On bioslurry composting models, Mr. Saunders underscored that the labor costs are too high, making the outputs more expensive than traditional/NPK fertilizers, resulting in unsustainable models for small-scale production. TA 7833 organized training courses, regional events, and farmer field schools to build capacity for 4,500 trainees in total. Mr. Saunders concluded by suggesting policy considerations needed to provide tools for climate change adaptation and mitigation and agricultural policy, encouraging more pilots on least cost

scenarios for delivering greenhouse gas (GHG) reductions, and highlighting the role of government and the private sector in implementing organic standards.

E. E-traceability in Practice: Experiences from Thailand by the National Bureau of Agricultural Commodity and Food Standards (ACFS), MOAC

50. Mr. Chatchai Prathummal, Acting Director of Information Technology Center, National Bureau of Agricultural Commodity and Food Standards (ACFS), MOAC, Thailand introduced their new e-traceability program called ACFS Small-and-Medium Enterprises (SME) Traceability Program for vegetable and fruits, supporting stakeholders such as packing houses, distributors, modern traders, and restaurants. The system allows those involved to record data like agriculture, storage, distribution, safety control systems in the logistical chain, and production volume, in order to trace back the flow of products throughout the food supply chain. They used QR codes placed on the products or packaging to provide information for consumers such as products, certificates, materials, and Google maps to the farm. The system is designed to benefit SME entrepreneurs in building competitive advantages, expanding markets and receiving higher prices. Farmers benefit through strengthened capacities to develop industry standards and product quality control, as well as, get more sales and profits from their farming. He then showed examples of two successful farmers, getting more profits from durian and mushroom from using the system. To-date, ACFS has organized training courses for 600 participants and plans to have more training workshops in the upcoming future.

Open Discussion:

51. Cambodia asked after the voluntary participation of farmers in the system and how to balance the benefit to farmers inside and outside the system. Furthermore, Cambodia expressed appreciation for this initiative and requested for more information on the investment cost to operate the system. Finally, it was suggested that this e-traceability system be piloted in Cambodia.

52. The Chair responded that farmers voluntarily join the system, but that farmers with certified products are proactively encouraged to join. She emphasized that the system is simplified for small-scale farms and SMEs. The key is to (i) focus on target groups (e.g., strong farmer groups and farmers who have premium products); and, (ii) respond to market needs. Regarding cost, the Chair clarified that an open source system is used, limiting costs to training and data encoding costs only.

53. Copies of the presentations under this session are in [Appendix 6.1](#), [Appendix 6.2](#) and, [Appendix 6.3](#).

V. Session 4: Open Discussions on Approaches and Strategies to Strengthen Regional Cooperation and to Prepare for Execution of 2015 Work Plan

A. WGA-S Brief on Key Activities and Future Initiatives

54. Dr. Thamana Lekprichakul, WGA-S Program Coordinator, presented the current three projects in the pipeline under CASP 2, namely: Livestock Traceability, E-Trade for Agri-Trade Promotion through ICT) and GMS AINS. Dr. Thamana sought the WGA's guidance on whether these systems can be piloted in the GMS countries. Specifically on Livestock Traceability, he presented a list of activities summarized in the presentation included in [Appendix 7](#). Dr.

Thamana suggested that the project needed to focus next on strengthening close coordination with GMS countries, especially on cross-border issues relating to cross-border livestock tracking activity under PRC's LOA, as well as, advocacy initiatives/project visibility. Likewise, the project needs to promote synergy with other initiatives, noting that Thailand's MOAC just developed an e-traceability system as a free system for farmers and other users. He proposed that countries pilot test the MOAC-developed e-traceability system on crops to strengthen food quality assurance system.

55. On the E-Trade for Agri-Trade Promotion through ICT project, Dr. Thamana recounted that during the 9th Meeting of the GMS WGA (WGA9), GMS countries agreed that facilitating paperless or paper-free transactions should be prioritized as a key mechanism to enhance the competitiveness in the agriculture sector, reduce cost, speed up procedure documentation across border trade, reduce transport duration, enhance transaction efficiency and harmonize information exchange. The facilitation of e-trade would contribute to GMS' global competitiveness by promoting food safety and modernizing agriculture trade and communication technology, improving the transaction costs of smallholders, and opening up opportunities in the international market place. Potential e-trade solutions include ICT for harvesting, post harvesting and regional traceability; e-commerce management; e-document submission systems for electronic information requirements; e-permits, e-health, e-SPS, sanitary and phytosanitary certificates for agriculture products; and, faster export clearance and linkages to the National Single Window systems of exporting countries. In connection, conducting a Business Process Analysis (BPA) will help simplify and, therefore, speed up, importing and exporting procedures. The results of BPA can help design improvements to the current system, considering the different capacities of each GMS country. The next steps under this second initiative include: (i) reviewing BPA on agriculture products; (ii) identifying bottlenecks and inefficiencies in agri-trade procedures and processes; (iii) designing pilot projects for selected crops; and, (iv) using the BPA results for policy recommendations.

56. Finally, on GMS AINS, he mentioned that its main purpose in the region is to (i) build a platform for agriculture information exchange; (ii) facilitate information exchange among agriculture authorities; (iii) expand horizons and intensify agriculture cooperation promoting economic trade activities among agri-businesses; and, (iv) foster agriculture development as well as advance rural economic growth. AINS was first officially launched in 2007, followed by discussions where it was agreed with PRC that AINS should be upgraded. It is in this regard that WGA-S needs direction and guidance from GMS countries. More work on the knowledge platform is required to make AINS more useful for users, farmers, consumers and policy makers. During the Regional Forum on upgrading AINS held in Cambodia in November 2014, PRC considered further funding support to upgrade AINS into an interactive knowledge and e-trade platform. A proposal is in discussion on modeling AINS after the Regional Strategic Analysis and Knowledge Support System (ReSAKKS) facilitated by the International Food Policy Research Institute (IFPRI) using various new technologies, including multi-media and social media platforms.

57. Dr. Thamana concluded his presentation by soliciting guidance and support from the GMS countries for the three projects. Specifically for AINS, Dr. Thamana asked if it is of interest to the GMS countries and whether additional funding was possible from PRC.

Open Discussion:

58. Cambodia proposed that, beyond livestock traceability, vegetable traceability was another important issue in agriculture. Many consumers prefer fresh vegetables, increasing demand and, correspondingly, the use of chemical fertilizers and pesticides. Thus, Cambodia proposed vegetable traceability as part of the upcoming projects.

59. Furthermore, Cambodia regards e-trade as very important, but suggested that such an initiative first requires knowledge of the market, especially in the pilot stage. Since ADB supports both e-trade and SPS in the country, Cambodia's present concern is with simplifying cross-border trade documentation. In connection, Cambodia and PRC plan to hold bilateral discussions to agree on procedures, documentation and timeframes related to cross-border trade. Ultimately, given the importance of e-trade, assessment should be conducted to describe current status and identify the lead and responsible agencies.

60. Specifically, regarding import and export data, Cambodia would like to know the data source, as well as, when and where the data is collected, given that import and export is being improved for better trade facilitation under ongoing projects supported by ADB and other donors. Cambodia expressed concerns with the terminology "e-trade" because e-trade does not fall under Ministry of Agriculture. Thus, Cambodia suggested using "e-certification" or something similar, focusing on agriculture commodity trade to avoid confusion.

61. Cambodia and Viet Nam shared a common view on the difficulties in applying the e-traceability system to the livestock sector, since the value chain involved more actors and more complicated processes.

62. The Chair suggested that there should be more discussions between WGA-S and other countries on the e-traceability system for livestock.

63. Finally, regarding AINS, Cambodia appreciated PRC's ongoing support for the system and proposed continued support from PRC. In conclusion, Cambodia confirmed acceptance of the three proposed projects and suggested conducting an in-depth study/research on livestock traceability, e-trade and AINS, recognizing the need to coordinate among multi-government departments about trade issues. Cambodia also suggested seeking regional-level agreements among GMS countries to implement activities related to the agricultural sector.

64. Viet Nam agreed with Cambodia and PRC's comments on the necessity of first conducting research on cross-border trade because of the unique policies in each GMS country. Moreover, there is presently much research on cross-border trade but only limited information on informal trade. (When the procedure of formal trade becomes very complicated, informal trade is chosen as an easy and cheaper alternative). Thus, Viet Nam confirmed support for the proposed projects and suggested taking into account informal cross-border trade in future activities.

65. PRC supported Cambodia and Vietnam's comments and suggested to simplify the e-trade format. Presently PRC is promoting cross-border trade and is willing to negotiate with its GMS neighbors. PRC acknowledged that it is difficult to promote e-trade without having common ground among countries. Thus, it is important to start with bilateral negotiations to simplify the procedures. Additionally, PRC proposed to GMS countries to identify the various information needs and consolidate information from various initiatives since there are so many parallel information systems available. PRC has already supported, for example, the ASEAN Food Security Information System (AFSIS).

66. Regarding AINS, PRC would consider continued support for operating and upgrading the system, however, GMS and ADB should explore resource mobilization options for AINS. Specifically on AINS upgrading, PRC suggested more consultations is needed among GMS countries. Meanwhile, PRC proposed the following features: (i) more information in the AINS platform from GMS countries about agricultural production and trade; (ii) a mobile app to be connected with AINS; (iii) demonstration of technology extension through an AINS app. Finally, PRC confirmed acceptance of the three proposed projects and suggested conducting in-depth studies/research on these projects.

67. Myanmar expressed concern that livestock activities are not under the Ministry of Agriculture and Irrigation (MOAI) so they presently have no information on how they might be involved in the project. Moreover, Myanmar was not involved in CASP I due to sanctions, and is unaware of the e-trade initiative. Finally, Myanmar is uncertain on whether AINS and AFSIS can be replaced or linked together.

68. The Co-chair expressed great interest in hearing from the GMS countries on the way forward, to have a better understanding of the situation for mapping out markets, production and border trade. GMS is currently prioritizing the economic corridors, and some corridors could provide insights into relevant production sectors across the borders. He suggested that Cambodia's proposal on vegetable traceability may be considered in a forthcoming TA. Regarding Myanmar, he suggested that the livestock traceability and e-trade project will fall under the Ministry of Livestock and Ministry of Commerce respectively and will advise the consulting firm to mobilize resources and prepare special paper work for Myanmar to secure additional clearance for project implementation, if needed.

B. Briefing on Regional Investment Framework Implementation Plan (RIF-IP) Monitoring System for Agriculture Sector

69. Ms. Flordeliza Melendez, ADB Consultant, GMS Secretariat, presented monitoring system guidelines for the GMS Regional Investment Framework Implementation Plan (RIF-IP) for 2014 to 2018. She mentioned that under the overall RIF covering 2013-2022 there are 5 investment and 8 technical assistance projects for the agriculture sector. These have been further prioritized into 2 investment and 2 project preparatory technical assistance projects under the RIF-IP. She described overall RIF-IP implementation and the portfolio's distribution among the sectors of transport, energy, agriculture, environment, human resource development, urban development, tourism, transport and trade facilitation (TTF), ICT, and others. She explained the monitoring system that has been developed, the process and the entities involved in monitoring RIF-IP implementation; RIF-IP status report preparation schedule and format including the monitoring tables for the agriculture sector. She mentioned that in future, the monitoring system which is currently paper-based will eventually be transformed into an online structure. As the RIF-IP is a living document, it may accommodate changes as may be agreed upon by the sector working groups during implementation. Ms. Melendez encouraged WGA and WGA Secretariat's inputs to the preparation of the first consolidated progress report on overall RIF-IP implementation, to be presented at the 20th GMS Ministerial Conference scheduled in Nay Pyi Taw, Myanmar in September 2015. Likewise, she requested WGA-S to contribute a short paragraph on the agriculture sector's most notable achievements and forward-looking initiatives as input to the Draft Joint Ministerial Statement.

Open Discussion:

70. The Co-Chair linked the RIF-IP with ADB's Country Partnership Strategy programming, capturing regionally pipelined projects, and two investments projects in particular. He reported that three new TAs are being considered for the GMS, one to be supported by additional NDF financing for bio-energy, another to support CASP Phase III implementation, and a third linking to a policy and advisory technical assistance (PATA). Co-Chair advised that the implementation of the regional investment project, "Climate-Friendly Agri-Business Value Chains in the GMS" covering Cambodia, Lao PDR and Myanmar, while initially planned for 2016, has been moved to 2017. He also noted that the latest RIF pipeline will be shared as part of the proceedings.

71. Cambodia suggested adding a column in the monitoring forms for identifying the lead agency when multiple agencies are involved in executing the activity. Cambodia agreed with the Co-Chair on the proposed 2017 timeframe for the "Climate-Friendly Agri-Business Value Chains in the GMS" but suggested that PPTA implementation should start as soon as possible. Likewise, Cambodia, proposed to advance the TA on "Enhancing Competitiveness and Trade Facilitation of Agri-Food Products in GMS (with SPS component)", in line with ASEAN Economic Community (AEC) establishment, suggesting that SPS should not wait until first phase completion. Cambodia reiterated the need to find an alternative term to "e-trade", avoiding the word "trade". Finally, Cambodia recommended that proposed projects should be consulted with GMS countries, confirming their understanding and capacity to fulfill the technical assistance, and ultimately, their acceptance of the project.

72. The Co-Chair stated that the WGA-S will share the latest draft of the RIF-IP to the GMS country operations related to the pipelined projects; to confirm which projects will be implemented by 2016, as well as which are on stand-by until 2017, and to help identify suitable projects for 2018, as input to the GMS Joint Statement. Finally, the results of the mid-term review (MTR) for the ongoing SPS project in Cambodia will inform similar projects in the future. In connection, and as raised by Cambodia, given that responsibility for implementing SPS falls under multiple agencies such as agriculture, TTF, the lead agency for implementing the project will be articulated to help oversee coordination with the other agencies involved.

C. Monitoring and Evaluation System

73. Ms. Anna Taketani, Monitoring and Evaluation Specialist, ADB consultant, presented the proposed monitoring and evaluation (M&E) system for CASP 2 based on an overall program design and monitoring framework (DMF). She highlighted the importance of M&E in the GMS in achieving output-based results and outcomes, as well as, the need to focus on developing innovative ideas. Ms. Taketani contextualized M&E within the programs, plans, strategies, and policies of each GMS country's agriculture sector, ADB and other donors; ADB's Country Partnership Strategies; and, CASP policy themes. She focused mainly on establishing an outcome level between the current CASP 2 vision and its pillars, more harmonized indicators at the pillar level, and the need to strengthen the M&E System overall. In conclusion, she identified areas for further discussions and actions, specifically: (i) reflecting on CASP 2 strategic directions in the overall DMF; (ii) connecting M&E with country systems, needs and priorities, and knowledge management interventions; (iii) revising performance indicators; and, (iv) ensuring appropriate policy, management and technical support for sustainability.

74. The Co-Chair stressed the need for an overall CASP 2 program DMF and M&E system to help rationalize individual projects and interests. Based on earlier sessions of WGA-12, CASP 2's vision of promoting safe food and value chains align with GMS countries' priorities. The challenge is implementing the program at the output level, and in implementing activities that contribute to achieving CASP 2 outcomes and impacts. The next sub-session on Developing Regional Support for CASP 2 will contribute further to the discussions on a CASP 2 M&E system.

D. National and Regional Policy Imperatives for Safe Food and Climate-Friendly Agriculture

75. Ms. Pamela Asis-Layugan, ADB Consultant, facilitated the session, reminding the WGA to draw on previous sessions to input into the current discussion. These include highlights from the JKE-3 on "Developing Inclusive and Sustainable Agricultural Value Chains in the GMS", country priorities in food safety, as well as, the CFA and rural restructuring concepts presented in the session on national policies and priority plans.

76. Dr. Larry Wong, ADB consultant, summarized the key points from the JKE-3 discussions. He emphasized six points drawn from the key note address, presentations, and the way forward panel discussion. First, Dr. Wong highlighted the importance of adopting a more holistic agribusiness or supply/value chain management approach – "from seed to shelf" or "from farm to fork" supported by other non-farm economic activities along the supply chain within a rural or regional development context. Second, he suggested to re-frame the overall CASP objective to, "towards developing and managing more inclusiveness and more sustainable agricultural supply chains in individual member countries and spanning the GMS, leveraging the three economic corridors and beyond." He noted that inclusiveness refers to all kinds of facilitation with development partners and not just beneficiaries. Moreover, sustainability refers to social, economic and organizational aspects, beyond just environmental concerns. Third, Dr. Wong emphasized the importance of food safety, expounding on safe food supply and traceability; saving food; and food, water and energy losses along the supply chains (e.g., developed countries lose 33% at consumer level). Fourth, the missing middle refers not only to the lack of financing for SMEs and medium scale farmers, but also the neglect of meso level administration (e.g., regional, provincial) amidst focus on the macro and micro levels. Fifth, Dr. Wong raised the importance of the private sector and the need to have a better understanding on the motivations behind private sector, government and farmers actions. There are various configurations for private sector participation, and specifically for public-private partnerships (PPP) the role of government remains important. Sixth, Dr. Wong proposed that it is critical to build on the institutional gains from implementing the GMS program (including CASP 1 and CASP 2) since 1992, to integrate other sectors/components starting with environment. Value Chain Risk Assessment may be a convenient starting point in this regard, leveraging on the PPTA-nature of CASP 2 and the flexibility contributed by LOA and MOU arrangements.

77. Mr. Lindsay Saunders, ADB consultant, presented the policy linkages in agricultural value chains, captured in three thematic policy areas: (i) CFA or climate-smart agriculture (CSA), (ii) rural restructuring, and (iii) trade. Understanding why something happens in agricultural value chains is very important. Across the three policy areas, GMS can aim to understand and create enabling policies for market supply chains; co-financing value chains with the private sector and the corresponding role of government to support producers; rural restructuring to develop non-farm economies; the linkages of agriculture production systems

and rural restructuring to meet demand for high production volumes; and the opportunities to enhance agricultural trade through traceability, e-trade, certification and other ICT applications. Support must be channeled into naturally converging areas (e.g. where customs harmonization, SPS interventions, climate mapping, and the like are already occurring).

Open Discussion:

78. The Co-Chair observed three areas emerging from the presentation for consideration and discussion: (i) mapping out of CFA at the regional level; (ii) focusing on green growth strategies and cross border trade; and, (iii) promoting traceability, with PGS systems as a potential jumping off point for discussions. He also noted that the emphasis on specific corridor alignments (i.e., sub corridor segments) and the development of special economic zones and particularly border economic zones provide logical areas of ‘convergence’ in terms of identifying opportunities and potential for policy enabling support for safe food value chains and associated trading networks.

79. Cambodia asked whether CASP is considering one policy with three different components, or three policies linked together; and in this context, what is meant by “linking both sides of the border?” Cambodia agreed to the policy linkages as principles to be further developed, suggesting the need for an appropriate name for a single national policy comprising three parts that can be proposed as a rallying point for the GMS leaders as a strategic direction for GMS. Cambodia added that harmonization and cooperation should not only focus on bilateral ties, but rather extend subregionally and regionally to facilitate more trade, moving toward a single document applicable to the entire region. Finally, Cambodia reminded the plenary that since structure informs design, an effort should be made to use only one term—either CFA or CSA—simplifying the matter when engaging and communicating with the various stakeholders.

80. Mr. Saunders clarified that there are three policy groups for consideration, and that each GMS country may opt to proceed with one or more, or otherwise interlink the policies together, based on their current situation, processes and needs. Mr. Saunders agreed with Cambodia to use a single term for CFA. Dr. Wong clarified that linking both sides of the border referred to linkages within and outside a country, and not to linking the various border areas of the country.

81. Viet Nam supported Cambodia’s suggestions and comments, as currently Vietnam is not only doing cross-border harmonization and cooperation with Cambodia and Lao PDR, but also with Thailand. Thus, Viet Nam suggested mapping out the agriculture trade in the region.

82. IRRI supported Viet Nam’s suggestion, adding that the mapping of agricultural border trade is presently crucial. IRRI added that an alternative index to weather-based insurance is being developed to reflect various losses, including from weather disasters. IRRI suggested exploring a yield area-based index as an option when considering weather-based to climate-smart insurance.

83. PRC supported Dr. Wong’s JKE-3 summary, and the importance to all GMS countries of understanding the gaps and priorities in the agricultural value chain. In this regard, PRC asked what GMS countries should prioritize in developing sustainable and inclusive value chains. Dr. Wong replied that there is not one supply chain for each commodity. Thus, mapping existing value chains in individual countries is really needed given expanding domestic markets and smaller export markets. He added that it is necessary to link production to the expanding

market, while simultaneously focusing on regional integration and border trade, as production flows from surplus to deficit areas. Since it is misleading to talk about a single supply chain, GMS countries must track the trajectory and velocity of each supply chain, then intervene by legislation, pricing policy (e.g., subsidy, taxes) or direct investments as deemed best. When balancing equity within countries, a multidimensional solution within a rural development context is critical in border areas which tend to be less developed.

84. The Co-Chair added that the GMS could explore spatial and temporal aspects of value chains for different commodities, linking to safe food through trade and investments. GMS countries could identify a few commodities considered as priorities, with naturally occurring supply chains from a safe food perspective and map out the related emerging safe food markets. This would be in line with both the GMS country programs and CASP 2. Myanmar and Dr. Saunders agreed a single market and a single value chain will disadvantage producers who will receive limited offers for their produce.

85. Ms. Asis-Layugan concluded the session by identifying three points of convergence that may evolve into policy areas for further exploration: (i) climate mapping of CFA and PGS, (ii) trade and traceability under PGS, and (iii) cross-border corridors and their roles in promoting safe food and climate friendly agriculture.

E. Developing Regional Support for CASP 2

86. The Co-Chair updated the WGA on immediate plans for supporting CASP 2 including improved institutional arrangements for better effectiveness and efficiency, an indicative framework for the MTR, and the roles of countries in leading progress in the sector. To ensure effective implementation, CASP 2 will: (i) continuously align itself with government policy and program priorities, adapting to changes in the working environment; (ii) proactively address the administrative complexities and systemic weaknesses affecting program delivery (e.g., separating program management and technical support services, and reducing administrative burdens to improve implementation efficiency); (iii) capture synergies between agriculture and environment; and, (iv) focus on performance-based management.

87. Cambodia expressed readiness for the CASP 2 MTR, suggesting that a clear policy idea be put forward for approval and careful submission to the GMS Summit. Prior to submission, Cambodia suggested that ADB should first organize a stakeholder workshop to discuss the proposed policies and solicit approval. In response, the Co-Chair suggested that there should be deliberate discussions on the MTR, scrutinizing it against the GMS country priorities, and supporting any recommendations with additional assessments and studies.

88. Copies of the presentations under this session are in [Appendix 7](#).

VI. Session 5: Conclusion of the 12th WGA Annual Meeting

A. Development Partners Perspectives on Regional Cooperation to Support Gender Responsive Climate Friendly Agriculture in the GMS

89. Ms. Emeli Moller, NDF delivered the joint statement by the Government of Sweden and NDF. She extended the donors' appreciation for the progress and achievements of CASP 2 in reducing poverty, and strongly supported the program's focus on smallholder farmers. The donors appreciated the WGA-WGE back-to-back meetings for promoting cross-sectoral learning, and for offering a comprehensive view of interlinked programs. She praised the program for the 2014 annual report, while raising donors' concerns, and requesting feedback on six aspects: (i) plans and actions for addressing implementation delays; (ii) updates on CASP 2 contribution to RIF implementation process; (iii) more information on the pro-poor interventions and lessons of the program; (iv) further steps in engaging private sector development; (v) appraisal on ADB's staffing of CASP 2 and CEP and ADB management support ; and (vi) an update on MTR process and timelines.

90. All countries thanked the donors for their support to CASP 2. Cambodia encouraged the donors' continuous support to the program and committed itself to improving program implementation. PRC noted the current delay in signing the LOA, promising it would speed up implementation, and guaranteeing the successful and timely implementation of the LOA project. Lao PDR pointed out the lack of local capacity to implement the program and requested for more support from ADB and other GMS countries in capacity building. Myanmar reiterated the challenges about food safety and quality currently facing the country, expecting to use CASP 2 to better achieve its national development goals. Viet Nam stressed the importance of collective research and mapping activities on promoting regional trade and CFA development as discussed during the meeting. Thailand invited applause for the donors from all delegates and closed the session.

B. Summary of Outcomes of the 12th WGA Annual Meeting

91. Mr. Apichai Thirathon summarized outcomes of the meeting, including follow-up actions for confirmation by the WGA-12. The countries revised several key messages, and agreed to provide feedback once the official proceedings are drafted and circulated. The summary presentation of outcomes of the meeting is in [Appendix 8](#).

C. CASP 2 – 2015 and Beyond – CASP 2 Responses to GMS Priorities

92. The Co-Chair delivered the closing remarks, acknowledging the richness of the meeting's discussions, and highlighting pressing needs that require actions. First, CASP 2 needs to build from national to regional priorities, leveraging points of convergence emerging from individual countries. Second, the CASP 2 must support more policy dialogues among countries and focus on the existing economic corridors. Third, ADB should improve the implementation of LOA and MOU activities by making the arrangement more flexible yet still effective, providing the necessary financial and technical support. In connection, the Co-Chair noted that CASP 2 activities with stronger support from stakeholders are generally progressing better in comparison. Fourth, ICT applications can be applied to CASP 2 activities (including e-trade platform building and AINS upgrading) through pilot projects focusing on the corridors. The Co-Chair stressed the need to align CASP 2 with national priorities and link the TA with other investment projects. Moreover, he encouraged NDF and Government of Sweden to

continue supporting the third phase of CASP. Finally, he acknowledged Thailand as a regional hub for implementing CASP activities and thanked the country for hosting WGA-12. He also thanked the WGA-S for the hard work invested in successfully organizing the event.

93. The Chair formally closed the meeting by expressing thanks to GMS member countries, WGA-S team, the donors, ADB and the Co-chair.

Appendices

All appendices are hyperlinked, click to access.

[Appendix 1: List of Participants](#)

[Appendix 2: Program and Agenda](#)

[Appendix 3: Session 1-Welcome and Opening Remarks and Achievements of CASP 2](#)

[Appendix 4.1: Session 1-Country Presentations on National Priorities, Short-Term and Medium-Term Plans \(Part 1\)](#)

[Appendix 4.2: Session 1-Country Presentations on National Priorities, Short-Term and Medium-Term Plans \(Part 2\)](#)

[Appendix 4.3: Session 1-Country Presentations on National Priorities, Short-Term and Medium-Term Plans \(Part 3\)](#)

[Appendix 5: Session 2-LOA and MOU Implementation](#)

[Appendix 6.1: Session 3-Project Implementation Experiences \(Part 1\)](#)

[Appendix 6.2: Session 3-Project Implementation Experiences \(Part 2\)](#)

[Appendix 6.3: Session 3-Project Implementation Experiences \(Part 3\)](#)

[Appendix 7: Session 4-Approaches and Strategies to Strengthen Regional Cooperation](#)

[Appendix 8: Conclusion](#)