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ADB



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GMS E-UPDATES

Recent and Upcoming GMS Events and Initiatives

This GMS E-News is a regular publication to provide readers with an update on activities and major developments in pursuit of accelerated development of the countries sharing the Mekong River.

Upcoming GMS Events*

October 2011

- 8th Working Group on Agriculture Meeting (Siem Reap, Cambodia)

November 2011

- 4th Meeting of the Task Force for the 4th GMS Summit/ Senior Officials' Meeting (Nay Pyi Taw, Myanmar)
- 11th Regional Power Trade Coordination Committee/ 5th Subregional Energy Forum Meetings (Ho Chi Minh City, Viet Nam)
- 28th Meeting of Tourism Working Group (Bagan, Myanmar)

December 2011

- 4th GMS Summit (Nay Pyi Taw, Myanmar)

Featured Article*

New Focus of GMS Energy Cooperation: Promoting Renewable Energy and Energy Efficiency

17th GMS MINISTERIAL CONFERENCE (17TH GMS MC): Moving to a New Level of Cooperation in the Next Decade (Phnom Penh, Cambodia, 2–4 August 2011)

At the conclusion of their meeting in Phnom Penh, Cambodia on 4 August 2011, Ministers from the six participating countries in the GMS, namely Cambodia, People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam, expressed strong support for the new GMS Strategic Framework (SF), 2012–2022, which will guide GMS cooperation in the next decade. The 17th GMS MC, which went by the theme “Building on Success: Expanding GMS Cooperation for New Opportunities”



focused on the new SF which was expected to usher the GMS Economic Cooperation Program (“GMS Program”) into a second generation of initiatives, oriented towards the development of GMS economic corridors in the next ten years. These initiatives included multisector infrastructure investments related to urban and rural area development, as well as greater focus on the software needed for more effective and efficient use of existing and future infrastructure and for addressing shared social and environmental concerns.

Under the new SF, ADB assistance would focus on efforts to maximize the impact of limited regional resources by focusing on catalyzing investment in strategic areas. “*Our experience in economic corridor development points to the need to further broaden and deepen our interventions, not only in terms of geographical reach but also in terms of moving into second generation of activities,*” said Mr. Bindu Lohani, ADB Vice-President-in-Charge (Operations 2). Mr. Lohani added that ADB, which has provided support to the GMS Program for almost two decades, remained committed to assist the GMS countries tap more fully into the opportunities that regional cooperation provides, while supporting their efforts at addressing the challenges associated with increased connectivity, climate change, demographic transition, and urbanization. The GMS Ministers, in their Closed-Door Retreat, also explored enhancing implementation of the new Framework, which included initiating the process of preparing a regional master plan for the GMS.

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*See inside pages for details

Cognizant of the complex analytical work required by the new SF, the Development Partners' Meeting explored several modalities to help enhance knowledge management and build capacity of the GMS countries

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The **4th Summit Task Force/Senior Officials' Meeting (TF4/SOM)** held on 2 August, a component event of the 17th GMS MC, reviewed key sector deliverables to ensure their readiness for the 4th GMS Summit in December 2011. These included the next phase of the Core Environment Program (2012–2016), a new agreement for accelerating construction of the Information Superhighway Network, a refocused Tourism Strategy, and progress under the comprehensive Program of Actions on Transport and Trade Facilitation, such as a pilot Corridor Monitoring System and establishment of the GMS Freight Transporters' Association. The TF4/SOM also discussed and firmed up the program, activities and logistics arrangements for the Summit.

Meanwhile the **Development Partners' Meeting (DPM)**, also a 17th GMS MC component event held on 3 August, provided an opportunity for partners to discuss the new SF and explore ways to support its effective implementation. *“While ADB remains committed to developing regional solutions for GMS countries, this meeting promotes broadening the development partners' collective engagement across the strategic focus of the new GMS SF, and in emphasizing the importance of the GMS Program,”* stressed Mr. Kunio Senga, Director General, Southeast Asia Department, ADB. Cognizant of the complex analytical work required by the new SF, the DPM explored several modalities to help enhance knowledge management and build capacity of the GMS countries. The meeting also explored resource mobilization to fund GMS knowledge work and institutional mechanisms for managing the knowledge platform.

The BCI adopted an integrated conservation and development approach through interventions at national, provincial and local levels that included instituting an enabling policy environment, strengthening institutional set ups and capacities, promoting participatory methods on conservation practices, and developing livelihood opportunities to reduce dependence on forest resources.

Biodiversity Conservation Corridor Initiative (BCI): Boosting Livelihoods, Ensuring Food Security and Responding to Climate Change

Phase I of the GMS Core Environment Program (CEP), which was launched in 2006 to mainstream sound environmental management into the GMS Program, will be completed on 31 December 2011. The Environment Operations Center (EOC) which implements CEP recently came out with a report on the status and accomplishments of the various components of the program, which will provide the baseline for the next phase of the CEP covering 2012–2016. As the flagship component of CEP, the BCI took up the largest chunk of the CEP's resources and focused on the efforts to reduce the rate of ecosystems fragmentation in the transboundary landscapes of the subregion. The BCI program focused on setting up pilot sites in GMS countries, enabling the establishment of forest corridors, implementation of livelihood improvement interventions, restoration of natural forest areas, capacity building at site level and securing of financial resources for upscaling. Initially the six BCI pilot sites were (i) Koh Kong and (ii) Mondulkiri in Cambodia, (iii) Xishuangbanna in PRC, (iv) Xepian-Dong Hua Sao in Champassak, Lao PDR, (v) Tenasserim in Thailand, and (vi) Quang Nam-Quang Tri in Viet Nam. In 2009, two more sites were added: in (vii) Guangxi, PRC and in (viii) Cao Bang, Viet Nam. These BCI pilots covered a mixed landscape of over 2 million hectares of forest area, where activities were implemented at site level partnered by government agencies and non-government organizations with monitoring and oversight by EOC and ADB.

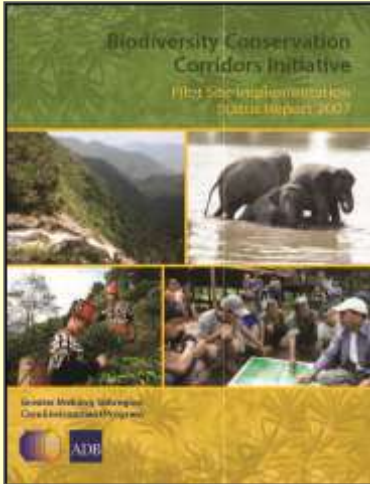
The BCI adopted an integrated conservation and development approach through interventions at national, provincial and local levels that included instituting an enabling policy environment, strengthening institutional set-ups and capacities, promoting participatory methods on conservation practices, and developing livelihood opportunities to reduce dependence on forest resources. The success of BCI implementation could be attributed to the robustness of the BCI concept, approach and delivery mechanisms identified and used in the period 2005–2010. Further ensuring success were the effectiveness of sound policy direction and support provided by national and provincial/prefectural governments, and technical support of implementing partners.



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Helping keep BCI output delivery on track were the conducive policy environment (e.g., minimum central level interference in operations), maximum collaboration among government and non-governmental partners, and regular monitoring visits by the EOC. Below is a summary of BCI achievements (2006–2010) across the six pilot sites:



Indicators	Quantities
Total number of villages/communes covered	164
Total number of beneficiary households covered (hh)	28,367
Total area under BCI corridors (ha)	1,2094,936
Total area under strict protection in BCI landscapes (ha)	2,000,000
Average values of forest ecosystem services (US\$/ha/yr)	5,136
Total area reforested/enriched (ha)	3,722
Total number of local communities/development funds established	181
Total amount disbursed to local communities/development funds (US\$)	337,399
Improved land tenure rights (ha)	32,265
Number of participants in capacity building events	7,057

BCI activities in Cambodia, Lao PDR and Viet Nam were upscaled in 2010 through ADB loans/grants totaling \$69 million (grants of Cambodia and Lao PDR of \$19 million and \$20 million respectively, and loan of \$30 million to Viet Nam) to support establishment of biodiversity corridors across broader landscapes. Advance action was initiated in 2011 to assist the start up of biodiversity corridor activities in these countries. Requests for upscaling BCI investments in Thailand and Yunnan, PRC would need attention in the succeeding phase of the CEP-BCI (2012–2016) which will be submitted for endorsement at the 4th GMS Summit in Myanmar in December 2011.

15th SUBREGIONAL TRANSPORT FORUM MEETING (STF-15): Building and Sustaining 15 Years of Transport Cooperation in the GMS (Vientiane, Lao PDR, 14–15 September 2011)

The STF-15 reviewed and monitored the status of priority GMS transport projects, particularly those included in the Vientiane Plan of Action (VPOA) 2008–2012, and was generally satisfied with progress achieved. A key item in the meeting was the consideration of the interim report of the regional technical assistance for Planning the GMS Railway Coordination Office (RCO), which outlined the background, rationale, and the key issues involved as well as options that may be considered in establishing and operating the RCO. The meeting was also briefed on the experience of existing international organizations involved in railway integration and the lessons learned from their experience; the experience in ASEAN and individual GMS countries and pairs of countries toward linking railways, and lessons learned from this experience. Among the key issues that were presented for consideration pertained to the RCO's mandate and functions, organization/structure, membership, legal standing, location, staffing, and financing. The countries broadly agreed on the need for such a coordination office and that among its key functions should be the setting of standards in the subregion's railway sector. Its ultimate purpose is to help facilitate cross-border trade and economic flows rather than the building of railway facilities per se. Further consultations on the RCO will be made before the proposed plans, as well as the office's final name, are finalized.



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The countries broadly agreed on the need for the GMS Railway Coordination Office and that among its key functions should be the setting of standards in the subregion's railway sector. Its ultimate purpose is to help facilitate cross-border trade and economic flows rather than the building of railway facilities per se.

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The Forum was also briefed on key initiatives in sectors and areas of cooperation related to the transport sector, covering the following: (i) transport and trade facilitation (TTF) initiatives in the GMS, including components of the Program of Actions on TTF (PATTF) endorsed at the 16th GMS MC in August 2010 and the establishment of the GMS Freight Transport Association (FRETA) that is being led by the GMS Business Forum, (ii) experience in initiatives on road asset management, with focus on axle load control and addressing the problem of truck overloading; (iii) the initiative to develop carbon-neutral transport corridors (CNTC) in the GMS, and (iv) the proposed new GMS Strategic Framework (2012–2022) and preparation of the supporting Regional Master Plan (RMP), particularly those aspects that relate to GMS transport sector cooperation and development.

Through the meeting, the country delegations, made up of senior and middle level transport officials, gained greater awareness of and useful insights into developments in other sectors that have a bearing on the transport sector. For instance, they gained a better understanding of the issues and problems regarding the implementation of transport and trade facilitation efforts, which definitely play an important role in enhancing overall connectivity in the subregion, as well as impact of transport activities and trends on the environment and how these can be better managed.

Featured Article

NEW FOCUS OF GMS ENERGY COOPERATION: PROMOTING RENEWABLE ENERGY AND ENERGY EFFICIENCY

Introduction

Given each GMS country's individual energy needs and varying resource endowments, GMS countries strongly believe in the benefits of a regional approach to energy sector management in order to realize reliable, adequate and affordable energy for inclusive growth in a sustainable way. So far the GMS countries have been focusing on, and reaping success from power sector cooperation, initially through power interconnections that currently allow bilateral power trade but with eventual aim of building a more competitive regional power market. The GMS countries have recently realized that cooperation opportunities also exist in the areas of renewable energy (RE), clean fuels (CF) and energy efficiency (EE), which could help them secure additional clean energy sources while meeting national greenhouse gas (GHG) reduction targets. The problem then was the lack of a shared vision on clean energy cooperation and a regional platform under which enhanced cooperation could be pursued. To address this, the GMS countries adopted the GMS Road Map for Expanded Cooperation in Energy in June 2009 at the 15th GMS Ministerial Conference in Thailand. The Energy Road Map recognized that the widespread energy poverty of the subregion necessitated the pursuit of various initiatives along four core strategic objectives: (i) enhancing access to energy, particularly the poor; (ii) efficiently utilizing indigenous, low carbon, and renewable resources; (iii) improving energy supply security; and (iv) promoting public-private partnership in subregional energy development. The Subregional Energy Forum (SEF) was identified as the implementing network for the facilitating GMS cooperation under this Road Map. However since the SEF is still in its infancy, it needs support for it to evolve into an effective GMS knowledge sharing platform.



Regional Technical Assistance (RETA) on RE, CF and EE: Boosting GMS Low Carbon Practices and Technologies

Following a request by GMS governments, ADB approved in November 2010 the RETA “Promoting RE, CF and EE in the GMS” with grant financing of \$1 million from the Clean Energy Financing Partnership Facility (CEFPF)¹. The expected impact of the RETA was to enhance the supply of energy in a resource-efficient and environment friendly manner, while expected outcome was the effective transfer of low carbon practices and technologies within the subregion. The RETA was designed to provide direct and key support for implementation of the Energy Road Map by facilitating the investment and transfer of cleaner energy supply options. The SEF was tasked to be the vehicle for knowledge and experience dissemination gathered through the RETA, under which training workshops and consultations on RE, CF and EE technologies, practices and business models would be undertaken.

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¹ \$800,000 under the Asian Clean Energy Fund (ACEF) of CEFPF and \$200,000 under the Multi-Donor CEF.

Based on the RETA design, an implementation plan was prepared, which would be presented for review and comments of GMS countries at the 5th SEF meeting to be held in Viet Nam in November 2011 (see coming events). In this plan, the required services would be carried out along five main tasks as follows: (i) knowledge development and dissemination; (ii) establishment of good practice database; (iii) preparation of low carbon regional performance targets; (iv) RE, CF and EE resource assessments and project pipeline preparation; and (v) business models development and pilot project preparation.



Under item (i) on knowledge development/dissemination, a review of the current level of knowledge sharing in the GMS, existing frameworks and regional arrangements would be undertaken, from which gaps would be identified and recommendations would be formulated on how to effectively share knowledge in the region. It was also proposed to carry out studies and establish the required information as basis for developing knowledge products, which would cover comparative analysis of international experiences in promoting RE, CF and EE technologies, review of past GMS studies in this area, quantitative benefits analysis and preparation of synthesis report on mainstreaming climate change in energy development. Other activities proposed were the preparation and implementation of plans for knowledge dissemination, knowledge product development, and SEF capacity building/training.

Establishment of the good practice database (item ii) would entail developing the format and content and establishing the regional online database of low carbon best practices and technologies which would in turn be linked to other GMS and international databases. Main activities included developing the design and structure of the database and prescribing procedures for the management and operation of the database.

In preparing energy and low carbon performance targets (item iii), a review of national performance targets would be undertaken, to be followed by preparation of regional performance targets (based on country analysis), and a regional compliance scheme based on each country's planned interventions. The quantitative goals and compliance schemes would eventually be presented to the SEF for endorsement and adoption.



For item (iv) on resource assessment and project pipeline preparation, it was proposed to estimate the RE and CF resource potential, as well as energy savings potential, to develop national and regional RE/CF resource maps and energy balances, and to develop national project pipelines based on relevant energy potentials. Assessment of RE potentials would distinguish between theoretical, technical and economic potentials, to be determined based on obtainable information from each country. For CF, the supply assessment framework would take into account food security concerns. Assessment of EE potential meanwhile would comprise study reviews, energy savings potential assessments and preparation of energy savings potential database. In the process of these assessments, relevant projects would be identified in GMS countries, for which preliminary information for each proposal would be collected by national experts in consultation with SEF focal persons.

Identification of suitable public-private partnership arrangements, development of business models and preparation of pilot projects (item v) would be done for select RE, CF and EE technologies. For RE, the business models to be reviewed would include grid-connected, distributed, off-grid and thermal systems (e.g., solar heaters, coking stoves and biogas). To be covered by the analysis of business models are carbon finance options as well as technology transfer and local manufacturing possibilities, and the analysis would look into the types applicable to each country setting. From the pipeline of projects, pilot projects in each country would be selected based on criteria to be developed in consultation with ADB, SEF focal points and national stakeholders.

Implementation of the RETA would be for two years, from July 2011 to July 2013, and has commenced recently with the mobilization of consulting team last July 2011. The Inception Report, submitted to ADB in mid-August 2011 by the consultant, is being closely reviewed by ADB, in preparation for its presentation at the SEF meeting in November 2011. The project's Interim Report is expected to be completed in mid-July 2012, during which a number of project milestones would have been achieved, namely, the development of the SEF regional database of best practices and technologies, the development of subregional performance targets and at least 50% completion of RE, CF and EE resource maps. Implementation of this RETA is expected to contribute much to enhancing the SEF's effectiveness in pursuing the GMS Energy Road Map's objectives, and would provide the avenue for improved coordination between the SEF and Environment Operations Center (EOC) in Bangkok, resulting in improved environmental mainstreaming in energy and helping increase returns in RE, CF and EE investments while introducing more climate-friendly energy supplies in the subregion.

Upcoming GMS Events

<p>Workshop on Trade and Trade Facilitation in GMS (Phuket, Thailand, 18 October 2011)</p>	<p>This workshop is being organized under the regional technical assistance (RETA 6307) funded by the Australian Agency for International Development (AusAID). The workshop will bring together recent analytical work in the area of trade and trade facilitation, relating to trade patterns in the GMS, analysis of the CTS in the GMS, the results from firm level survey on trade facilitation-related constraints to exporting from Cambodia and Lao People's Democratic Republic, and the findings from the recent assessments of time-cost-distance along the Southern Economic Corridor (SEC). Its specific objectives are to: (i) present to the member countries of the GMS the analytical work on trade and trade facilitation in GMS; (ii) invite feedback to validate and strengthen the output of the analytical work; and (iii) identify specific actions and recommendations for policy.</p>
<p>Subregional Transport and Trade Facilitation Initiatives: Building Blocks Towards AEC 2015? (Phuket, Thailand, 19 October 2011)</p>	<p>The ADB-ASEAN workshop aims to ensure alignment between ASEAN and subregional initiatives, particularly in the area of transport and trade facilitation (TTF). The issue that needs to be addressed is the extent to which subregional initiatives have been able to play the role of "piloting" or being a test best for ASEAN initiatives. Discussions will focus on the possible synergy between the work on transport facilitation in ASEAN and subregional cooperation as well as how to enhance coordination between ASEAN and subregional arrangements.</p>
<p>8th Working Group on Agriculture Meeting (Siem Reap, Cambodia, 25–26 October 2011)</p>	<p>The theme of the meeting is <i>“Enhancing Competitiveness on Sustainable Sourcing and Tracing of Agri-food Products in the GMS”</i>. Resource persons from public and private sectors will discuss key development issues and opportunities associated with sustainable sourcing, food traceability and harmonization of food safety standards. The meeting will also discuss steps to improve the focus and results framework for the agriculture sector under the new GMS Strategic Framework for 2012–2022, as well as implications for knowledge partnerships and resource mobilization to cover investments and financing for priority projects.</p>
<p>4th Meeting of the Task Force for the 4th GMS Summit (TF4/SOM-4) (Nay Pyi Taw, Myanmar, 1 November 2011)</p>	<p>The TF4/SOM-4 meeting will finalize the program/agenda and component activities for the 4th GMS Summit. It will also finalize the Summit logistics requirements, with possible on-site dry run of the protocol scenarios for the Leaders as well as security and other arrangements. It will discuss the needed finishing touches to complete the various Summit deliverables.</p>
<p>11th Regional Power Trade Coordination Committee/5th Subregional Energy Forum Meetings (Ho Chi Minh City, Viet Nam, 8–10 November 2011)</p>	<p>The RPTCC-11 meeting will continue discussions on the proposal to establish the Regional Coordination Center (RCC) for power trade, which will oversee the evolution of the GMS power market toward a more open, but appropriately regulated competitive market. Meanwhile, the SEF-5 meeting will discuss the implementation plan for the technical assistance to promote renewable energy and energy efficiency and update on progress of the GMS Expanded Energy Road Map.</p>
<p>28th Meeting of Tourism Working Group (Bagan, Myanmar 27–29 November 2011)</p>	<p>The meeting will bring together representatives of GMS National Tourism Organizations and development partners to discuss the implementation status of the refocused GMS Tourism Sector Strategy including the tourism marketing and development programs. The Steering Committee of the ADB-funded Sustainable Tourism Project will also meet to review the status of project implementation. Back-to-back with these meetings, a Travel Leaders' Symposium on Sustainable Tourism to highlight community-based tourism, and a GMS Travel Exhibition to showcase tourism products and unique tourist attractions of Myanmar and other GMS countries will also be held.</p>
<p>4th GMS Summit of Leaders (Nay Pyi Taw, Myanmar, 19–20 December 2011)</p>	<p>The 4th GMS Leaders' Summit, with the theme “Beyond 2012: Towards a New Decade of GMS Strategic Development Partnership” is expected to endorse the new GMS Strategic Framework (2012–2022) which prescribes 2nd generation investments focused on transforming transport into fully functioning economic corridors. The GMS Leaders are also expected to endorse various sector deliverables including the refocused Tourism Strategy, Phase II of the Core Environment Program-Biodiversity Conservation Corridor Initiative, the new agreement for accelerating cooperation in constructing the Information Superhighway Network and various outputs under Transport and Trade Facilitation. Component activities of the Summit include a Business Summit and a GMS Tourism Exhibition, including signing and presentation ceremonies on the sector deliverables.</p>

Links:

- [GMS Tourism Sector Strategy Midterm Review & Road Map 2011-2015](#)
- [GMS Core Environment Program](#)
- [Development of Economic Corridors](#)
- [GMS Road Map for Expanded Energy Cooperation](#)

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