

In this Issue:

- Fourth Economic Corridors Forum
- 12th Meeting of Regional Power Trade Coordination Committee
- 18th Annual Meeting of the Working Group on Environment
- 29th Tourism Working Group Meeting

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*

July 2012

- 9th Working Group on Agriculture Meeting (Nanning, PRC)

September 2012

- GMS 20th Anniversary/ GMS Senior Officials' Meeting (Manila, Philippines)
- 11th Meeting of the Working Group on Human Resource Development (Myanmar)

FOURTH ECONOMIC CORRIDORS FORUM (ECF-4): Mapping Expansion of GMS Corridors Under the New GMS Strategy (Mandalay, Myanmar, 28 June 2012)

The Forum, attended by GMS Ministers and Senior Officials, as well as Officials of relevant ministries/ agencies, High-level local/ provincial authorities from the GMS countries, and development partners and the private sector, is the first major GMS meeting to be held after the adoption of the new GMS Strategic Framework (SF) at the 4th GMS Summit. The theme of the Forum, “Towards Implementing the New GMS Strategic Framework (SF) 2012-2022: Expanding, Widening, and Deepening Economic Corridors in the GMS” reflects the recognition by the new SF of the role of economic corridor development as a key platform for delivering multisector initiatives, focused on widening and deepening the corridors through stronger cross-sectoral linkages, better consideration of spatial aspects of development, greater local stakeholder involvement, and more effective monitoring and evaluation.

The ECF has been looking into the challenges constraining GMS corridor development, which include the need for more infrastructure, a lack of efficient logistics such as freight forwarding or warehousing, and burdensome border crossing procedures. These challenges could be addressed through a number of measures, including better linking of investments in physical infrastructure with associated institutional support and services. For example, building new border roads while at the same time establishing licenses or permits to ease passage, or packaging rural road development with investments in agricultural improvements to boost a village's ability to make the most of newly-accessible markets.

Featured Article*

Toward More Sustainable Water Resource Use in the GMS

*See inside pages for details



Head of Delegations from 6 GMS Countries and ADB



H.E. U Tin Naing Thein, Union Minister, Ministry of National Planning and Economic Development, Myanmar and Mr. Stephen Groff, Vice President (Operations 2), Asian Development Bank

The ECF agreed that innovations to its organizational structure will be needed to effectively manage an increasingly complex multisector program.

For ECF-4, the focus has been to look into investment directions and implications of the new SF for the GMS Program, while drawing attention to issues constraining economic corridor development as well as actions to address these under the new SF. The ECF-4 also examined ways to enhance multisector coordination while encouraging greater engagement with the private sector and development partners. "There is now a need to fine tune economic corridor development, which is seen as a means of integrating centers of production and demand, and contributing to inclusive growth at both country and subregional level," said Stephen Groff, ADB's Vice President for East Asia, Southeast Asia and the Pacific.

The discussions at the ECF-4 were informed by the ongoing development of a regional investment framework (RIF) under a technical assistance funded by ADB, that marks the first phase in the development of a comprehensive portfolio of second-generation investment projects for the GMS program's third decade. The priority areas for investment that emerged during the discussions included urban development, connections to maritime gateways, improved transport and trade facilitation, and other interventions to enhance competitiveness of corridors. The ECF-4 further agreed that innovations to its organizational structure will be needed to effectively manage an increasingly complex multisector program. It noted that widening the scope of GMS corridors must be done in line with national objectives, evolving trade flows, and regional benefits.

After extensive discussions the meeting agreed on a MOU, which will provide for a separate Articles of Association that would define in more detail the modus operandi of the various RPCC bodies.

12th MEETING OF THE GMS REGIONAL POWER TRADE COORDINATION COMMITTEE (RPTCC-12): MOU to Establish the Regional Power Coordination Center Firmed Up (Vientiane, Lao PDR, 17 -18 May 2012)

The RPTCC-12 meeting firmed up the draft inter-governmental MOU to establish the Regional Power Coordination Center (RPCC) based on proposed amendments during and after the Bangkok meeting last March 2012. After extensive discussions the meeting agreed on a MOU, which will provide for a separate Articles of Association that would define in more detail the modus operandi of the various RPCC bodies. The agreed draft MOU was initialed by GMS delegations, and would then be subject of internal reviews by GMS energy Ministries and Agencies, and if no substantial issues are raised on this draft by 30 June 2012, the internal clearance process would commence in order to have the MOU signed by the GMS members by December 2012. The meeting also finalized the selection criteria and process for the RPCC headquarters, and ADB said it would issue shortly the invitation to GMS members interested to bid as host. The meeting adopted the terms of reference of (i) the Working Group (WG) on Regulatory Issues and (ii) the WG on Performance Standards and Grid Code, and noted the nominees for Chair and Vice Chair for these WGs. Inception meetings were later held in Kunming, PRC and in Bangkok, Thailand in June 2012, to discuss the indicative work plans of these WGs. Finally the meeting discussed the project implementation structure and plan for RETA 7764: Ensuring Sustainability of GMS Power Development and ADB obtained the names of tentative focal persons for the RETA from the GMS members, subject to confirmation later.

18th ANNUAL MEETING OF THE GMS WORKING GROUP ON ENVIRONMENT (WGE-AM-18): Mekong Countries Meet to Confirm Environmental Priorities (Jinghong, PRC, 18 May)

Senior environment officials from the six Greater Mekong Subregion (GMS) countries met last 18 May to discuss priority actions for an environmentally-friendly GMS Economic Cooperation Program. "The first five years were about building awareness and appreciation of improved environmental management in the GMS. We have that foundation in place and now the emphasis is on scaling up," said Sanath Ranawana, Senior Natural Resource Management Specialist at the Asian Development Bank (ADB). The officials, members of the WGE, endorsed an 18-month work plan for Phase II of the Core Environment Program and Biodiversity Conservation Initiative (CEP-BCI), a multi-year program tasked with mainstreaming environmental considerations into GMS economic development.

The CEP-BCI has received recognition for establishing biodiversity conservation 'corridors' linking protected areas, as well as introducing systems for reporting on environmental performance, and planning tools such as strategic environmental assessments.

The meeting agreed that more efforts are needed to mobilize financing from the public and private sectors to implement priority programs on human resource development, pro-poor tourism, and joint marketing.

The ADB-administered program was established in 2006 amid growing concerns over ecosystem fragmentation and other environmental issues in the GMS. Its work will continue to focus on environmental planning and climate, biodiversity and livelihood initiatives as it begins its next five-year phase of operation. The program has received recognition for establishing biodiversity conservation 'corridors' linking protected areas, as well as introducing systems for reporting on environmental performance, and planning tools such as strategic environmental assessments. "Natural resources underpin economic growth in the GMS and we need to make sure these resources are sustainably managed so they continue to provide economic, social, and environmental benefits long into the future," said Chuon Chanrithy, the representative from Cambodia's Ministry of Environment. The first phase of the CEP-BCI was co-financed by the Governments of Finland, The Netherlands, and Sweden, as well as PRC's Poverty Reduction Cooperation Fund. Under funding from the Government of Finland, CEP-BCI's second phase (2012-2016), which was endorsed at the 4th GMS Summit in Myanmar in December last year, is expected to begin activities in the GMS countries from June onwards. Find out more about the WGE AM-18 here (<http://www.gms-eoc.org/events/wge-18th-annual-meeting>)

29th MEETING OF THE GMS TOURISM WORKING GROUP (TWG-29): Moving the Refocused Tourism Strategy Forward (Chiang Rai, Thailand, 11-14 June, 2012)

The 29th Meeting of the GMS Tourism Working Group (TWG-29) brought together representatives of GMS National Tourism Organizations and development partners to monitor the progress of implementation of the refocused GMS Tourism Sector Strategy including priority tourism marketing and development programs. The meeting agreed that more efforts are needed to mobilize financing from the public and private sectors to implement priority programs on human resource development, pro-poor tourism, and joint marketing. The Steering Committee of the ADB-funded Sustainable Tourism Project also met back-to-back with TWG-29 to review the status of implementation of Phase I and discuss the proposed Phase II to be prepared in 2013. Another key event held was the 2012 Mekong Tourism Forum with the theme *20/20 Vision: Building on Two Decades of GMS Cooperation* which was attended by over 350 delegates from the public and private sectors. The Forum reviewed the achievements of GMS cooperation in tourism over the past two decades and assessed emerging challenges for the next 20 years.

Featured Article

AN ENVIRONMENTALLY SUSTAINABLE GMS

One of the biggest challenges facing the GMS countries is to foster economic growth without destroying the natural capital base that makes this growth possible. Despite increased efforts toward sustainable development in the subregion, it is a challenge that is so far not being met. For the GMS Economic Cooperation Program, the next five years will be crucial in determining whether or not it achieves its intended outcome of environmental sustainability.

Context



During the past two decades, the six GMS countries have made some important steps towards mainstreaming sound environmental management within economic development. All countries now have in place a suite of policies, laws and regulations promoting sustainable development – including plans to improve forest cover, biodiversity and increase renewable energy, as well as regulatory requirements for safeguards such as environmental impact assessments.

On-the-ground, this has translated to some positive action. More land is under protected area management than ever before and governments are working closely with development partners and communities to engage local people in natural resource management and develop more sustainable and resilient livelihoods. Infrastructure projects such as hydropower schemes and roads are being more carefully planned to mitigate negative environmental and social impacts.

However, despite considerable efforts by GMS governments, environmental sustainability in the subregion remains more elusive than ever. A number of studies, including the latest round of GMS national environmental performance assessments (EPA), confirm that the subregion's natural capital is fast disappearing. Forest, fish, biodiversity, and land resources continue to be degraded at an alarming rate. Most primary forests in the subregion have been destroyed or damaged, along with the valuable biodiversity they support. Air and water pollution, land degradation, and ecosystem fragmentation are well documented and clearly visible.



It is clear that the current model for rapid economic growth in the GMS is unsustainable. The ever increasing demand for food, energy, and commodities is leading to over-exploitation of natural resources and the magnitude of pressures is currently overwhelming the effectiveness of responses. If left unchecked, over exploitation will see water, food and energy security reach a crisis point and ultimately undermine future economic development and poverty reduction efforts.

There is, however, still cause for optimism. The EPA reports indicate that the state of most natural resources remains 'satisfactory,' – in other words the subregion still has relatively good natural capital stocks. If environmentally sound practice can be mainstreamed in the GMS then these stocks will be able to provide economic and social benefits long into the future.

Response: The GMS Core Environment Program

The GMS Program has long supported environmentally responsible economic development and environmental sustainability is one of the three intended regional impacts under its 2012-2022 Strategic Framework (along with increased economic growth and reduced poverty). With the environmental pressures growing and responses so far failing to keep up, how well the GMS Program responds during the next five years will determine whether this outcome is achieved or not.



In June 2012, the GMS Program took an important step towards meeting these challenges as implementation began of the second phase the GMS Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI). Guided by the Working Group on Environment, CEP-BCI was established in 2005 with the aim of mainstreaming good environmental practice throughout the GMS Program.

During its pilot phase from 2006 to 2011, CEP-BCI improved environmental practice in the GMS by strengthening planning processes, supporting biodiversity protection and sustainable livelihoods in key conservation landscapes, and improving national monitoring systems.

Building on these achievements, Phase II (2012-2016) will continue to strengthen GMS collaboration and country capacity for improved environmental management, with a focus on environmental assessments, planning, innovative pilots, and monitoring.

CEP-BCI's four strategic thrusts are to:

Assess environmental challenges and opportunities: Build GMS capacity to understand pressures on natural resources; value ecosystem services such as water, soil, and carbon; analyze threats posed by issues including climate change; and identify sustainable livelihood opportunities. With this knowledge in hand, develop planners can make better informed decisions.

Promote environmentally sustainable planning: Engage with the planning processes of the GMS Program's priority sectors to ensure environmental considerations are adopted. Ensure that strategic environmental assessments (SEA) are mainstreamed in GMS sector plans and development projects.



Pilot innovation: Test innovative and practical ways to achieve better environmental and social outcomes. So far pilot work has centered on preventing ecosystem fragmentation through biodiversity conservation 'corridors' that link protected areas. These pilots place local communities at the center of conservation efforts and help strengthen local livelihoods by creating linkages to 'green' economic opportunities. Other pilot initiatives include low carbon freight and local-level climate change adaptation and mitigation.

Monitor environmental performance: Support GMS governments to track general environmental trends, progress towards national development goals, and the impacts of development interventions. Strengthen national environmental performance assessment processes and establish platforms to ensure the latest environmental data is readily available to development planners and other stakeholders.

CEP-BCI and the GMS Economic Corridors

The GMS economic corridors are the flagship of the GMS Program and thus are a key focus for CEP-BCI. A number of initiatives led by CEP-BCI have directly or indirectly helped minimize the corridors' environmental footprint.

An SEA on the North-South Economic Corridor's (NSEC) Strategy and Action Plan (SAP) in 2008/2009 helped planners understand how the NSEC, and particularly transport along the corridor, will impact the natural environment and local communities. Following on from this, a more recent SEA has investigated tourism in the Golden Quadrangle, where the industry is growing quickly, thanks in part to the NSEC. This SEA is providing a clear picture of how development pressures are impacting on cultural and natural assets that are the area's main tourism attractions. The findings, which will be published in the coming months, are already feeding into current national and regional planning processes including the GMS Tourism Working Group's tourism development planning framework, and will also inform the corridor's Strategy and Action Plan.

Perhaps the most well-known CEP-BCI initiative has been the establishment of seven biodiversity conservation corridor (BCI) pilot sites, which aim to reduce ecosystem fragmentation in important conservation landscapes. These too have a link with the GMS economic corridors, which are creating pressures in the landscapes by improving access to what were formerly quite isolated areas. Increased populations and improved market access stemming from the corridors has inevitably led to greater



demand for agricultural land, water, timber and forest resources. The result has been forest clearing and degradation and flow on effects of losses in biodiversity and ecosystem services. By using an integrated conservation approach – focused on both protection and livelihood development – the BCI pilots are helping mitigate the negative impacts and protect the environmental integrity of these landscapes. So far more than 1 million hectares are under BCI's sustainable management regime. One of the great CEP-BCI successes has been the leveraging of \$90 million in loans and grants to scale up BCI work in Cambodia, Lao PDR, and Viet Nam under the Biodiversity Conservation Corridors Project.

Also looking ahead, CEP-BCI is working on reducing the carbon footprint of transport along the East-West Economic Corridor via the Carbon Neutral Transport Corridors initiative. With the feasibility studies now complete, a number of pilot activities will soon get underway to reduce carbon emissions of freight using the EWEC transport routes. These will include fuel efficiency measures as well as carbon offsets via improved forest management in riparian areas.

Summary

CEP-BCI is a small investment when compared to the billions spent on economic development through the GMS Program, and by itself it cannot possibly address the immense environmental pressures brought on by rapid economic growth. Its value lies in introducing the tools and processes required for environmentally sustainable economic development, building capacity for their use, and ultimately leveraging their uptake.

To do this, the program will continue fostering subregional and subnational collaboration to ensure good environmental practice becomes a core ingredient for all economic development supported by the GMS Program. It is essential that all GMS Program sectors work closely together to ensure that the 'environmental sustainability' can be achieved, both along the economic corridors and beyond.

Find out more about CEP-BCI by visiting the Environment Operations Center's new website: www.gms-eoc.org

Upcoming GMS Events

9th Working Group on Agriculture Meeting
(Nanning, PRC, 4-6 July 2012)

The meeting will bring together representatives of GMS agriculture ministries, regional partners and the private sector to enhance awareness and understanding opportunities in public-private partnership (PPP) and innovative financing through real case studies within and outside the GMS. Going by the theme "Innovative Financing through PPP for Regional

Investment in Low Carbon Agriculture in the GMS”, the meeting is expected to help better understand PPP and innovative financing, identify and endorse possible proposals in this area, and agree on steps to strengthen institutional capacity for regional cooperation in agriculture while enhancing collaboration with other GMS working groups and civil society organizations.

GMS 20th Anniversary
(Manila, Philippines, 14 September 2012)

This will mark the 20th year of the GMS Program since its founding in Manila in October 1992. The celebration will focus on the significant achievements of the GMS Program and its maturity and readiness to face more complex challenges in the future. It will consist of a short conference on program results, lessons learned and future directions, a luncheon lecture on GMS perspectives and prescriptions, a launch of key GMS publications, and a Gala Dinner with a cultural presentation celebrating the growing sense of community in the subregion through popular songs and dances of the GMS countries.

**11th Working Group
Human Resource
Development Meeting**
(Myanmar, September 2012)

The meeting will review the new GMS Human Resource Development (HRD) Strategic Framework and Action Plan (2013-2017) for possible endorsement at the 18th GMS Ministerial Conference in PRC in December 2012. The new HRD SF's strategic thrusts include capacity development in economic corridors, development of vocational/ technical education standards, and cooperation in higher education/ research, among others. The proposed components of the HRD SF Action Plan cover key areas such as: capacity development, health, migration and HRD institutional strengthening.

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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