



**ELEVENTH MEETING OF THE GMS WORKING GROUP ON AGRICULTURE (WGA-11)
Nay Pyi Taw, Myanmar, 26 March 2014**

Summary of Proceedings

Introduction

1. The Eleventh Meeting of the Greater Mekong Subregion (GMS) Working Group on Agriculture (WGA-11) was held on 26 March 2014 in Nay Pyi Taw, Myanmar simultaneously with the 20th Meeting of the GMS Working Group on Environment (WGE-20). WGA-11 was preceded by a Joint Knowledge Event of WGA and WGE held on 25 March 2014 on the theme “*Managing Natural Capital to Ensure Food, Energy, and Water Security.*”

2. The Meeting was organized and sponsored by the Asian Development Bank (ADB) with the cooperation of the Ministry of Agriculture and Irrigation of Myanmar, and attended by participants from the six GMS countries (Cambodia, People’s Republic of China [PRC], Lao PDR, Myanmar, Thailand, and Viet Nam), ADB, and WGA Secretariat. Resource speakers from the public and private sectors, and representatives of development partners (CABI, Conservation International, FAO, Sida, JIRCAS, GiZ, and IRRI) also attended. ADB provided secretariat support. A list of participants is in Appendix 1 and a copy of the Program/Agenda is in Appendix 2.

Session I: OPENING SESSION

Welcome and Opening Remarks

3. U Hla Kyaw, Director General, Department of Agricultural Planning, Ministry of Agriculture and Irrigation of Myanmar, welcomed all participants to the meeting. He noted that under the GMS Strategic Framework for 2012-2022, agriculture is a key priority sector in transforming the GMS transport corridors into economic corridors. He stated that intra-regional trade in agri-food products is one of the fastest-growing trade sectors and that further expansion of agri-food trade can facilitate pro-poor growth and enhance regional competitiveness. He expressed his appreciation to ADB for its pioneering support to regional cooperation, and to Sida and NDF for supporting the implementation of the Core Agriculture Support Program Phase 2. With majority of the people in Myanmar in the agriculture sector, raising agricultural production in a sustainable manner would not only enhance food security but also increase the living standard of the people. As such, the government aims for food security through crop intensification, efficient utilization of irrigation water – including generating hydro-electric power, and bio-energy for achieving food security, sustainable livelihoods, and conservation of natural resources. They are encouraging the promotion of private sector investment (including foreign direct investment) to support small and medium enterprises (SMEs) to produce value-added agriculture products and agro-based industries, and thus generate income for smallholder farmers.

4. In his opening remarks, Mr. Javed Mir, Director, Environment, Natural Resources and Agriculture Division, Southeast Asia Department, ADB, noted that WGA-11 was special in that it

was the first WGA meeting to be held in Myanmar. Myanmar has participated actively in the GMS Program, particularly in capacity building and knowledge exchange activities. With the resumption of its country operations in Myanmar last year, ADB is in a better position to service the country's development needs, starting with the approval of Myanmar Country Operations Business Plan for 2014-216 in 2013, followed this year by a \$12 million grant project funded by the Japan Fund for Poverty Reduction. A project on "Enhancing Rural Livelihoods and Incomes" is focusing on community-driven development for improved sustainable livelihoods in four diverse geographic and agro-ecological regions of the country, while another investment project is addressing constraints in the irrigation and water resource management subsectors, with focus on the Central Dry Zone. He noted that Myanmar's country program is also aligned with the agriculture sector's GMS Regional Investment Framework (RIF). Included in the RIF are 5 agriculture sector investment projects estimated at \$1.2 billion and 8 technical assistance projects estimated at \$25 million. These projects should accelerate economic development in the region and help narrow the increasing income and non-income inequities, and enhance the resilience of rural communities and economies. He stated that agriculture uses a third of the land area and consumes over 80% of fresh water resource in the region, and that improving productivity and performance of agriculture value chain holds the key to enhancing long-term food, water, and energy security in the GMS. Other challenges faced by the agriculture sector in the GMS are the increasing demand for improved and safe food, accelerating soil degradation, stressed water resource situation, and changing agro-climatic conditions driven by climate change. CASP II is helping support national and regional efforts to address these challenges at the operational and policy levels, and the institutional arrangements are in place for accelerated implementation of CASP.

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

6. Ms. Sununtar Setboonsarng, Principal Natural Resources Economist, Environment, Natural Resources and Agriculture Division, Southeast Asia Department, ADB, introduced the provisional agenda and meeting arrangements ([Appendix 4](#)). Included in the WGA-11 program was a field trip to agriculture conservation and production sites on 27 March 2014.

7. Ms. San San Hla, Director, Department of Agricultural Planning, Ministry of Agriculture and Irrigation, Myanmar, and Ms. Sununtar Setboonsarng, ADB, chaired and co-chaired the Meeting, respectively.

Session 2:

2.1 Development Trends in Global Agri-Food Trade: Enhancing Competitiveness thru Regional Framework on Voluntary Sustainable Standards

8. Dr. Ulrich Hoffman, Senior Trade Policy Advisor to the Director of the International Trade Division, UNCTAD, introduced a new initiative launched last year by 5 UN agencies (FAO, International Trade Center, UNCTAD, UNEP, and UNIDO) to form the UN Forum on Sustainability Standards. He explained why voluntary sustainability standards (VSS) are important for market entry and sustainable development, which unless pro-actively addressed, could become a serious market entry hurdle and a key challenge in particular for small-scale producers. While there are some systemic challenges regarding VSS (multiplicity and lack of interoperability, stringent and multi-dimensional standards, concerns that VSS might directly or indirectly undermine WTO agreements on technical barriers to trade and SPS measures, among others), VSS have become a reality and there is a need to discuss and analyze VSS more systematically to maximize their benefits and minimize their costs particularly for small-

scale producers and less developed countries. He argued that VSS are the new “power tools” in international trade that form a meta-governance system largely outside the WTO, but may have a critical bearing on market access, market exclusion and the achievement of national sustainability goals. The 5 UN agencies partnering in the Forum are all actively working on VSS and aim at pooling resources, synchronizing efforts, and assuring policy coherence, coordination and collaboration among UN agencies to maximize impact and efficiency. He noted that this UN initiative is also supporting ASEAN initiatives on agriculture and food standards.

2.2 Voluntary Sustainability/Food Safety Labeling; Certification and Sector Development

9. Mr. Ong Kung Wai, Certification Specialist, described the development of pioneer voluntary labelling sector development established in the 1990s involving consumers, civil society, producers, and producers’ associations as stakeholders under a policy framework for voluntary sustainability/food safety labeling. He also illustrated a development scenario for developing countries involving consumers, grower groups and plantations to meet the demands of the domestic and export markets and which require domestic assurance program and export certification involving inspections, participatory guarantee assurance and domestic assurance program as precursor to export certification. This allows local processors to meet the demands of the domestic market and even turn it around to facilitate export market access.

Open Discussion:

10. In response to a query from JIRCAS about the final output of the VSS Forum, Dr. Hoffman stated that while this is primarily a private scheme, the Forum provides a proactive public policy agenda that governments can recognize also as a public good in terms of market access, and employment and foreign exchange generation, thus addressing public policy objectives. He emphasized that no amount of private and donor support can replace the proactive role of government and that the Forum could help stimulate public-private dialogue.

11. FAO noted that these standards that the Forum is working on will lay out certain principles for government and the private sector to promote transparency governance. Mr. Hoffman talked about the Thai situation regarding commercial standards, the complex issues that need to be properly addressed and understood, and the appropriate national response to those issues and gradually moving towards appropriate methodologies that are accepted by the players in the market. There are commodities and areas that are dealing for example with certain chemicals, or sophisticated standards that deal with a whole lot of complex issues. On the other hand, there are sustainability standards that only deal with one issue, e.g., organic agriculture practice, hence there is no one size that fits all.

12. Cambodia reminded the WGA Secretariat about comments they made at last year’s meeting held in Lao PDR regarding future organization of WGA meetings, and suggested that at the start of each meeting, at least 5 minutes should be reserved to allow the delegates to review the provisional agenda and consider additional items that may be proposed for inclusion. For smoother flow of proceedings, Cambodia suggested that the meeting should start with a stocktaking of achievements of CASP, before moving to new initiatives, in order to allow WGA to discuss and resolve problems relating to CASP implementation. Presentations and discussions of new initiatives should lead to clear indications of whether the countries support these initiatives or not. Cambodia further recalled their previous suggestion that a market place be organized, separately from the main WGA meeting. There should also be room for dedicated

dialogue between member countries and donors, facilitated by ADB, in order to hear the views of donors on what they observe, where their support may be forthcoming, and potential partnership arrangements. The WGA secretariat was requested to take careful note of these suggestions and to effect the required improvements in future meetings, so as to underscore the strong ownership of member countries of WGA meetings, and that member countries want to listen and learn more from fruitful discussions with each other.

13. On UNCTAD's presentation on VSS, Cambodia inquired what "sustainable standards" actually means, and noted that standards can change over time. It was further noted, as the presentation itself recognized, that there are several challenges that need to be addressed, and it would seem that this initiative creates more burdens for member countries. Cambodia, as member of WTO, is already compelled to comply with WTO requirements, and now comes this new initiative. Instead of this VSS initiative, why not invest in member countries to strengthen their capacity to comply with WTO requirements, simplify WTO requirements and procedures rather than come up with another new scheme. It appears also that the VSS scheme starts with and is led by NGOs and civil society, and that there is no role for the government. Another concern with NGO involvement is the issue of sustainability, since legally speaking, NGOs are registered as not for profit organizations. The VSS scheme should give due cognizance to the legal climate in each country. Cambodia requested the WGA Secretariat to henceforth circulate details of project proposals and presentations to the countries for review in advance of WGA meetings.

14. Myanmar supported Cambodia's comments and remarked that while they appreciate new initiatives, a critical concern is how to put these initiatives, which pose challenges to the governments, into practice. It was noted that the market is the main stimulus, and for this reason, Myanmar's leaders are very interested in establishing wholesale markets that can empower farmers to negotiate for better prices. It was suggested that GMS countries must share experiences, and inform each other about their respective initiatives and experiences in order to be able to catch up with new initiatives in the international market. Myanmar has policy gaps and many unfinished initiatives, and ADB should support the government in translating policies into action.

15. Lao PDR supported Cambodia's comments to focus the agenda first on CASP achievements, and then move on to new initiatives, and to ensure a logical sequence in the content of the agenda. It was further noted that the copy of the provisional agenda circulated to the countries earlier was different from the one made available just now.

16. Thailand supported the comments of Cambodia, Myanmar, and Lao PDR, and noted that the agenda is not clear enough. It was suggested that the provisional agenda should include annotations for each item to be discussed so that delegates would have a clear understanding of what to expect from the meeting.

17. PRC and Viet Nam agreed with the views of the other countries and stressed the need to improve agenda-setting for future meetings.

18. Development partners (SIDA, IRRI, and FAO) shared the sentiments expressed by the countries. IRRI noted the need to emphasize donor-countries relationships and how strategies for partnerships could be enhanced. FAO commented that while there seemed to be some confusion that the just-concluded session was an extension of the Knowledge Event of the previous day and not part of the WGA business session, some lessons could be derived from these discussions that the WGA Secretariat could take forward.

19. Ms. Setboonsarng expressed her apologies to the meeting and stated that the WGA Secretariat will take note of these comments into consideration.

20. Copies of presentations under this Session are in [Appendix 4](#).

Session 3 A: HIGHLIGHTS OF ACHIEVEMENTS AND WORKPLAN 2014 OF CORE AGRICULTURE SUPPORT PROGRAM PHASE 2 (CASP 2)

3.1 Key Achievements in 2013

21. Ms. Setboonsarng gave an overview of CASP's key achievements in 2013. She introduced Mr. Apichai Thirathon, as the newly recruited WGA Secretariat Manager. For the benefit of newcomers particularly from the donor community, she gave an overview of the CASP, its vision and strategic pillars, the WGA's implementation structure, including the WGA National Coordinators, regional secretariat based at the ADB Resident Mission in Thailand, the national secretariat support units in the ministries of agriculture of each country, and development partners that support initiatives under the CASP. She described the scope, expected outputs, and extent of financing of 4 ongoing technical assistance projects (TAs) supporting CASP 1 and 2. These are (i) RETA 6380, (ii) RETA 6521, (iii) RETA 7833, and (iv) RETA 8163. WGA is now moving into a one TA-mode instead of having several TAs to avoid complicated administrative arrangements.

22. RETA 6380 Transboundary Animal Disease Control for Poverty Reduction in the GMS approved for ADB funding in 2007 in the amount of \$1.65 M is helping contribute to the larger goal of reducing poverty in poor livestock farming communities in the GMS through better control of TADs, increased production of safer food, and enhanced opportunities for smallholders to access higher value markets for their livestock and livestock products. Project completion date is being extended to 2015 to carry forward the planned pilot activities on cross-border livestock traceability system and production of awareness raising materials. RETA 6521 Accelerating Implementation of Core Agriculture Support Program with funding of \$3.164 M (ADB: \$1.5 M, PRC Fund: \$0.25 M; IFAD parallel financing: \$0.20 M) has supported activities on biotechnology and biosafety, development and expansion of the Agriculture Information Network Service (AINS), rural renewable energy, and cross-border trade facilitation, and been extended for one year beyond 2014 to allow a minor change in scope and cover the development of GMS drought monitoring and warning system. RETA 7833 Capacity Building for the Efficient Use of Biomass for Bioenergy and Food Security approved for ADB funding in 2011 amounting to \$4 M is being implemented by a consulting firm to enhance the capacity of participating counties for efficient utilization of biomass for scale-up production of clean bioenergy and organic soil amendments. Activities include production of improved cook stoves, bioslurry from biogas production, biochar upscaling, feasibility studies in Viet Nam and Cambodia, and rapid assessment of biomass use option for Lao PDR, capacity building through study tours and participation in regional events, and production of knowledge products including biobrief series.

23. The biggest TA is RETA 8163 Implementing Core Agriculture Support Program in the GMS Phase II funded by Sida (\$7.5 M), NDF (\$5M), Swiss Government (\$1M), and ADB (\$0.5 M for Nitrogen cycle) and will soon be getting additional financing of \$1 million from the Water Financing Partnership Facility (WFPF) of ADB for "green water management". To date, a regional secretariat office and national secretariat support units have been established; a new

Program Coordinator, knowledge management specialist, and administrative officer hired and recruitment of other project staff underway; a regional inception meeting held in March 2013 and national inception meetings conducted in Lao PDR, Myanmar, Thailand and Viet Nam; WGA Secretariat Operational Guideline approved; WGA Retreat organized in 2013 to review and approve the agriculture sector pipeline under the GMS Regional Investment Framework (RIF) that was eventually endorsed by the 19th GMS Ministerial Conference in December 2013; strategy for Participatory Guarantee System (PGS) implementation developed and regional workshop conducted; capacity building for Lao and Thai farmers on market access organized; initial consultations with PRC's Foreign Economic Cooperation Center of the Ministry of Agriculture on enhancing the AINS into e-trade platform held; GMS government officials attendance at training program on Chemical Management Strategies in Sweden supported; training on Enhancing Regional Competitiveness and Sustainability of Agriculture sector jointly organized with Phnom Penh Plan for Development Management; training on contract farming co-financed with FAO; CASP II communication strategy drafted and development of GMS-WGA website initiated; IEC materials on climate-friendly agriculture, compost making technology, biochar application as soil amendment, and post-harvest technology of fruits and vegetables prepared.

24. In addition to these highlights of achievements under the various CASP II-related RETAs, Ms. Setboonsarng also mentioned several other ADB-financed regional and country projects that are supporting the agriculture sector, including Agricultural Productivity and Natural Resource Management (with ADBI and ASEAN Secretariat), GMS Flood and Drought Risk Management and Mitigation, Improved Sanitary and Phytosanitary Handling in the GMS, Capacity Enhancement of SPS Handling Arrangement to Improve Trade Facilitation, Low Carbon Agricultural Support Project (Viet Nam), Addressing Pre- and Post-Harvest Challenges of Rice Supply Chain (Viet Nam), Support for the ASEAN+3 Integrated Food Security Framework, Strategic Research for Sustainable Food and Nutrition Security in Asia, Innovative Financing for Agri-Food Value Chains (Cambodia), Climate Resilient Rice Commercialization Sector Development Program (Cambodia), Enhancing Rural Livelihoods and Incomes (Myanmar), GMS East-West Economic Corridor Agriculture Infrastructure Sector Project, and Sustainable Natural Resource Management and Productivity Enhancement Project (Lao PDR).

25. In response to Cambodia's query about the status of the planned e-Trade platform under the AINS and additional financing requested from PRC, Ms. Setboonsarng replied that additional funds are expected to come from the PRC Fund, and that a proposal is being submitted to PRC accordingly.

26. In reply to Myanmar's query about projects still underway in Myanmar, Ms. Setboonsarng stated that projects that cover capacity building activities invariably involve Myanmar. Currently, the biggest project specifically for Myanmar is Enhancing Rural Livelihoods and Incomes funded by JFPR (\$12 M) in 2013.

27. Lao PDR noted that in addition to several projects under CASP II, there are also other projects not directly under the CASP II but in a way also indirectly support it, and suggested that WGA would need to look at and appreciate the totality of projects. Ms. Setboonsarng responded that knowledge products produced from the other related projects do indeed enhance the WGA RETA. The vision of CASP cannot be realized only by technical assistance but also by investments. What the WGA Secretariat is trying to do is provide direction on how new projects could be implemented. By way of illustration, she cited a project in Viet Nam concerning market access where knowledge products on climate friendly agriculture were utilized in the implementation of the related loan. The same is true with other countries where ADB has

national projects, and where knowledge generated from CASP implementation has benefited and enhanced the linkage between national and regional projects, and this is where the interphase between local and regional projects can be appreciated.

28. Myanmar suggested the establishment of a system where regional sourcing of support for national projects is feasible.

3.2 GMS Drought Monitoring System and Proposed Additional Activities

29. Mr. Yusuke Muraki, Infrastructure Specialist (Space Technology), ADB, presented the results of work on the GMS Satellite-based Drought Monitoring and Warning System. He noted that drought is a big problem in the GMS, and that the drought experienced in 2010 adversely impacted dry season crops along the Mekong River, as well as 65 million people in Lao PDR, Cambodia, Thailand, and Viet Nam, and 61 million people more in South-western PRC. He emphasized the importance of sharing information regarding drought situation in the GMS to promote subregional food security cooperation; however, it is too costly to get drought information for the entire subregion with conventional methods and it is difficult to compare data between countries because of different methods used in collecting drought information. Satellite technology presents a good alternative as it can provide, near real time, and objective drought index for the GMS. Under ADB RETA 6521, satellite-based drought monitoring and warning system in the GMS was introduced as part of the GMS AINS project. This system provides the following benefits: free, automatic, and daily drought warning for the GMS; monthly and annual drought information with historical data since 2007; and readily available drought information for other GMS countries based on a common methodology. He described the system that provides information on drought index by country and province and satellite data on precipitation and evapotranspiration, and could be accessed at <http://webgms.iis.u-tokyo.ac.jp/dmews/GMS/>. The system is seen as a useful tool for decision making to stabilize crop prices by subregional food security cooperation, for national and local offices in charge of drought monitoring, for research institutes and universities, and for farmers for understanding drought situation and appropriate planning. Training activities have been held in Vientiane, Bangkok, Hanoi, and Kunming.

Open Discussion:

30. In response to a query from Myanmar, Mr. Muraki stated that ADB has started work in 4 countries to support agriculture statistics offices in each country, by estimating how much rice will be produced using satellite radar sensors/technology that can penetrate clouds. This was started this year and results could be shared with WGA. Myanmar welcomed this initiative to support more realistic data for policy makers.

31. Dr. Hoffman noted that data is based on ex-post approach and that based on historical data, a trend is created and then compared to current events, which is quite interesting from a historical perspective and for making projections. But for farmers, it is important to know how long a drought is going to last and this is difficult to forecast. He inquired if there is anything that can suggest ex-ante as opposed to ex-post. Mr. Muraki responded that this was in fact discussed in their training programs but it is difficult to forecast rainfall possibilities far into the future. However, it is helpful to show the average dotted line so that farmers can calculate when rainfall could be expected. Myanmar noted that with farmers being familiar with cellphones, it would be useful if data could be made available in the local language. Ms. Setboonsarng noted

that if there is such a request from the countries, this could be proposed to ADB management. Cambodia was pleased with the initial results of the project and proposed that it be continued and if possible expanded to cover Cambodia as well. Ms. Setboonsarng stated that the WGA Secretariat will take note and look forward to receiving a formal request from the countries. ADB will be writing the countries with a request on specific activities that they want to be included. Cambodia suggested that, to facilitate the process, ADB could refer to the discussions at this meeting. Ms. Setboonsarng agreed but would still need to get detailed specification from the countries on what they would like to be included in the system.

Session 3 B: HIGHLIGHTS OF ACHIEVEMENTS AND WORKPLAN 2014 CASP 2

3.B.1 Workplan 2014 for:

- **RETA 8163 Implementing the GMS Core Agriculture Support Program 2**
- **RETA 7833 Capacity Building for the Efficient Utilization of Biomass for Bioenergy and Food Safety in the GMS**
- **RETA 6390 Transboundary Animal Disease Control for Poverty Reduction in the GMS**

32. Ms. Setboonsarng outlined the various activities planned for 2014 under the expected outputs of RETAs 8163, 7833, and 6390. Under RETA 8163, various activities relating to N-cycle management will be pursued with the additional financing from NDF and ADB, as well as green water management from the Water Financing Partnership Facility, in addition to those relating to the various RETA outputs (Output 1: regional food safety standard harmonization/implementation, participatory guarantee system, inspector training. Output 2: e-trade and e-traceability development, upgrading AINS as e-trade platform for eco-friendly products. Output 3: strengthening climate-friendly agriculture through public-private partnership; Output 4: knowledge dissemination; Output 5: annual WGA meetings, semi-annual retreat to discussion work plan for 2015, operationalization of WGA M&E framework, development partners' meeting to mobilize resources for RIF pipeline projects in agriculture, joint knowledge event with WGE and joint training with Phnom Penh Plan for Development Management). Under RETA 7833, planned activities include workshop, regional forum, pilots of investment models, technical forums, business models for scaling up biomass technologies, capacity building programs, and knowledge products development. RETA 6521 is being extended to expand activities of the GMS Drought Monitoring and Warning System. Within the extension period of RETA 6390, activities on pilot cross-border livestock traceability system, and awareness-raising on food safety and TADs control for livestock will be completed.

33. Ms. Setboonsarng suggested for the countries to consider holding another meeting perhaps in October to review and reach agreement on the work plan for 2015.

34. With regard to TADs for poverty reduction component of RETA 6390, Cambodia supported the extension of the project to complete TA activities.

35. Cambodia suggested for the WGA Secretariat to prepare a 3-year rolling plan to avoid delays.

3.B.2 Criteria for Selection of Project Proposals from Countries

36. Mr. Apichai Thirathon, WGA Secretariat Manager, outlined the expected impact, outcome, outputs, performance targets and indicators under CASP II. He then introduced the proposed criteria for selecting projects to be supported under CASP II, namely: (i) subregional development benefits and impact; (ii) economic and social viability; (iii) implementation time frame, i.e. project can be implemented and completed by June 2016; (iv) availability of financing outside of the TA; (v) status of preparation; (vi) innovativeness and PPP prospects; (vii) output priority consistent with RETA's design and monitoring framework and CASP II results framework; and (viii) gender responsiveness. Each project will be rated on a scale of 1 to 3, with 3 fully satisfying all the criteria, 2 partially satisfying, and 1 not satisfying the criteria. Utilization of RETA funds shall follow ADB guidelines, and remuneration to government officials involved in project implementation shall be borne by the ministry.

37. Ms. Setboonsarng stated that efforts will be exerted to ensure transparency in the selection of project proposals.

38. Cambodia remarked that the first criterion restricting selection to small-holder farmers using climate-friendly agricultural practices is very restricting. Also the time frame for implementation by June 2016 is too soon. Ms. Setboonsarng explained that the TA should be closed before December 2016. On the first point, Mr. Apichai mentioned indicators on outcomes of project, which is consistent with input-outcome.

3.B.3 Workplan on Training of Inspectors

39. Mr. Ong Kung Wai presented a proposed Client Management and Inspection Training for Export Certification as one of the activities under RETA 8163, including program schedule. The objective is to reduce the cost of 3rd party certification for organic export through training of interested local certification providers in CLMV, training of inspectors associated with local certification service providers, and support for the establishment of business collaboration in client management and inspection between local service providers and selected export certification providers. Expected outputs include: (i) local certification service providers with client management and inspection service agreements activated in CLMV; (ii) producers certified for export; (iii) 12 trainees per country participated in basic inspection training; (iv) 2-3 trainees selected for further inspection internship with export certification service provider; and (v) training modules for grower group management and inspection produced.

Open Discussion

40. Myanmar suggested that capacity building should not be limited to inspectors only. Mr. Ong replied that the key point is that countries should have reliable inspection system, and this is an entry point for capacity building. It is up to the countries to work with other certification alliance for their certification bodies. High overhead cost is something which countries may wish to consider.

41. Myanmar further requested ADB to help upgrade capacity as well as knowledge of certification bodies. Ms. Setboonsarng responded that ADB would take this into consideration, and suggested that discussion be brought with the technical person during the break.

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

Session 4: PARTNERING FOR DEVELOPMENT

4.1 Key Points from the Joint Knowledge Event

43. Attached in Appendix 6 is a summary of the key points discussed at the Joint Knowledge Event held the previous day. Essentially, the presentations and discussions revolved around increasing inter-sectoral coordination and linkages towards enhanced policy and decision making on food, energy, and water security. The agriculture, energy, and environment sectors are viewed as integrative sectors that cut across others under the GMS Program, instead of being stand-alone sectors. The knowledge event also served as a venue for sharing information and views about the proposed GMS Regional Investment Framework Implementation Plan and the subsequent steps that need to be taken by the various working groups towards prioritizing the pipeline of investment and technical assistance projects and defining an operational M&E system within the timeline leading to the 5th GMS Summit in December 2014.

4.2 Statements from Development Partners and Private Sector

44. **FAO** expressed appreciation for having been invited to the meeting and noted that they have long been a partner of the GMS countries and ADB in agricultural and rural development, and food security in the subregion. FAO is working with the 6 GMS countries individually or under the umbrella of regional projects funded by donors or by FAO's Technical Cooperation Programme. FAO is currently executing 29 regional projects with a total value of more than \$121 M in the GMS countries in the areas of agriculture, food security, and poverty reduction. A number of these projects are directly related to the 3 pillars of CASP II, particularly safe and green value chain, climate friendly agriculture and use of biomass for bioenergy, and the development and promotion of organic agriculture. Examples were given of specific activities being undertaken under these topics. FAO looks ahead to closer collaboration with ADB in the context of the on-going finalization of an MoU between the two organizations, and will continue to work with GMS countries in addressing current and emerging priority issues for enhancing food security and livelihoods of the people of the subregion, as well as with other partner agencies in achieving the common goal of improving the livelihood of the people in the GMS.

45. **Sida** stated that Sweden is engaged in the CASP because they believe that the program is very important, innovative, and in the forefront of projects to address poverty and climate change, consistent with the objective of Sweden and Sida to engage in development projects to contribute to poverty alleviation. CASP's thrusts to support traditional agriculture for poor farmers in remote areas by supporting certification for products of these poor farmers can enhance market access and effectively promote inclusive growth. By extending climate-friendly practices to farmers, particularly women, and by facilitating market access for these farmers through promotion of regional sourcing of safe agri-food products for the regional and global markets, the CASP uniquely involves the poor to be part of the solution for climate change while simultaneously enhancing their food and energy security. Sida recalled a list of points they brought up at last year's meeting that they would like to follow-up on, namely:

- (i) Country level commitment and ownership – with the (regional) secretariat, the new project manager, and four NSSUs now in place, Sida hopes that the remaining 2 NSSUs will very soon be established;
- (ii) Partnerships and cross-sectoral coordination: CASP activities and results should to the extent possible be integrated into national level processes and

programs for greater impact; avoid overlapping work and work together with other organizations to ensure synergies with existing programs; form partnerships with relevant organizations that implement complementary activities; more collaboration between CASP II and the Core Environment Program; work pro-actively with the private sector.

- (iii) Poverty dimensions, gender equality and rights: further work on issues of the rights of poor people and analysis of the gender dimensions of the Program.
- (iv) Information dissemination and awareness raising: continue work in advocacy and awareness raising, have more information available in local languages, work with Sida-supported Climate Change Campaign to raise public awareness on climate change.
- (v) Funding: with NDF having joined the program and other partners interested to contribute, continue work on diversifying the program's funding base; focus on activities that already have funding and not spend valuable project staff time on new activities at the expense of ongoing ones.
- (vi) Reporting on results and risks: Annual report should cover the full CASP II program rather than on specific RETAs; more analysis of the progress of the program, focusing on results at the outcome level. Reporting should also include a thorough risk assessment.

Sida requested the WGA Secretariat to provide a written response to their statement.

46. **JIRCAS** was pleased to share information about their organization as the sole Japanese national institute that undertakes comprehensive research on agriculture, forestry, and fisheries technology in developing areas, with the GMS as one of the most important areas in their collaborative researches. On the topic of food safety, JIRCAS is planning to organize an "Expert Consultation on Assuring Food Safety in Asia-Pacific" on 4-5 August 2014 in Tsukuba, Japan, jointly with the Asia-Pacific Association of Agricultural Research Institutions (APAARI). On the topic of climate-friendly agriculture, JIRCAS has been implementing since 2011 a flagship project "Development of agricultural technologies in developing countries to respond to climate change". An important finding from this project is that alternate wetting and drying has positive impacts on rice yield and reduces methane emission from paddy field. On bioenergy, JIRCAS has successfully registered in the UN in 2012 a biogas digester dissemination program in the Mekong Delta as CDM project. JIRCAS has great interest in WGA and is willing to support and supplement CASP II through its R&D activities.

47. **CABI**, an international not-for-profit science-based IGO working to solve problems in agriculture and the environment, and governed and owned by 48 member countries, has been established for over 100 years and has over 450 staff based around the world, producing over 100 peer-reviewed scientific papers each year, and implementing some 300 international development projects in more than 70 countries. They have extensive expertise in key Agricultural Biosciences and Knowledge Management, and publish high-quality scientific resources in print and electronic format including the world renowned CAB Abstracts. Their work focus on 4 strategic areas: (i) Supporting smallholder farmers' plant health problems through training, capacity building, and practical advice to farmers and community-based plant clinics; (ii) Improving food security and market access through crop loss reduction by providing farmers with accessible and practical knowledge, and improving their ability to comply with SPS and food safety requirements through training in GAP and IPM; (iii) Protecting biodiversity through programs that address the spread and impact of invasive weeds and insects on agricultural crops and the natural environment; and (iv) knowledge sharing and promoting effective communication of agricultural and environmental knowledge between farmers, extensionists,

researchers, and other stakeholders, including the use of mobile technologies. CABI would be willing to work with ADB, WGA, and other development partners in further supporting the needy smallholder farmers in the GMS.

48. **GiZ** introduced the ASEAN Sustainable Agrifood Systems (ASEAN Biocontrol) Project commissioned by the German Federal Ministry for Economic Cooperation and Development and executed by ASEAN Secretariat, now on its 2nd phase until 2017. The objective is to enable ASEAN Member States to implement the ASEAN Integrated Food Security (AIFS) Framework and its Strategic Plan of Action (SPA-FS), Strategic Thrust 4: Promote Sustainable Food Production at the national level. AIFS has 4 components: (i) food security emergency/shortage relief; (ii) sustainable food trade development; (iii) integrated food security information system; and (iv) agri-innovation. The following 4 action programs are being pursued: (i) agricultural infrastructure development; (ii) utilization of resource potential; (iii) agricultural innovation; and (iv) transfer and adoption of new technologies. Possible areas of collaboration with CASP II are on strategic directions to address challenges to agricultural development, particularly those linked to cross-border trade in agri-food products, food safety, and climate change adaptation; the 3 CASP strategic pillars and agricultural R&D, private sector involvement, and institutional mechanisms for regional cooperation.

49. **IRRI** mentioned their work on 5 pillars: (i) reducing poverty; (ii) tackling climate change; (iii) engaging women; (iv) protecting the environment; (v) increasing food security; and (vi) making rice healthier. IRRI brings science to the GMS countries through a number of platforms, including the Irrigated Rice Research Consortium (IRRC), the Consortium for Unfavorable Rice Environments (CURE), Climate Change Affecting Land Use in the Mekong Delta (CLUES), and the International Network for Genetic Evaluation of Rice (INGER). These networks operate under the umbrella of the Global Rice Science Partnerships (GRISP) which is one of the major programs of the Consortium for International Agricultural Research (CGIAR) and led by IRRI. IRRI has come up with technological innovations that can raise rice productivity, profitability and livelihoods of smallholder farmer, and make these farmers more resilient to the impacts of climate change. For example, mapping rice growing areas for better targeting of varieties and technologies helps reduce risks and losses associated with variability brought about by adverse growing conditions and changing climate. IRRI breeders are working on mega varieties that are high yielding and tolerant to environmental stresses such as submergence, salinity and drought. Best management practices that are more efficient yet sustainable and climate smart are being developed and adapted to save on costs, for instance, the alternative wetting and drying as a water-saving technology to mitigate methane emission from lowland rice paddies. IRRI also brings postharvest technologies for smallholder farmers and recently introduced the solar bubble dryer that harnesses sunlight for drying rice grains. IRRI makes use of both participatory approach and ICT to deliver these technological innovations to reach broader areas and more farmers. CASP could be a good platform for IRRI and GMS countries to work together and IRRI welcomes this opportunity for cooperation.

Session 5: REGIONAL INVESTMENT FRAMEWORK: CHANNELING THE RESOURCES FROM PIPELINE TO IMPLEMENTATION

4.1 Presentation of RIF projects and status

50. Ms. Setboonsarng recalled that the 19th GMS Ministerial Conference in December 2013 endorsed the GMS Regional Investment Framework, and subsequently, the GMS Secretariat has developed a set of criteria to prioritize the projects under the RIF. She recalled the list of

agriculture projects discussed at the WGA Retreat last year and which was subsequently incorporated into the overall RIF pipeline of projects. She noted that ADB could not possibly support all of the projects under the RIF but that at least one proposed project in the agriculture sector is quite advanced in terms of preparation of the concept paper. She mentioned that supplementary financing is anticipated for RPATA 8163 and that CASP II will end in 2020, and there is a need to process a new TA in 2016 to support the implementation of CASP II and prepare CASP III.

4.2 Prioritization exercise for RIF projects for 2014-2018

51. Ms. Setboonsarng recalled the prioritization criteria for RIF projects for 2014-2018 as discussed at the Knowledge Event the previous day and the ratings to be applied as developed by the GMS Secretariat, with the end in view of having the RIF Implementation Plan finalized in August 2014, for eventual presentation at the 5th GMS Summit in December 2014. She proposed that WGA members together work through the prioritization exercise.

52. To facilitate discussion, WGA Secretariat presented a preliminary prioritization done on the agriculture RIF pipeline of investment and TA projects and requested for comments and feedback from the countries, with the aim of identifying 2 highest priority projects for inclusion in the RIF Implementation Plan. If the meeting is not comfortable with the initial prioritization, WGA Secretariat will try to provide more information and continue to consult with the countries via videoconference towards arriving at a consensus on the final prioritized list. Ms. Setboonsarng expressed her hope that the process and timeline for the exercise had been explained adequately and requested for feedback from the countries.

53. Ms. Setboonsarng indicated that the WGA Secretariat will circulate the proposed prioritized matrix to the countries to get their feedback within one month. She underscored the need for a good monitoring system and requested for advice from countries on how best to approach the monitoring and evaluation of the implementation of the RIF in the agriculture sector, and suggested that perhaps this is another homework that the countries could think about.

54. Chair concurred that WGA could have further discussions and consultations.

55. Myanmar suggested the setting up of a smaller working group to work on this, and that the M&E system could involve all the concerned donors involved in monitoring implementation of projects.

56. Ms. Setboonsarng also suggested to give the NSSU an active role on the M&E system.

57. Cambodia noted that some donors have their own monitoring system and WGA Secretariat could consider developing one M&E system for all projects.

58. Mr. Javed Mir stressed that the RIF pipeline of projects is for financing not only by ADB but also by other development partners and the private sector, and that the implementation plan would cover the next 5 years. The working group would need to keep in mind the expected milestones and the time line leading up to the 5th Summit in December.

59. Sida reminded the meeting on the need to involve and consult the private sector. Mr. Mir suggested that the private sector could be involved as early as now, and there are opportunities to initiate discussions early on.

60. Ms. Setboonsarng shared about the WGA Secretariat's plan to organize a private sector investment forum to discuss the 5 investment projects. The challenge is how to refine these projects and the M&E system. She requested the countries to provide their feedback, including detailed project descriptions to the WGA Secretariat within one month. WGA Secretariat will then consolidate the required information so that the countries could have a clear understanding and discuss this in more detail during the seminar. The challenge is for countries to support relevant activities and assist in monitoring the progress of the RIF for reporting to the Leaders on how each sector has progressed.

4.3 Presentation of first RIF project concept: GMS Agri-business Value Chain in the GMS

61. Ms. Setboonsarng presented a proposed Regional Investment: GMS Climate-Friendly Agribusiness Value Chain Development, a preliminary concept for consultation, as the first RIF project in agriculture, although it is not yet included in the country business plans of the participating countries. The objectives of the project are to: (i) establish a sub-regional agribusiness resilience financing facility and national agribusiness climate innovation centers; (ii) enhance climate resilience of critical rural infrastructure; (iii) reduce reliance of agribusinesses on fossil fuels through promoting bio-energy investments; (iv) improve resource use efficiency and resilience of aggregation, processing, storage, and logistics infrastructure to ensure delivery of safe and value-added agri-food products. Several outputs are expected to be delivered including setting up of agribusiness climate innovation centers, rural infrastructure with improved climate resilience, renewable and bio-energy systems to reduce dependence on fossil fuels by agribusinesses and rural households, and post-harvest infrastructure with improved resilience and resource efficiency to ensure enhanced quality and safety of agri-food products. Project cost is estimated at \$200 M, including loan of \$40 M and grant of \$30 M from ADB, co-financing from other sources of \$200 M, and government counterpart of \$30 M. Feedback from the countries is requested with respect to their views on key constraints of agribusiness value chains, confirmation that the proposed outputs are appropriate, recommended priority commodity value chains for inclusion in the project, opportunities for mobilizing climate finance, and lessons from past investments on agribusiness value chains – what has or has not worked.

SESSION 6: CLOSING SESSION

Confirmation of Date and Venue of the 12th WGA Meeting (WGA-12)

62. The meeting welcomed Thailand's readiness to host WGA-12. Thailand would consult ADB and the WGA Secretariat regarding the venue and dates to be communicated later to the WGA Coordinators.

63. The Chair and Co-Chair expressed their thanks to all the participants, resource persons, and observers for their active participation and contribution to the discussions, and to the secretariat for the efficient arrangements for the meeting.