

# Fifth Meeting of the Working Group on Environment

## Introduction

The Fifth Meeting of the Working Group on the Environment (WGE) for the Greater Mekong Subregion (GMS) was sponsored by Asian Development Bank (the Bank) and hosted by the People's Republic of China (PRC). The Meeting was held on 11-12 May 1999 at Kunming Hotel in Kunming, Yunnan Province of PRC.

Meeting Participants included official Government representatives from the host country PRC, Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar and Thailand and Viet Nam; Bank staff and Consultants; resource speakers from World Wild Fund, Mekong River Commission; and bilateral donor agencies (Spain and Swiss Agency for Development and Cooperation). The Steering Committee for GMS environmental projects also comprises the official Government representatives to the WGE Meeting, as well as representatives of the Bank, UNEP and the MRC. The full list of attendees is attached as [Appendix 1](#).

## Objectives

The meeting was organized with the following objectives:

- To assess the possibility of adopting a strategic environmental programming in the GMS;
- To report on nine thematic papers as agreed during the WGE-4;
- To address current concerns in the environment sector;
- To review the status of three ongoing subregional environment projects;
- To report on follow-on activities for completed subregional environmental projects;
- To discuss opportunities for GEF funding; and
- To formulate WGE Action Plan based on the thematic papers.

The Agenda and Program for the Fifth Meeting of the Working Group on Environment is attached as [Appendix 2](#).

## Opening Session

The welcome address was delivered by Mr. Chen Xunru, Assistant to the Governor of Yunnan Province. Mr. Xunru expressed his warm welcome to the distinguished participants of the meeting and sincere thanks to ADB for holding the meeting in Kunming. He informed the meeting of the 1999 Kunming International Horticultural Exposition with "Man and Nature - Marching into the 21st Century" as the theme. He emphasized China's efforts in promoting the environment with their adoption of a series of documents including China's Agenda for the 21st with ten resolutions aimed at environment and development. Mr. Xunru also shared Yunnan's proactive role in undertaking environment-related activities. He stressed the importance of the Lancang-Mekong Subregion as a main component of subregional cooperation. He emphasized that subregional cooperation on the environment has exerted an active influence in strengthening the coordination between different countries and international organizations. He expressed hope in improving their environmental protection management and technology through subregional cooperation and showed active participation to contribute to similar endeavors.

The Meeting was formally opened with a statement from Mr. J. Warren Evans, Manager, Environment Division, Office of Environment and Social Development of ADB. Mr. Evans expressed appreciation to Mr. Chen Xunru and his colleagues from Yunnan Province and Kunming for the excellent arrangements for the meeting. He also congratulated the hosts of Expo'99 for its outstanding success and was pleased to see the ADB booth which highlights the GMS program and ADB's assistance to PRC in the agriculture sector. Mr. Evans was delighted to be in the WGE meeting for the first time after recently taken up the position of Manager, Environment Division, ADB. He outlined the meeting's main objectives as follows: to review the accomplishments in GMS activities related to the environment, especially the implementation of regional technical assistance; and determine how to strengthen the role of the WGE in influencing transboundary issues that affect environmental and social concerns in the subregion. From the point of view of the GMS WGE, Mr. Evans suggested to focus on three issues: sustaining subregional cooperation efforts to address transboundary and overlapping environmental concerns; developing common policy and institutional frameworks as appropriate; and generating sufficient funding and coordinating activities to ensure critical studies and investments are undertaken in an efficient and effective manner. He expressed hope that the participants would actively participate in the preparation of the Strategic Environmental Framework. He proposed to pursue cooperation among regional players, especially MRC. With funding becoming scarce, Mr. Evans encouraged the meeting to focus on preparation of an action plan for WGE taking into account the accomplishments to date and laying out the path to accomplishing WGE's goals in order to convince donors that substantial results require substantial funding.

Mr. Toru Tatara, Head, GMS Unit of ADB gave a short opening remark. As his first mission for the GMS after assuming his post, Mr. Tatara is looking forward to working closely with the WGE. He noted that WGE's mandate is of high priority consistent with the ADB's strategic directions as recently presented by ADB's President during the Annual Meeting in early May 1999. Regional cooperation and environmental protection are the key elements of the ADB's strategic objectives. He briefly outlined the priority projects of the WGE which were reported during last year's Ministerial Meeting; (a) Strategic Environmental Framework; (b) Poverty Reduction and Environmental Protection in Remote GMS Watersheds, and (c) Management of Critical Wetlands of the Lower Mekong Basin. He noted that while the economic and financial conditions of the GMS countries are not that favourable, the crisis could be viewed as an opportunity for the WGE and the Bank to expedite processing of priority projects.

### **Strategic Environmental Programming in the GMS**

Mr. Ali Azimi, Sr. Environment Specialist, Programs Dept. (West), ADB started his presentation with an overview of the Bank's strategic objectives, namely, economic, poverty reduction, improving the status of women, and environmental protection. He reported that all Bank projects are routinely screened for their expected environmental impact. Mr. Azimi further reported how the Asian economic crisis has altered the climate for environment projects and put additional pressure on natural resources and existing environment conditions.

As a pilot approach with primary focus on the GMS countries, the Bank is developing a strategic framework for the Bank's involvement in the environment sector to be initiated through Country Environmental Review Notes (CENR) that are ongoing or about to be launched in Thailand, Lao PDR, Viet Nam and Cambodia. The strategic framework would serve three basic purposes, i.e., to assess the trends and impacts of environment problems of the DMCs; to

synthesize policy and technical approach to solving the problems within the context of development priorities and strategies of a DMC; and to set priorities that would be embodied in the Bank's Country Assistance Plans (CAPs) and Country Operational Strategy (COS). The framework would be finalized in close collaboration with the Governments and operational units of the Bank.

### **Introduction to GMS Country Thematic Paper on Transboundary Issues**

Mr. Robert Dobias, Sr. Environment Specialist, Environment Division, ADB made a short introduction of this meeting's session. He noted that the WGE-4 has agreed to shift the WGE focus to transboundary issues as opposed to country-specific issues. He briefly reported on the transboundary issues discussed in each thematic paper and this is presented in [Appendix 3](#). He noted that each WGE member is already preoccupied with a number of responsibilities in their home countries, and so scope for additional work is limited in terms of time and resources. In this regard, he underscored the importance of information dissemination to facilitate the work of the WGE. He cited the use of the internet facility as a good potential for a standardized exchange of ideas among the GMS countries. He brought out the idea of having a quarterly environment newsletter of WGE activities. This newsletter could be translated to the GMS local languages to widen the distribution of the document, hence increasing its utility. Mr. Dobias encouraged the meeting to give priority to the issue of information dissemination during the course of discussions.

#### *Comment*

Dr. Tabucanon, the representative from Thailand raised two issues: (a) coordination among the players in the GMS is imperative to avoid costly duplication of work and increase complementarity (e.g., between ADB and MRC); and the importance of information network has long been established but more work needs to be done to further the cooperation among WGE members. She shared the experience of Thailand in actively pursuing activities towards setting up an information network linking with ASEAN member countries. She also noted their Government's support to the SEMIS project by providing a budget of Baht 800,000 annually for three years.

#### *Response*

Mr. Evans, Manager of Environment Division, ADB agreed with Dr. Tabucanon on the urgent need to coordinate among the players in the GMS. He noted the internal arrangement in ADB has to ensure that the proposed GMS strategic environment program is consistent with the country environmental notes. However, he noted the difficulty for ADB and MRC to coordinate directly with each other and proposed that the GMS members who are ADB's representatives to the MRC initiate calls for effective coordination.

Mr. Schrempp, the representative of MRC expressed agreement with Dr. Tabucanon on the issue of coordination and information exchange which have been a common concern raised in all meetings. He reported an unprecedented move by MRC by assigning a full time staff for the Strategic Environment Framework project who is coordinating closely with the ADB. He also reported that a Task Force was created by MRC to work on collaboration efforts. He suggested that this issue be discussed later in the meeting.

### **Environmental Challenges of the Tonle Sap**

Mr. Chuon Chanrithy, Deputy Director, Department of Natural Resource Assessment and Environmental Data Management introduced Cambodia's thematic paper by providing a brief country profile in terms of its topography and demography. He further reported on the significance of the Tonle Sap to the economy of Cambodia and its neighboring countries. Given the common interest in the Tonle Sap, the management of its ecosystems requires cooperation and participation from the Mekong subregional countries. To highlight the environmental challenges relating to the Tonle Sap, Mr. Chanrithy discussed the problems being faced by Cambodia as an example. He further reported on the activities being undertaken by the Ministry of Environment (MOE), backed-up by a policy system and legal framework, to address environmental concerns. He also discussed the international technical assistance being provided to the MOE in terms of capacity building, institutional support and technical studies.

#### *Comments*

Mr. Evans, ADB requested for a more recent forest data, other than 1991. Mr. Schrempp, MRC reported that MRC has a study on forest cover, including one for Cambodia, covering 1997 data. He noted that the unavailability of this data to the Mr. Chanrithy's office is strange and reflects the issue of information exchange.

Mr. Devenish, Team Leader, RETA 5771 also reported that the project on Poverty Reduction and Environmental Management in Remote GMS Watersheds looked into the forest cover of Cambodia. He noted that while policies on forest management exist, the enforcement is weak. He requested the speaker's thinking on forest management in Cambodia.

Mr. Compton, WWF noted the exclusion of the CITES convention where Cambodia is a signatory in the report of Mr. Chanrithy. He reported that Cambodia has been a member since 1997. He requested clarification on how the Cambodia's Ministry of Environment is functioning in relation to the other ministries.

Mr. Evans, ADB reported that ADB is doing an analysis on how to help DMCs to meet the obligations under international treaties and how best to tap them. This would be a useful information for the GMS countries to utilize later on.

Mr. Azimi, ADB reported that data on forest cover is also available from the World Resources Institute as this was used as a reference by ADB in its preparation of environmental indicators for its DMCs. He noted that the Economics Office of ADB is undertaking a regional project on collecting environmental indicators and assistance from other offices would be given for the project to be sustainable.

#### *Response*

Mr. Chanrithy expressed disappointment in not being able to access the recent data on Cambodia which are already available in their other ministries; hence he could not make an assessment of the issue. While this is a reflection of the institutional weakness faced by most DMCs, Mr. Chanrithy noted that their ministry is relatively a young institution where capacity is still building up. He expressed appreciation for the information shared to him.

#### **Compilation of Environmental Standards**

In his presentation, Mr. Xiao Xuezhi, Deputy Division Chief, Foreign Economic Cooperation Office, State Environmental Protection Administration, PRC defined

environmental standards as the standards which are stipulated for the air, water and soil environmental quality, pollution sources, monitoring methodology and other needs in order to protect the public health and social wealth and keep the ecological balance as well. Environmental standards are useful as a basis for environmental planning compilation and as a tool for promoting scientific advance.

He reported that environmental standards appeared with the demand for environmental management starting in the 1800s in Europe and North America. In 1972, the International Standardization Organization (ISO) began to formulate the foundation standard and methodology standard in order to unify the environmental terminology, unit, the monitoring and sampling methods for different countries. In PRC, environmental standards were established with the country's industrial expansion. The first set was formulated in 1973. There are national, provincial, local and professional standards; the last three are permitted to be stricter than national laws but can never be less stringent. As of 1995, about national environmental standards have been promulgated in China through an environmental legislative framework and a compilation procedure monitored by the State Environmental Protection Agency (SEPA) as authorized by the State Council. Environmental standards in China are adequate but can be improved. The SEPA and local Environment Protection Bureaus (EPB) can benefit from technical and financial assistance provided by International Assistant Agencies.

Mr. Xiao concluded that with the development of the market economy and strengthening of the legal system and public awareness, people would have a deeper understanding of the function of environmental standards. The standards would improve with the development of the market economy, strengthening of legal system and public awareness.

#### *Comments*

Mr. Evans remarked that ADB is continuing its support to the State Environment Protection Agency as it faces new challenges with the major changes instituted by the Government.

Mr. Compton, WWF requested some examples of successful implementation of the environmental standards in China.

Dr. Tabucanon, representative from Thailand, requested clarification on: (a) research institutions tackling compilation standards; (b) analysis of standard compilation; (c) difference between national and local standards; and (d) any standard on toxic and hazardous substances.

#### *Response*

Mr. Xiao reported that most environmental standards in China have been successfully implemented and those deemed less successful are old standards that require updating.

Mr. Xiao remarked that there are a number of research institutions in China, e.g. in universities and at the local levels that conduct research on environmental standards compilation. He clarified that the national standards serve as the minimum level by which local standards are set. In the absence of national standards, the local standards prevail. He referred the meeting to the list of standards attached to his report for examples of standards on toxic substances.

## **Lessons Learned from Hydropower Projects in the GMS**

In his report, Mr. Xayaveth Vixay, Head of Environmental Assessment Division, Dept. of Environmental Quality Promotion and Development, Science, Technology and Environment Organization (STENO), Lao PDR gave a brief country profile of Laos focusing on the importance of hydropower. He also tackled national policy framework, long term development directive and priority programs of Lao PDR.

Mr. Vixay highlighted the legal base that sets out the principles, rules and measures in the administration, exploration, use and/or development of water, water resources, and allied activities in Lao PDR. The Water Resources Coordination Committee (WRCC) was set up to look into the overall water resource management. An ADB TA to assist the WRCC could formulate the water sector strategy from which subsector policies can be further developed or refined. At the regional level, there is a need for stronger data collection, analysis and retrieval system and a coordinated set of policies for water sector resource management and its subsectors.

Given the numerous environmental and social impacts of hydropower development, it is necessary to build national capacity in environmental planning, mitigation and monitoring. There are cumulative impacts, especially on fisheries and river flow and these should be taken into account. Early public consultation and public information dissemination are imperative to ensure social acceptance of the projects. It would be useful to develop standardized operational procedures for compensation and resettlement issues, and formulate best practices manual of regional application.

Private sector participation has also been encouraged since 1998, especially in the hydropower sector. Public consultation is also being advocated in the hydropower sector at the local, provincial and national levels either through formal (e.g., workshops, meetings) or informal (e.g., dialogue) channels.

At present, the regional crisis has heavily affected the implementation of the MOUs on hydropower development projects with the Independent Power Producers (IPP) in Lao PDR. It should be noted, however, that the regional trend toward IPP development requires a similar move toward adequate legal and regulatory framework to manage IPP development.

Some of the lessons learned from hydropower development in Lao PDR are: (a) EIA should be undertaken based on international standards; (b) responsibility for the conduct of EIA should be clearly determined in a contract; (c) consultation meetings should be held during the EIA process; (d) compensation issues, e.g., resettlement should be the responsibility of a consultative committee; (e) small-scale pilot resettlement should be conducted to draw experiences from affected households; (f) technical specifications of the project should be properly complied; (g) project development company should provide funds for watershed management and river basin in the project area; (h) study for cumulative impacts should be undertaken; (i) a fishery development plan for the reservoir area should be determined; and (j) responsibilities of all parties involved should be clearly defined.

### *Comments*

Mr. Schrempp, MRC inquired whether the MRC has been involved in the planning of hydropower development projects given that there is a National Mekong Committee in Laos.

Dr. Tabucanon, representative of Thailand inquired the involvement of NGOs, both local and international, in hydropower development in Lao PDR. She also requested clarification on whether there is any harmonization of activity between ADB and World Bank on EIA guidelines based on Lao PDR experience. On the part of ADB, Mr. Evans noted that there is an ongoing activity between ADB and World Bank to harmonize their guidelines but both believe that they are essentially the same.

Given Lao PDR's objective to generate revenue from hydropower development, Mr. Compton from WWF, inquired about the extent of background work, if any, to identify potential buyers of power.

Mr. Chanrithy, representative of Cambodia requested clarification on the amount provided by a hydropower project for the catchment area. Relatedly, Mr. Schrempp, MRC inquired about the percentage share of watershed protection budget compared to the overall project costs.

Mr. Dobias, ADB remarked that Lao PDR is doing ground-breaking work in the Nam Ngum river basin on integrated socioeconomic and environmental planning with special emphasis on early identification of environmental and social issues related to planned hydropower projects.

#### *Response*

Mr. Vixay replied that hydropower projects in Lao PDR may be coordinated with the Mekong Secretariat in Lao PDR. The involvement of NGOs is project-specific determined but at the provincial level, both local and international NGOs are being consulted through formal and informal channels. With respect to the identification of potential buyers, Mr. Vixay noted at present, the buyers are Thailand and Viet Nam. Project developers provide funds for the catchment area but there is no fixed rate in relation to project costs nor projected revenues. In terms of adoption of EIA guidelines, Mr. Vixay reported that Lao PDR uses both ADB and World Bank guidelines, and no inconsistencies are found.

#### **Effectiveness of Donor-Assisted Environmental Training Programmes**

In his presentation, Mr. U Phae Thann Oo, Joint Secretary, National Commission for Environmental Affairs underscored the crucial role of environmental awareness and education in protecting the environment and promoting sustainable development. However, in most developing countries, there are insufficient financial and technical resources to promote or provide environmental education. Donor-assisted environmental training programs bridge the gap between the country's needs and its limited capacity. Hence, donor coordination should be promoted across the subregion.

The usefulness of donor-assisted environmental training programs is manifested in the sensitization process of trainees through improvement in skills or application in related fields. The issue of sustainability of the training programs, nationally and regionally, should be addressed.

In the academic front, a standardized environmental curricula for primary and secondary schools could be developed. A compilation and dissemination of a list of existing centers for environmental training would be a useful reference for the subregion. The possibility of having a regional training center could also be studied.

The speaker shared Myanmar's experience on environmental education. He reported that Myanmar has a limited number of universities and institutes that offer environment-related courses. Most trainings are received from institutions abroad. From 1992-1998, 43 trainings and meetings on environment-related issues were offered by the international and governmental organizations to Myanmar.

#### *Comments*

Mr. Dobias, ADB complemented the speaker on his presentation and inquired whether there is any list of training centers/academic institutions offering environmental courses in the region.

Mr. Evans, ADB flagged the potential of tapping returning trainees to conduct the training they acquired in other DMCs in the region.

Mr. Tucker, ADB pointed out the need to look at environmental education from the perspective of the younger generation for them to be aware of the importance and issues relating to their physical environment.

Dr. Tabucanon, representative of Thailand, reiterated the need for training designs to be applicable at the grassroots and elementary levels. She expressed concern over the limited availability of training materials in local languages. She suggested that training materials being utilized in WGE projects be translated into local languages for use at the grassroots level.

#### *Response*

Mr. Thann Oo noted that there is no available list of training centers/academic institutions offering environmental courses in the region but he has listed the training programs available by Myanmar in his report. On the potential for re-training, Mr. Thann Oo shared Myanmar's practice of requiring returning trainees to give similar training to line ministries with a view of passing on the knowledge gained to a wider audience.

### **Public Participation and NGOs: Involving Civil Society in Environmental Management**

In her paper, Dr. Monthip Sriratana Tabucanon, Director, Environmental Research and Training Center, Dept. of Environmental Quality Promotion, Ministry of Science, Technology and Environment (MOSTE), Thailand outlined the constitutional basis and the emerging institutional and policy framework towards the involvement of the NGOs and the civil society in promoting public participation in environmental management in Thailand. It has been the experience of Thailand that the benefits of economic growth accumulated to a limited sector resulting to the urgent need to strengthen the capacity building for environmental management plan at the regional, towns, village, and grassroots levels. Public participation is the element in development used as a tool towards the sustainable development. The current focus is how to increase the effectiveness of development programs through active community involvement.

It was further reported that NGOs play an important role in the public participation process in Thailand. They have opened channels for community participation and comprised of an active civil society which act as check to government policies and their implementation.

The weakness in the chain in strengthening public participation in Thailand is the adaptation of attitudes among governmental agencies and the judiciary. Raising consciousness remains an important issue to enable people to assert their legal rights and exercise influence on the judicial behavior.

At the regional level, the following points could be considered: (a) development and dissemination of tools/guidelines for public participation in the GMS; (b) cooperation with subregional NGOs; (c) training for GMS environmental journalists; (d) adoption of ASEAN-like endeavors in public awareness campaign.

#### *Comments*

Mr. Evans, ADB supported Dr. Tabucanon's suggestion to adopt similar activities of the ASEAN on public awareness campaign since most GMS DMCs are also ASEAN members. Given the difficulty in establishing a benchmark for public participation, Mr. Evans posted the question on what would be the appropriate level of public participation in Thailand.

Mr. Devenish, RETA 5771, shared his experiences on the GMS-wide study of NGOs active in environmental concerns and underscored the need to involve NGOs in the different stage of project development and management.

Mr. Tatara, ADB noted that public participation in the GMS has not been actively pursued due to the different institutional capacities and set-ups in the GMS countries. He also emphasized ADB's perspective of letting the Governments take the lead role in promoting public participation.

#### *Response*

Dr. Tabucanon reported that Thailand has not limit the level of public participation because the Government has been open with all NGOs, registered or not. She stressed the need to tap the grassroots level and reiterated the importance of having reference materials in the local languages for use by these groups. In the WGE activities, Dr. Tabucanon emphasized the importance for cross-participation of the WGE members to other GMS working groups so that environmental considerations are properly integrated.

### **Environmental Challenges in the Red River and Lower Mekong Delta**

In his paper, Dr. Truong Manh Tien, Deputy Director General, Viet Nam National Environment Agency, gave a general assessment of the state of environment in the Red River Delta with reference to its natural characteristics; surface water resources; noise and air pollution; ecological resources; and environmental incidents. Dr. Tien further reported on the environmental status of the Mekong River Delta (MRD) in the South of Viet Nam with brief discussions on flood and inundation; salt infiltration; alkaline land and acidification; degradation of sensitive ecosystems; and increasing water pollution. The last part of the paper dealt with the two key challenges affecting the environment in the Red River Delta and MRD. These are the excessive population growth causing economic pressure, exploitation or over-use of resources; and the accelerated process of urbanization that also causes a strain on the environment. Dr. Tien emphasized the need to ensure a balance between environmental protection and economic growth towards a sustainable development.

### **Experience in River Basin Management**

As an introduction, Mr. Berthold Schrempp, Task Manager, MRC Secretariat and Associate Team Leader of SEF Project (ADB TA), Mekong River Commission gave a brief overview of the Mekong River Basin in terms of its physical resources and the effects of development activities in the Basin's ecosystems. The great potential of the Mekong Basin has been in the forefront since the establishment of the Mekong Committee 40 years ago. The new Mekong Agreement of April 1995 sets out the guiding principle for the operations in the Basin.

With the growing water demand, coupled with a degradation of water resources, Mr. Schrempp reported six issues that are of prime importance to MRC. These are (a) equitable sharing of the water resources of the Mekong Basin; (b) upstream-downstream interaction; (c) sustainable development of the Mekong Basin; (d) environmental degradation of the Mekong Basin; (e) integration of socioeconomic considerations in MRC's planning process; and (f) public participation.

To adequately address the above issues, the key activities and plans of MRC were reported as follows: (a) an extensive strategic planning exercise that set out the vision, mission statement, goals and key result areas for the Basin and MRC; (b) development of the Basin Development Planning (BDP) that serves as a continuous process for improvement of standards of living and support for environmental sustainability in the Mekong Basin; (c) a proposed Water Utilization Programme (WUP) to develop, maintain and implement the rules for water utilization according to the Mekong Agreement; (d) endorsement of the environmental policy and impact assessment methodology proposed by the Secretariat.; (e) a comprehensive study and condensed report on Public Participation in the context of MRC; and (f) integration of the social and economic considerations and participation into the MRC Planning Process.

Future activities of the MRC would aim for a balance between the economic, social and environmental dimensions of development. The challenge will be to make the transition from MRC's traditional economic development focus to an organization, which, within the prevailing political circumstances, achieves a fair balance between all dimensions of sustainable development.

#### *Comments*

Mr. Devenish, RETA 5771 posted a technical question on the availability of sedimentation data in the Mekong River.

Mr. Dobias, ADB inquired on the status of the Basin Development Plan (BDP) and whether its coverage would be distinctively different from the GMS. Relatedly, Mr. Tataara, ADB requested clarification on the link of upstream-downstream interaction with the proposed BDP.

Dr. Tabucanon, representative of Thailand, suggested MRC to be involved in water quality monitoring and developing water quality standards in the Mekong River, and help DMCs build their capacity.

#### *Response*

Mr. Schrempp referred to the data catalogue of the MRCS where one can find the list of available data. In addition, he underscored the need for DMCs and organizations working on the Mekong River to be more open with data sharing to complement each others' efforts. Mr. Evans, ADB endorsed the proposal of Mr. Schrempp and noted that donors would be interested in seeing that project outputs are actually utilized and information exchanges are existing.

On the status of the BDP, Mr. Schrempp reported that the document is still under review by the donors and the coverage of the BDP is not yet finalized.

On the suggestion of Dr. Tabucanon, Mr. Schrempp noted that while reliable data on water quality is needed, it would be difficult for MRC to undertake a continuous activity like water quality monitoring because of resource constraints. He suggested that MRC could provide assistance in consolidating and analyzing national data.

### **Transboundary Trade in Timber and Wildlife**

On behalf of the WWF Indochina Programme, Mr. James Compton of TRAFFIC Southeast Asia, presented a paper on transboundary trade in wildlife and timber. He reported that this issue poses regulatory problems and has a great bearing on the future natural resource base of the subregion. The Convention on International Trade of Endangered Species of Fauna and Flora (CITES) is a defining piece of legislation where all GMS countries, except Lao PDR are all signatories.

Mr. Compton gave an overview of the wildlife and timber trade in the GMS before discussing the major issues confronting this trade activity. Seven issues have been identified as follows: (a) wildlife trade dynamics and markets; (b) biodiversity loss; (c) lack of enforcement capacity and training; (d) lack of monitoring of trade and wild populations; (e) lack of knowledge regarding CITES and domestic legislation; (f) systemic poverty and raw profit motive; and (g) captive breeding operations without due regard to CITES guidelines. A SWOT (strengths, weaknesses, opportunities and threats) analysis was presented from the viewpoint of WWF Indochina Programme and TRAFFIC.

Mr. Compton reported that the most pressing need in the GMS region is for capacity building among enforcement authorities and continued support to CITES implementation. These priority actions entail financial and human resource needs, both at the national and international levels. If the problem can be addressed as a regional responsibility to control the levels of resource extraction, with impartiality and cooperation, the ongoing food and health security of the GMS will look brighter in the long term.

#### *Comments*

Mr. Devenish, RETA 5771 offered the view that the effectiveness of logging bans as an intervention instrument may have to be reassessed. Logging ban may "increase the level of illegal logging". Only 20 percent of GMS forest resources are commercially logged; the greater portion of forest resources are depleted through subsistence activities. The provision of alternative livelihood may therefore be a more effective approach to mitigate subsistence activities in the forests.

Mr. Tatara, ADB explained that while from an economic development point of view, barriers to trade should be reduced, trade in endangered species and other valuable flora and fauna requires regulation. The current priority being given by the GMS Program to the development of transport corridors could provide further opportunities for illegal trade in timber, wildlife and drugs to increase. The cross-border agreements among countries that are traversed by these corridors should therefore contain provisions to curb illegal trade in these transport routes, including for wildlife and endangered species, and prohibited drugs. Enforcement capacities in the GMS countries should also be strengthened. Mr. James Compton

offered the involvement of TRAFFIC in the design of appropriate schemes for curbing illegal trade that could be made part of cross-border agreements.

Mr. Dobias, ADB stressed the importance of addressing the subsistence use of wildlife and pointed out that the issue is one that is very germane to the GMS.

### **Yunnan Eco-Network**

Mr. Hans Raadschilders, Project Manager of a Sino-Dutch project on forest conservation and community development, made a brief presentation on the Yunnan Eco-Network. He reported that the Yunnan Eco-Network is a network of projects on natural resources management in Yunnan formed in January 1999 by a group (21) of development workers engaged in project administration and implementation in Yunnan. The network's aim is to have a more creative coordination of activities and an exchange of technical knowledge to reach common quality standards of project implementation in Yunnan.

Mr. Raadschilders informed the meeting that a working group is identifying other partners in the network. The network has also specialized working groups that tackle soil conservation, biodiversity, monitoring of eco-tourism, among others. Trainings are open to the network's members, exchange of staff and databases. Environmental awareness initiatives are also part of the network's planned activities.

Mr. Raadschilders reported that the network's mission statement and bylaws would be formulated in their next meeting.

#### *Comments*

Mr. Evans, ADB inquired about the WGE link with the network.

Mr. Schrempp, MRC requested information on the most promising activities of the network.

#### *Response*

Mr. Raadschilders responded that knowing the WGE activities would be a good starting point for the network to identify areas for collaboration. He remarked that the most promising activities of the network are the training on facilitation, GIS and GIS training, ecotourism and biodiversity monitoring.

### **Review of Ongoing Subregional Environmental Projects**

#### **Strategic Environmental Framework for the GMS**

Mr. Robert Dobias, Environment Specialist from ADB, presented status of the RETA. The project seeks to link socio-economic development with environmental protection and social considerations. The project was approved in December 1998 and the Inception Phase is nearing completion, with the Inception Meeting held in April 1999. Baseline data that has been generated under the project includes: major river systems, existing forests, protected areas of biodiversity importance, ethnic groups, and proposed and existing projects both within the GMS Program and those outside the Program. From the baseline data, hotspots will be identified, lessons learned will be documented, capacities will be assessed, and recommendations for better environmental management will be presented, which

could hopefully be addressed before the projects begin. It is expected that the SEF could also be used by other international organizations such as the MRC. The analysis phase will take place for about ten months with the second subregional meeting being convened in December 1999. The project is expected to be completed in August/September 2000.

### **Poverty Reduction and Environmental Management in Remote GMS Watersheds**

Mr. Stephen Devenish, Team Leader of RETA 5771 presented a progress report of the project. He reported that project administration and expenditures remained on track but noted some implementation issues. He further reported the three main project activities, i.e., completion of studies; watershed selection; and potential strategies and project design for phase II. There were eight completed sectoral studies to date. A final list of high priority watersheds was agreed based on established criteria and field work would be conducted to validate watershed selection. Discussions on the proposed objectives, scale, content and timing of a phase II have started.

A summary of key issues identified in the project was presented as follows: (a) GMS suffers from extensive rural poverty and environmental degradation; (b) environmental policies are in place but enforcement is weak; (c) watershed management is multisectoral and complex, but institutional capacity is weak; (d) sustainable watershed management is technically possible but difficult. Other issues include; first, the linkage between poverty and environmental degradation; second, the need to incorporate lessons learned in future projects; and third, the scope for regional projects is restricted but selective opportunities do exist.

In conclusion, Mr. Devenish reported that progress in poverty alleviation and environmental mitigation is dependent upon the political will to develop appropriate policy and strengthen institutions.

#### *Comments*

Given the wealth of information available at the agencies implementing poverty alleviation program and environmental issues, Mr. Hoang Viet Khang, Viet Nam suggested that consultants should utilize these types of data.

Dr. Tabucanon, representative of Thailand, emphasized the need to coordinate the project's activities with the stakeholders who are equally concerned with the project.

Mr. Thann Oo, representative of Myanmar and Mr. Chanrithy, representative of Cambodia pointed out that the choice of watershed to be included in the project is still subject to confirmation with the Government. Mr. Schrempp, MRC also requested clarification on the choice of watershed in Thailand since MRC is also doing a study on one of the watersheds identified. He also expressed his concern on the feasibility of undertaking a forest inventory at a regional level.

Mr. Xiao, representative of PRC made a clarification regarding reference to a province name. He encouraged the use of local consultants who could provide better and more accurate local information.

Mr. Evans, ADB noted the complexity in undertaking the project but assured the GMS members that the concern in engaging national vs international consultants would be given due attention in Phase II.

#### *Response*

Mr. Devenish emphasized that the project actually needs formal partners from each DMC. Coordination, to the extent possible, has been undertaken at all levels, including NGOs and local institutions. He explained that the choice of watershed was based on a consultative process and an agreed criteria but he welcomed any change that the Government might have.

On the question of forest inventory, Mr. Devenish explained that the initiative is being looked at in response to the need to have something that is not there. He expressed hope that their efforts could standardize the methodology and solicit the commitment of national agencies.

He also explained that a significant number of local consultants have been engaged in Phase I of the project and the ratio in relation to international consultants is expected to increase in Phase II.

### **Management and Protection of Critical Wetlands in the Lower Mekong Basin**

Mr. Henry Tucker, Project Specialist of the Agriculture and Social Sectors Dept., ADB presented an update of the project. As an overview, he reported on the objectives of the project as follows: to promote integrated resource management in critical wetlands of regional significance and contribute to efforts to protect and preserve the unique environment of the flooded forest in the wetlands of the lower Mekong basin.

Mr. Tucker reported that the RETA was approved by ADB on 22 December 1998 in the amount of \$1 million from the Japan Special Fund administered by ADB and another \$650,000 equivalent of untied grant funds from the Government of Finland. Mr. Tucker noted that the RETA amount was lower than the original plan because the hydrological modelling component of the project was excluded, as it will be done under a different project of MRCS.

The RETA consultants would be fielded in August 1999 and the project is expected to be completed in February 2002. In Cambodia, a RETA office would be established in Phnom Penh and a field office in Siem Reap. In Lao PDR, a RETA field office in Champassak Province. RETA activities would be coordinated by the National Mekong River Commission Secretariat and the Mekong Committees in Cambodia and Lao PDR.

The possibility of completing the feasibility studies for investment proposals for the Tonle Sap and Siphandon as early as the end of 2000 is under review by ADB.

#### *Comments*

Dr. Tabucanon, representative of Thailand, requested that other GMS countries not directly involved in the project be allowed to participate in the project's activities for them to learn from the experience.

#### *Response*

Mr. Tucker, ADB agreed to the good suggestion and would invite members to the inception meeting of the project. He also emphasized that the WGE members would serve on the RETA's steering committee, the RETA being a WGE project. Hence, WGE members would be kept abreast of the implementation of the RETA.

### **Follow-on Activities for Completed Subregional Environmental Projects**

#### **Subregional Environmental Monitoring and Information System (SEMIS)**

Mr. Warren Evans, Manager, Environment Division of ADB, reported on the status of the proposed SEMIS II. He informed the meeting that the SEMIS II project was endorsed by the RETA Screening Committee (RSC) of the ADB. The amount allocated for the project is \$200,000. To date, no cofinancing has been arranged after Sweden declined to fund the project. The ADB would again approach Norway and other bilateral donors to seek cofinancing of around \$600,000 - \$800,000.

Mr. Evans stated that if by August 1999, no confirmed cofinancing is secured, the processing of a downscaled project could proceed before the end of 1999; otherwise, in accordance with ADB's guidelines, the amount allocated by the RETA RSC would no longer be available. The revised RETA coverage could include the issues raised during this meeting, e.g., developing a newsletter to be translated in six languages, creation of a webpage, and DMC support, among others.

#### **Subregional Environmental Training and Institutional Strengthening (SETIS)**

The GMS countries requested for Bank assistance for addressing needs in environmental education. Mr. Tataru suggested that this could be covered by the Working Group on Human Resources Development which will meet in Phnom Penh on 1-2 June 1999. He proposed that the Cambodia representative of WGE attend the WGHRD meeting. The GMS members were requested to identify priority translation activities that could be funded out of the remaining balance of the SETIS budget. Mr. Evans informed that about \$40,000 is unallocated from the RETA budget which could be used for translation and dissemination of training materials.

#### **Opportunities for GEF Funding and Other Activities Related to WGE Work**

Mr. Evans, ADB, informed the meeting that ADB is actively pursuing with the GEF secretariat of the World Bank and UNDP to improve the capability of ADB in tapping investment projects and study-type assistance from GEF. Since the opportunities for technical assistance financing from GEF might be limited by similar support to MRC activities, ADB could focus on obtaining GEF financing for investment projects.

Mr. Evans informed the meeting that the Bank will formulate a long-term financing strategy for GMS environment projects as a basis for securing commitment for grant financing over the longer-term.

#### **WGE Action Plan Based on Thematic Papers**

Mr. Evans, ADB presented the draft work plan, 1999-2000 for the WGE and requested the WGE country representatives to provide their inputs to the plan

through an informal workshop. A copy of the draft action plan, as revised by the WGE members, is in [Appendix 4](#).

### **Date and Venue of the Next WGE Meeting**

The Meeting agreed that the next meeting of the WGE will be scheduled to coincide with the Ninth Ministerial Meeting which is being planned for the fourth quarter of the year at ADB Headquarters in Manila. The WGE should take the next steps to undertake the following activities that will be reported to the Ministerial Meeting: (i) completion of the analysis phase of the Strategic Environment Framework; (ii) important milestones in the ongoing RETAs; and (iii) substantial progress in the implementation of the Action Plan.

### **Closing Session**

In his closing remarks, Mr. Tatara, ADB acknowledged the efforts of the participants for their well articulated reports. He noted that he learned a lot from the thematic papers. He recognized the progress made by the WGE-5 on the formulation of the draft action plan, and the discussions on transboundary concerns, developing common policy and institutional framework, and resource mobilization and coordination. He enjoined the meeting participants to continue the collaborative efforts on environment programs. He noted that the draft action plan would guide the efforts of the WGE. He encouraged the participants to demonstrate clear progress and outputs in the months ahead. He expressed his sincere appreciation to PRC for their great support and excellent arrangements for the meeting and wished the participants a safe trip back to their home countries.

Mr. Evans expressed affirmation on the remarks given by Mr. Tatara. He gave his personal thanks to PRC for being an excellent host. He found the meeting to be educational being his first GMS meeting. He also expressed appreciation for the active participation of the group and enjoined everyone to visit the Expo'99 horticultural exhibit in Kunming.