



GREATER MEKONG  
SUBREGION  
**CORE ENVIRONMENT  
PROGRAM**

# Workshop on Green Growth in the GMS: Trends and Priorities

23–24 March 2017  
Bangkok, Thailand

## Summary of Proceedings

### Introduction

1. The Workshop on Green Growth in the GMS: Trends and Priorities was held on 23–24 March 2017 in Bangkok, Thailand. The meeting was chaired by Dr. Rungnapar Pattanavibool, Director, Office of International Cooperation on Natural Resources and Environment, Ministry of Natural Resources and Environment (MNRE), Thailand; and co-chaired by Mr. Pavit Ramachandran, Senior Environment Specialist, Asian Development Bank (ADB). The meeting was attended by representatives from the Environment, Agriculture and Planning ministries of Cambodia, People's Republic of China (PRC), Lao People's Democratic Republic, Thailand and Vietnam and Greater Mekong Subregion (GMS) National Secretariats. Development partner representatives from Conservation International (CI), Embassy of Sweden in Thailand, Food and Agriculture Organization of the United Nations (FAO), International Union for Conservation of Nature (IUCN), Mekong River Commission, United Nations Development Programme (UNDP), UN Environment, United States Agency for International Development (USAID), World Wildlife Fund (WWF), and others also attended the workshop. In addition, private sector representatives from the Federation of Thai Industries were also present. The list of participants is in **Appendix 1**.

2. The meeting: (i) took stock of current green growth initiatives and opportunities in the GMS; (ii) received feedback on the proposed environment performance assessment indicators and scoring system; (iii) received feedback on the draft GMS Core Environment Program (CEP) Strategic Framework 2018–2022; and (iv) initiated a process to identify CEP successes, challenges, and lessons learned, and a process for the GMS to prioritize environmental projects for inclusion in the Strategic Framework. The full program is provided in **Appendix 2**.

### Opening Session

3. H.E. Mr. Pongboon Pongtong, Deputy Permanent Secretary, MNRE, Thailand provided the opening remarks on behalf of the host Government. He highlighted recent global, regional, and subregional developments and its implications on cross-sector and multi-stakeholder collaboration as well as development partner support for environmental management and social development. He also emphasized Thailand's commitment to host the 5<sup>th</sup> GMS Environment Ministers' Meeting (EMM-5) in February 2017 and continued cooperation with GMS member

countries on environmental conservation and protection, as well as South-South collaboration. His remarks are attached as **Appendix 3**.

4. Mr. Pavit Ramachandran gave the opening remarks on behalf of ADB. He underscored ADB's renewed commitment on economic and environmental cooperation in the GMS. He then presented on CEP's achievements, particularly in terms of serving as a regional knowledge platform on the environment, stimulating regional dialogue, and leveraging green investments. He also summarized lessons learned from CEP's decade-long implementation and way forward, following an inclusive green growth path with services that will more effectively respond to the broader GMS imperatives and emerging issues. A copy of the presentation is in **Appendix 4**.

## **Session 1: Green Growth Initiatives and Opportunities for the GMS**

4. Mr. Daniel Klasander, Embassy of Sweden in Thailand presented Sweden's regional strategy for sustainable development in Asia in 2016-2021. Mutual interaction between human rights, democracy, gender equality, environment, and climate change were cited as the cornerstone of their approach for strengthening the ability of regional actors to address transboundary challenges and opportunities. This is to ensure continued development and poverty reduction in the region at the same time reducing the negative impacts of economic growth on the environment and human rights. He elaborated on Sweden's broad range of cooperation partners in the GMS as well as initiatives supported by the Swedish government in the region, including CEP and the Core Agriculture Support Program, and its impacts. His presentation is attached as **Appendix 5**.

6. Mr. Jonathan Gilman, UN Environment provided an overview on the state and trends of the environment in the GMS using data from their flagship publication, *Global Environment Outlook Report*, which will be presented to the UN Environment Assembly in end 2017 in Nairobi. He then discussed regional coordination and cooperation mechanisms utilized by the UN Environment across governments and within the UN system to support the GMS countries and CEP. He ended his presentation with an outline of suggested topics in support of green growth and green economy in the region with some concrete examples of their priority areas for cooperation on green economy (e.g., green finance and business, investing in natural capital, sustainable agriculture, climate change mitigation and adaptation, and policy analysis and data). The full presentation is attached as **Appendix 6**.

7. During the open forum following his presentation, Mr. Gilman elaborated on natural capital risk register as one of the tools developed and utilized by the UN Environment to bring together private sector companies that are reliant on natural capital and governments towards the long-term sustainability of the natural resource base. ADB suggested the following areas for future work: measuring the development effectiveness of green finance and moving forward with work on the valuation of natural capital towards areas that resonate with the finance and planning ministries (e.g., green jobs and green growth type of impacts).

8. Mr. Gordon Johnson, UNDP-Thailand presented UNDP's support for environmental work in Asia and the Pacific as a catalyst for green growth. He started his presentation with the key message of the need for the development community to collaborate, catalyze, and leverage the impacts of funding. He also discussed UNDP's role as an important channel for environmental funds, accounting for 36% of the 6<sup>th</sup> cycle of the Global Environment Facility (GEF) funds and 23% of the Green Climate Fund (GCF) funds as of March 2017. He cited UNDP's relatively

strong country presence and good working relationship with most governments, its role as a UN development program, and its culture of helping countries access money by helping them design projects as key to its success. His presentation also mapped out UNDP-supported environment projects under various stages of design development and implementation. His presentation concluded with a discussion on UNDP's approach to 'blended finance' which involves improving the risk-return profile of investments to boost private sector confidence to invest in green growth.

9. Following his presentation, he responded to a query on UNDP's safeguard policy. According to Mr. Johnson, all UNDP projects are subjected to screening on their potential negative environmental and social impacts as part of the project appraisal process. UNDP's safeguard policy is step towards ensuring that any negative impacts of projects are reduced. Although the social and environmental consequences of UNDP projects are small compared to large infrastructure projects, projects with the threat of negative impacts are taken a step further to mitigate risks. This process is also helping governments prioritize projects for public investment.

10, He recognized ADB's concern on the need to focus on the main drivers that shape regional trends aside from value additionality. He cited the case of GEF, where implementing agencies, such as UNDP, are now required to systematically account for broader environmental impacts of projects to include livelihoods, gender, etc. Mr. Johnson also agreed with the observation by a representative from the Global Green Growth Institute that the lack of environmental investment is partly a matter of government prioritization. He recommended the wider adoption of a system of green accounting to help the Ministry of Finance and line ministries understand the economic benefits of natural capital investment and assist in their public investment prioritization.

11 Mr. Alfred Nakatsuma, Director, USAID, presented on their environment initiatives in the region, such as the Smart Infrastructure for the Mekong, Clean Power Asia, Private Finance Advisory Asia, etc. He then shared key points on their assessment of their regional initiatives. These include greater understanding of environmental issues and regional approaches, greater interest in capturing and utilizing data as well as cross-sector cooperation. He ended his presentation with a reminder on the importance of learning from past mistakes and in giving due importance to the sustainability and equity considerations of projects. A copy of his presentation is presented in **Appendix 7**.

12. Mr. Nakatsuma responded to a query on USAID mechanisms to identify bankable private or public investments under the Green Investment Asia project, which is currently going through the procurement process. He shared information on the mechanism for project implementation through a private sector consulting firm.

13 Dr. Tracy Farrell, Regional Director, Greater Mekong, CI, provided an overview of the relationship between nature and people with nature at the center. She highlighted the benefits of natural capital, which accounts for 20%–55% of the total wealth of GMS countries. However, decisions based on short-term thinking erode the natural capital base with net losses valued at 10%–12% of gross domestic product in the GMS in 2013. She presented CI's strategy for the region's environment which was approved by the Board in 2017. The strategy targets the protection of the remaining best 20% (approximately 6 million hectares) natural ecosystems in the GMS watershed and is framed around three major issues, namely: deforestation, water

erosion, and overfishing. She elaborated on their major areas of work and also shared CI's new role as an implementing partner of the GCF. Her final thoughts covered suggested ideas for potential planning in the GMS (e.g., translating natural capital assessments into development decisions, monitoring of indicator trends [i.e., sustainable development goals {SDGs}], South-South training on ecosystem services, sustainable financing and climate financing, including capacity building of countries in these areas). Her presentation is provided in **Appendix 8**.

14. During the discussion following Dr. Farrell's presentation, she responded to the facilitator's query on whether CI's approach involves programs and projects that are stretched over a period of time. She cited the case of their law enforcement and protection project in Cambodia that requires long term commitment in order to obtain successful conservation results. She explained that nongovernment organizations, such as CI, face the challenge of having to seek funding support for projects from various funding sources, which have their own priorities and vision.

15. On the query on reducing emissions from deforestation and forest degradation (REDD) as a good candidate for schemes on payment for ecosystem services, Dr. Farrell stated that although the market for REDD may seem soft at the moment, there are mechanisms to foster carbon market investment in REDD. On another point regarding the inclusion of sector goals, such as livelihoods in CI's conservation objectives, she clarified that livelihood improvement is part of the CI's approach to achieve strategic impacts.

16. Mr. Christian Ellermann, ADB presented a detailed explanation on the Green Climate Fund (GCF) objectives and the process of project preparation and submission to seek funding for environmental projects. His presentation is attached as **Appendix 9**.

17. He responded to specific queries on the GCF and other environmental funds with regard to specific project funding interventions. For example, responding to a query on the possibility of receiving ADB grant support for an adaptation project, he stated that ADB would be interested in funding projects that reduce the risks of climate change, taking into account cost considerations. On a query posed by SIDA regarding poverty reduction elements of the GCF, Mr. Ellerman explained that GCF projects receive the same scrutiny as ADB projects with poverty reduction as a central consideration.

## **Discussion**

18. The discussion covered the following topics: (i) the challenge of gathering the right information for the right decisions and quality control; (ii) increased efforts towards mainstreaming of environmental considerations into national plans; (iii) a call for a clearer understanding of the way practitioners on the environment articulate ourselves; (iv) the importance of strategic planning and prioritization to promote sustainable development; (v) the identification of actors in environmental work; and (vi) green infrastructure.

19. On the first point, CI recognized access to and sharing of data as a huge challenge, especially in areas where there is a big push for decentralization, where provinces and districts lack the capacity, and the complication arising from working with multiple ministries. Thailand stressed the importance of sound data collection. SIDA shared that where data is available, it would like to support information sharing between countries and local governments to engender trust among countries as a way to address/discuss technical issues across borders.

20. On the second point, UNDP cited ongoing work in climate public expenditure and institute reviews as a basis for changing spending patterns of governments. UNDP and SIDA have also been successful in integrating climate change into the budget system of the Ministry of Finance. Thailand shared that it has been quite successful in incorporating elements of the environment into their development plans and in their national plan. Since the SDGs are a national agenda for Thailand, its implementation was suggested as a starting point for collaborative work across sectors.

21. On the third point, UN Environment shared that the only way to remain relevant is to be understandable to the people on the ground and to address issues that impact on the daily lives of people. SIDA also supported the need for closer interaction across sectors through improved integration of data and monitoring. He cited the implementation and monitoring of SDGs as a good starting point.

22. On the fourth point, the facilitator underscored the importance of strategic environment assessment as input to long-term planning. He cited the case of the strategic assessment of Mongolia's mining industry over a 30-year horizon.

23. On the fifth point, the discussion touched on the need to identify the set of actors that we work with at the local, national, and regional levels; their understanding of knowledge; and how knowledge is translated into action. Also of importance is the need to look more closely on integration across sectors given that the agriculture, development, and finance ministries in some of the GMS countries are more established ministries and have more clout compared to the environment.

24. On the fifth point, ADB raised the issue of asset management in green infrastructure, including the need to design schemes that consider life cycle cost considerations. USAID cited the example of the huge costs of decommissioning dams in the US.

## **Session 2: Breakout Groups**

25. Mr. Iain Watson, Environment Operations Center (EOC) presented the proposed environmental performance assessment indicators and scoring system that will be utilized by CEP in evaluating the overall effectiveness of GMS countries and the region in responding to priority environmental concerns. The environment assessment report will cover the period 2006–2016. Mr. Tan Kim Ang, EOC supplemented the above presentation by elaborating on CEP efforts to improve capacity and decision making by incorporating sustainable land system into strategic planning processes through the CLUMondo, a spatially explicit and dynamic land system change model. Copies of the presentations are provided in Appendices **10a and 10b**.

26. Breakout group discussions highlighted the need to include relevant indicators on climate change (e.g., area of rice cultivation in drought prone areas, in saline soil, new pest diseases, migration due to climate change impacts), water disease coping capacity, ground water pollution and forest degradation by fire or burning. It was agreed that additional relevant indicators will be included in finalizing the indicator selection. The group concurred with the proposed color-coded and symbol scoring system and offered minor suggestions on how to improve clarity.

27. A focus group discussion was initiated to identify potential CEP success stories, experiences and lessons learned for use in key knowledge products for launch during EMM-5. Participants included members from the Working Group on Environment and CEP National

Support Unit members and government officials who have worked with CEP. Results of the discussion identified CEP success stories in the following areas: payment for ecosystem services (Cambodia), biodiversity conservation corridors (PRC), pollution control strategy (Lao People's Democratic Republic), green freight transport (Thailand and Vietnam), biodiversity conservation corridors initiatives (Thailand), SEA and national land use modeling (Viet Nam), and monitoring & evaluation support for the forest payment ecosystem services (Viet Nam). Champions of CEP initiatives were also identified for each GMS country. The impact of political commitment was strongly visible in the presentations and discussions.

## Recap of Day 1 Discussions

28. Mr. Suchat Katima, EOC summarized the highlights of the previous day's discussions as follows:

- (i) Thailand, represented by H.E. Mr. Pongboon Pongtong, MNRE welcomed participants to the workshop. He emphasized Thailand's commitment to host EMM-5.
- (ii) Pavit Ramachandran, ADB, provided an overview of CEP during the last 10 years and its future outlook. He emphasized ADB's commitment to a third phase of CEP;
- (iii) Development partners outlined their strategies and programs on the environment in the region, highlighting specific interventions as input to CEP Phase 3 programming;
- (iv) Christian Ellerman, ADB, gave an overview on how to access the GCF through ADB as one of its implementing agencies; and
- (v) Breakout groups during the afternoon session received feedback on the proposed indicators and scoring system for the CEP environment performance assessment report (2006–2016) and the impacts and lessons learned from CEP-supported projects, respectively.

A copy of his presentation is provided in **Appendix 11**.

## Session 3: Environment Cooperation in the GMS

29. Mr. Sumit Pokhrel, EOC, presented on the proposed Strategic Framework and highlighted a paradigm shift to align with emerging global environmental trends and financing opportunities. CEP will provide a service model that will focus on project preparation and readiness to enable GMS countries to develop a robust pipeline of viable projects that could be considered for funding by international climate and environment financing agencies. It was proposed that a regional technical assistance will finance a project development facility to undertake these tasks as well as function as a conduit between development partners, GMS agencies and the private sector. A copy of his presentation is provided in **Appendix 12**.

30. During the discussion following the presentation, ADB elaborated that CEP is in the process of consolidating in areas where there is demand, is in line with emerging country priorities, and where the program is well positioned to respond. Technical advisory and/or training, knowledge function, and project development have been identified as potential services for the program. Currently, a pipeline of environment projects in the GMS is being developed along thematic areas for funding consideration by various donors as part of CEP's proposed core functions under Phase 3. Also discussed was the future direction of CEP along the following areas: (i) knowledge management, sharing, and transfer to a larger group (e.g., communities and business); (ii) closer alignment with the regional investment framework; (iii) stronger linkages with the business sector (e.g., corporate social responsibility, sustainable production and consumption, transboundary pollution control and movement of goods and people, waste management); and (iv) leveraging partnerships and investments from both the public and private sectors.

31. A subsequent presentation by Mr. Kewal Thapar, EOC, on project pipeline development, laid out the project preparation criteria and guidelines on the information needs of international funding agencies. He stated that the workshop will be followed by in-country consultations so that a pipeline of GMS projects on the environment can be developed for inclusion in the Strategic Framework. A copy of his presentation is provided in **Appendix 13**.

32. Discussions following the presentation highlighted the lack of natural resource and environment projects in the RIF and the need to populate the GMS Regional Investment Framework (2013–2022) with pipeline environment projects on rural environmental management and pollution control, among others. Also raised was the need to better engage with the private sector through private sector schemes and/or joint partnership with the public sector.

33. Mr. Iain Craig, EOC discussed in detail the program development process that will be followed by EOC in designing CEP Phase 3. This process will be supported by in-country consultations. Also discussed were in-country consultation information needs and participation and the timeline for delivering the Strategic Framework for endorsement during the 5<sup>th</sup> GMS Environment Ministers' Meeting. His presentation is shown in **Appendix 14**.

34. Discussions following the presentation highlighted the following: (i) SDGs as a way of incorporating environmental considerations into sector plans; (ii) the potential for development partners to work as a team during the country consultations (e.g., piloting a joint mission among development partners who are also in the process of evaluating their respective program); and (iii) including the private sector in country consultations.

## **Session 4: Breakout Groups**

35. Breakout group discussions were held to familiarize country representative with the project profile template that was designed for CEP project pipeline development so that project information could be standardized and from which regional projects could be developed. The methodology and process for undertaking a needs assessment was also outlined so that the task of decentralizing the implementation of CEP activities could begin.



## Appendices

All appendices are hyperlinked, click on the title to access.

- Appendix 1:** [List of Participants](#)
- Appendix 2:** [Agenda – Workshop on Green Growth in the GMS: Trends and Priorities](#)
- Appendix 3:** [Welcome Remarks by H. E. Mr. Pongboon Pongtong, Thailand](#)
- Appendix 4:** [GMS Core Environment Program \(CEP\) Highlights and Future Outlook: Asian Development Bank](#)
- Appendix 5:** [Sustainable Development Support in the GMS: Swedish Embassy in Bangkok](#)
- Appendix 6:** [UN Environment in Asia and the Pacific](#)
- Appendix 7:** [GMS Status of Regional Cooperation and Outlook: USAID](#)
- Appendix 8:** [Green Growth from a Natural Capital Perspective in Lancang-Mekong: Conservation International GMS](#)
- Appendix 9:** [Green Growth and Climate Financing Opportunities to Promote GMS Regional Cooperation: Asian Development Bank](#)
- Appendix 10a:** [Environmental Performance Assessment in the Greater Mekong Subregion: Environment Operations Center \(EOC\)](#)
- Appendix 10b:** [Towards Sustainable Investment Planning: EOC](#)
- Appendix 11:** [Recap of Day 1 Discussion: EOC](#)
- Appendix 12:** [GMS CEP Strategic Framework 2018–2022: EOC](#)
- Appendix 13:** [GMS CEP Project Pipeline Development: EOC](#)
- Appendix 14:** [CEP Phase 3 Program Development Process](#)