

## Workshop on Green Growth in the GMS: Best Practices

11 July 2017  
Siem Reap, Cambodia

### Summary of Proceedings

#### Background

1. The “Workshop on Green Growth in the GMS: Best Practices” was held on 11 July 2017 in Siem Reap. It brought together more than 90 government and other Greater Mekong Subregion (GMS) stakeholders to explore green growth opportunities in the subregion. Topics included environmental technological innovation, transitioning to green economies, financial innovation for green growth, and experience from the People’s Republic of China (PRC). Participants discussed the GMS Core Environment Program’s Phase III draft Strategic Framework (2018-2022) and emerging environmental priorities and potential investments in the subregion. Opportunities for collaboration between the environment and agriculture sectors was also discussed as was the potential for decentralizing CEP implementation to the countries. The full program is in [Appendix 1](#).

2. The workshop was attended by representatives from the environment, agriculture, planning, finance and investment, and tourism ministries of Cambodia, PRC, Lao People’s Democratic Republic, Myanmar, Thailand, Viet Nam, as well as GMS National Secretariat Focal Points. Also present were GMS Core Environment Program’s (CEP) co-financing and other development partners, including from the Asian Development Bank (ADB). Resource persons for the event attended from the Climate Policy Initiative (CPI) and Global Green Growth Institute (GGGI). The full list of participants is in [Appendix 2](#). Cambodia’s Ministry of Environment hosted the event with the support of the GMS Environment Operations Center (EOC).

#### Opening Session

3. Mr. Pavit Ramachandran, Senior Environment Specialist, Asian Development Bank (ADB), delivered opening remarks on behalf of ADB. He applauded the substantial efforts made by GMS countries to address environmental and climate change challenges, but also noted that the challenges threaten to undermine future economic growth and wellbeing. Within this context, he emphasized that green growth is both an environmental imperative and an economic necessity for the region to drive economic growth and provide food and livelihood security. The upcoming 5<sup>th</sup> GMS Environment Ministers’ Meeting (EMM-5) was cited as an opportune venue to secure high-level political commitment to create the required policy environment to promote green growth. He also highlighted the importance of the workshop as a key step towards finalizing green growth actions as contained in the CEP Strategic Framework and Action Plan 2018–2022, which is a key deliverable for EMM-5.

4. In his welcome remarks on behalf of the host government, H.E. Mr. Sao Sopheap, Director of Cabinet, Ministry of Environment, Cambodia reiterated the significance of the workshop in preparing for EMM-5 as well as in providing inputs to the 23<sup>rd</sup> Annual Meeting of the GMS Working Group on Environment (WGE) and ongoing preparations for the next phase of the CEP. He also noted the timeliness of the workshop as the Cambodian Government is about to roll out its *National Environmental Strategy and Action Plan (2016–2023)* to accelerate the promotion of green growth. The urgency of pursuing a green growth path, particularly for the GMS, was highlighted as a necessary condition and core component of the economic development and poverty reduction agenda, citing examples of green growth initiatives by the Government of Cambodia. Participants were encouraged to strengthen the GMS partnership on green growth and the following points for discussion: (i) the role of green growth in the future of developing countries and in addressing poverty and social equity issues; and (ii) the mechanisms to generate development partner support for green growth initiatives by developing countries. See [Appendix 3](#) for the presentation.

## **Session 1: Opportunities and Best Practices in Green Growth**

5. Mr. Sumit Pokhrel, EOC, presented on the green growth context within the GMS. He explained that the concept of green growth builds on the basic principles of sustainable development. Efforts by the GMS countries towards a green growth path were acknowledged, as reflected in their respective national development plans and commitments to sustainable and inclusive development. Recent global events, such as the 2030 Agenda for Sustainable Development and Paris Agreement, according to Mr. Pokhrel, generated new opportunities for green growth. He elaborated that the GMS is uniquely positioned to serve a new green market provided that investments are made in the following key areas: (i) technological innovation, trade, and transfer; (ii) an appropriate policy mix; and (iii) financing and business models. See [Appendix 4](#) for the presentation.

6. Ms. Tang Yandong, Foreign Economic Cooperation Office, Ministry of Environmental Protection, PRC, gave an overview on the country's legal framework on environmental protection as contained in the *Five-Year Plan for National Economic and Social Development* and *Five-Year Plan for Ecological & Environmental Protection*. From these, action plans on air, water, and soil pollution prevention and control were developed towards the achievement of specified targets. Examples were then given on measures that were taken and positive progress made under the air and water pollution action plans. The Integrated, Intelligent, and International Platform for Environmental Technology (3iPET), established by FECO, was introduced as part of efforts to protect the environment and address pollution through appropriate prevention and control strategies as well as technology sharing. Her presentation ended with a discussion on appropriate PRC technologies that can be applied in Southeast Asia to address pollution problems and prevention as well as waste disposal issues. See [Appendix 5](#) for the presentation.

7. Ms. Srabani Roy, GGGI presented the institute's strategy and programs to support the transition of its member countries towards a green economy. She started her presentation with a key message that green growth will ensure the coordinated advancement in environmental sustainability, economic growth, and poverty reduction. She stated that GGGI maximizes its impact by mainstreaming green growth into national policies and plans. Its delivery model is based on in-country projects with service offerings along the value chain and global products and services integrated in a reinforcing and virtuous circle. According to Ms. Roy, there is no

linear sequencing of the green growth transition of countries where GGGI operates but there are common strategic entry points for integrating green growth aspects in economic policy making. These include an enabling environment, key actors and champions, making the economic case and policy prioritization through analysis and country-specific evidence, and implementation readiness. Examples of GGGI work in the GMS and beyond were given, including south-south cooperation, knowledge sharing programs, green financing mechanisms, and its strategic partnerships with other development actors such as the Green Climate Fund and ADB. See [Appendix 6](#) for the presentation.

8. Mr. Ben Broche, CPI, presented on his organization's financial innovation initiatives for green growth. He stated that estimates by the International Energy Agency show that the development of a low-carbon, resilient global pathway laid out in the Paris Agreement in 2015 will require an investment of around \$30 trillion from 2015–2030 to support the implementation of national climate action plans and to limit temperature increase to 2°C. He observed that while progress has been made in climate-related investment finance that reached \$391 in 2015, there remains a profound gap on the required investments for climate action due to barriers that impact on investor incentives and ability to invest in climate action. In an effort to bridge the climate finance gap, The Global Innovation Lab for Climate Finance (The Lab) supports the design and piloting of transformative climate finance instruments to drive private investment in mitigation and adaptation. He provided examples of The Lab instruments and opportunities for engagement. See [Appendix 7](#) for the presentation.

9. During the panel discussion following the presentations, resource persons responded to comments and queries from country representatives and other participants. Ms. Yangdong, PRC, elaborated on the important role of the State Council in managing coordination across various ministries on environmental-related concerns in PRC. On technology, she welcomed the participation of delegates to the ASEAN Expo in Nanning, Guangxi, in September, where an exhibit on various technologies will be on display.

10. Ms. Roy, GGGI, identified the following three key elements in ensuring effective implementation of green growth initiatives: (i) bringing together the right people to the table early on, (ii) budgeting for viable projects both from external and internal sources (from the central government to the municipal level), and (iii) good viable technical solutions. She highlighted the importance of well-designed technical and financial projects in attracting financing. She also discussed the information sharing content of GGGI's engagement with PRC involving support to government in coordinating an intensive training program on capacity building and knowledge sharing. In line with the "polluter must pay" principle introduced by Thailand as part of the mechanisms to ensure the sustainability of green growth, Ms. Roy discussed the environmental tax scheme that GGGI is developing in Lao PDR. She suggested "blended finance", a combination of Payments for Environmental Services (PES), tax collection, and private funding from investors to bridge the financial gap in green growth projects. Finally, she reminded the participants to focus on the target beneficiaries of green growth and to give ample consideration to non-monetized benefits from the environment.

11. Mr. Broche, CPI explained the process to access financing through The Lab and the challenge of leveraging and channeling resources to development finance institutions to spur investments. As part of the discussions on PES, he mentioned that The Lab is developing a "cloud forest blue energy mechanism," where hydropower producers monetize the benefits from desedimentation resulting from reforestation. He also stated CPI's interest in scaling climate adaptation and resilience solutions for Myanmar. He encouraged Myanmar delegates to submit proposals for CPI consideration and welcomed the opportunity to explore collaboration on

instruments that CPI has already developed. He also touched on start-up activities in Kenya as part of the pilot activities of the Water Financing Facility and their plans of scaling up in other geographies in 2019 with Viet Nam as one of the key areas under consideration.

12. Other participants also shared their inputs to the discussion. Mr. Teak Seng, WWF and Mr. Kewal Thapar, EOC explained the importance of concentrating on core areas in relation to green growth. The latter and Mr. Broche, CPI, highlighted the need to consider the financial aspects of projects with “de-risking” as a key element in attracting investments in developing countries. Ms. Lourdes Adriano, GMS Core Agriculture Support Program, suggested contextualizing green growth using the value chain approach and utilizing specific projects as they ensue in response to growth.

13. Following the discussions, Mr. Sumit Pokhrel and Mr. Kewal Thapar, EOC, presented the draft CEP Strategic Framework and Action Plan 2018–2022 and its pipeline investments. Mr. Pokhrel explained that emerging global environmental trends and opportunities require the realignment of CEP’s geographic focus and approach but in a way that builds on the program’s experience and core competencies. Under the proposed framework and action plan, CEP will focus on four priority thematic areas: (i) green growth readiness, (ii) resource use efficient technologies and best practices, (iii) natural resources and ecosystems services protection, and (iv) climate resilience and disaster risk management. Within these thematic areas, the program will support interventions that promote innovation and unlock investments in green growth. Details of the design and monitoring framework were also discussed.

14. Mr. Thapar explained that the operationalization of the CEP Strategic Framework relies on developing and maintaining pipeline bankable projects that can attract funding and promote collaboration with development partners. Towards this end, EOC will be reorganized as a “service model” to develop and maintain a CEP project pipeline, among others. He then presented the proposed pipeline projects from which CEP’s process interventions are expected to yield at least five bankable projects with funding secured. The selection process that went into the identification and prioritization of candidate projects as well as the EOC structure and project funding under the next phase of the program were also elucidated. See [Appendix 8](#) for the presentation.

15. Suggestions that followed the presentation included: (i) the need to strengthen the articulation of CEP’s contribution to international agreements and alignment with national priorities; (ii) the need to provide more context for selected projects based on CEP’s core competencies and emerging new priorities; further detailing out of the project pipeline is required to ensure countries’ priorities are sufficiently reflected; (iv) bundling together common cross-cutting services (e.g. knowledge management); and (v) look to incorporate additional projects/participation of more countries in the current pipeline

16. A subsequent presentation by Mr. Francesco Goletti, Working Group on Agriculture Secretariat summarized the Strategy and Action Plan for Promoting Safe and Environment-friendly Agro-based Value Chains in the GMS, 2018–2022 (SEAP). He explained the consultative process of developing the GMS strategy for SEAP that is targeted for endorsement at the 2<sup>nd</sup> GMS Agriculture Ministers’ Meeting in September 2017. According to Mr. Goletti, the GMS is uniquely placed to be a global supplier of safe and environment-friendly agri-food products by 2030. In pursuit of this vision, the strategy and action plan for SEAP for 2018–2022

will aim to achieve increased production of safe and environment-friendly agriculture products with food safety and climate smart inclusive agriculture value chains as the thematic focus. The regional strategy will utilize a value chain approach that is hinged on four pillars/outputs: (i) harmonized policies and infrastructure, (ii) strengthened infrastructure, (iii) sharing and disseminating information, and (iv) marketing. He discussed the plan's implementation arrangements and the proposed investment plan of \$1.4 billion to support the implementation of the SEAP strategy and action plan. See [Appendix 9](#) for the presentation.

17. During the open forum that followed, Mr. Goletti recognized the Mekong River as a shared resource. Coordination on the water use of the Mekong River is the mandate of the Mekong River Commission. He noted the multisector approach embedded in the key elements of the SEAP Strategic Framework (i.e., food safety and value chain) and the role of the steering committee established during the design phase to coordinate across ministries.

18. Due to time constraints, the technical working session on country needs assessments and CEP decentralization was postponed to the afternoon of the WGE AM-23 (12 July).

## Appendices

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

- Appendix 1:** [Agenda – Workshop on Green Growth in the GMS: Best Practices](#)
- Appendix 2:** [List of Participants](#)
- Appendix 3:** [Welcome Remarks by H.E. Mr. Sao Sopheap, Cambodia](#)
- Appendix 4:** [Green Growth Opportunities: Setting the Context: GMS Environment Operations Center](#)
- Appendix 5:** [China’s Legal Framework/ Policies for Environmental Protection & Applicable Environmental Technologies in Southeast Asia: Ministry of Environmental Protection, People’s Republic of China](#)
- Appendix 6:** [Promoting Transition to Green Economy: Global Green Growth Institute](#)
- Appendix 7:** [Financial Innovation for Green Growth: Climate Policy Initiative](#)
- Appendix 8:** [CEP Strategic Framework and Project Pipeline; GMS Environment Operations Center](#)
- Appendix 9:** [Strategy and Action Plan for Promoting Safe and Environment Friendly Agro-based Value Chains in the GMS: Working Group on Agriculture Secretariat](#)