

**Greater Mekong Subregion (GMS)
Eighth Meeting of the Subregional
Working Group on Environment (WGE-8)
3-4 April 2002
Yangon, Myanmar**

SUMMARY OF PROCEEDINGS

Introduction

1. The Eighth Meeting of the Greater Mekong Subregion (GMS) Working Group on Environment (WGE-8) was held in Yangon, Union of Myanmar from 3-4 April 2002. The National Commission for Environmental Affairs (NCEA) of the Government of the Union of Myanmar (GOUM) hosted the Meeting in cooperation with the Asian Development Bank (ADB).
2. The objectives of the meeting were to take stock of the ongoing and recently completed projects in the environment sector of the GMS Program and to discuss the future agenda for the WGE. The latter included Phase II of the Strategic Environment Framework (SEF II) Project and the action plan on subregional environment cooperation in the GMS (2002-2005). The meeting also aimed to discuss the coordination and cooperation arrangements with the programs of the United Nations Environment Programme (UNEP) and the Mekong River Commission (MRC). Attached is the agenda and program of the meeting (Appendix 1).
3. An important agenda item was the forthcoming GMS Summit to be held in November 2002 in Cambodia, and the preparatory actions required for the Summit. Furthermore, the joint session with the Working Group on Tourism was planned to achieve greater understanding and cooperation between the efforts to protect the environment and the development of the tourism potential in the GMS countries.
4. The participants of the meeting included delegations from the Kingdom of Cambodia, People's Republic of China (PRC), Lao People's Democratic Republic (Lao PDR), Union of Myanmar, Kingdom of Thailand, and Socialist Republic of Viet Nam. Observers/ resource persons from the Association of Southeast Asian Nations (ASEAN), Government of Japan, Mekong River Commission Secretariat (MRCS), United Nations Environment Programme (UNEP), as well as ADB staff and consultants also attended. The list of participants is attached as Appendix 2.
5. The meeting was co-chaired by U Thane Myint, Secretary, NCEA, and Director General of the Consular, International Law and Treaties Department, GOUM and Mr. J. Warren Evans, Director, Environment and Social Safeguards Division, ADB.

I. Opening Session

6. U Thane Myint warmly greeted the WGE participants, and expressed his pleasure at meeting many old friends. He noted the vital role of WGE meetings for guiding and steering the management and implementation of GMS environmental projects. He added that while most of the GMS countries are in the process of establishing market oriented economic systems, scarce resources have prevented them from promoting the environment sector at the same level as the others. In this context he expressed deep appreciation to ADB and other donors for their interest

and assistance in environmental protection and conservation in the GMS. Moreover, promotion of environmentally sound and sustainable development was mentioned as the greatest challenge in the GMS today, and that the key to success was mutual cooperation and collaboration. He noted that environmental concerns cut across all sectors and should therefore be accounted for in promoting other sectors. He noted that the impact of development activities on the Myanmar side of the Mekong were minimal, but expressed Myanmar's commitment to sound management and utilization of its water resources. He then reiterated his belief that the meeting would generate new ideas and initiatives for promoting environmentally sound and sustainable development in the GMS. He thanked the ADB and the officers and staff of the NCEA for the kind cooperation and support in hosting the WGE-8 meeting in Yangon.

7. Mr. Rajendran, Director, MKAE, welcomed the participants to the meeting and cited the WGE as an active group with many proud achievements. He noted the discussions in the last WGE meeting in Luang Prabang, and added that since then, the 10th GMS Ministerial Conference was held in Yangon which endorsed the GMS Strategic Framework that will serve as a blueprint for regional cooperation in the 2nd decade of the GMS Program. He cited the establishment of the Regional and Sustainable Development Department (RSDD) under a reorganized ADB, to act as anchor and knowledge base to better support ADB's operational activities. He noted the priority areas for subregional cooperation in environment, namely, poverty reduction, Strategic Environment Framework Phase II (SEF II), capacity building for local governments, and cleaner production.

8. Mr. Rajendran cited the main agenda items for WGE-8, namely, SEF II and discussions of key environmental issues and new initiatives. He then mentioned that a first for GMS sector meetings was the joint session planned with the Tourism Working Group (TWG), which would take up common concerns on management of natural and cultural resources for conservation and tourism. Finally, he noted that the GMS Summit of Leaders would be held in November 2002, which was aimed at further catalyzing subregional cooperation initiatives. A publication on environmental management in the GMS would be reviewed by the WGE and would form part of the WGE's contribution to the Summit. Mr. Rajendran thanked the GOUM for the excellent arrangements made for the meeting.

9. Mr. J. Warren Evans explained that after WGE-8, Mr. Rajendran's division in ADB's new Mekong Regional Department would coordinate activities of the WGE for ADB. He expressed his appreciation and satisfaction in serving in this function for the last few years and assured his continuing support to the WGE.

II. Overview on the GMS Summit

10. Mr. Rajendran provided an overview of the 10-Year GMS Strategic Framework, including its vision, goals and five strategic thrusts. He enumerated the GMS Flagship Initiatives to operationalize the Framework. He noted that holding of the GMS Summit of Leaders in Phnom Penh in November is an important milestone of the GMS Program. The Summit could be traced to the visit of the Thai Premier to Cambodia, during which Cambodia Premier Hun Sen offered to host the Summit. ADB's support for the Summit was requested during the 10th GMS Ministerial Conference in Yangon last year. The Summit was expected to enhance the GMS Program's visibility, strengthen the partnership between GMS countries, endorse the Strategic Framework, and improve coordination among donors operating in the GMS. Details were provided on the preparations being made for the Summit, starting with the creation of the Task Force. The major events or milestones leading to the Summit were summarized, which included a Donors' Coordination Meeting (to discuss resource mobilization for GMS initiatives), the Mid-

term Senior Officials Meeting to be held in Kunming, and the 11th GMS Ministerial Conference in Phnom Penh (September).

GMS-WGE Publication for the GMS Summit

11. Following individual self-introductions, Mr. Evans noted the distribution of a CD with a narration of the ADB's environment working policy paper, which would be taken up by the ADB Board on 18 April. He then provided a brief on the proposed GMS-WGE publication for the Summit, the GMS Atlas. The idea would be to have an attractive, yet functional coffee table Atlas, which would be presented to the GMS Leaders during the GMS Summit. He noted that the Atlas contains three sections. The first would be on the GMS as a whole covering issues/ indicators on poverty, resource degradation, and environmental trends. The second would contain more detailed focus on the projects on the environment, such as SEMIS and SEF. The third part would contain up-to-date maps covering the entire GMS at a scale of about 1:500,000 showing topography, infrastructure, towns, forest cover, etc. The proposed Atlas was intended to be the WGE's most visible contribution to the GMS Summit and, as such, ADB and UNEP hoped that the WGE members would play a serious role in its preparation.

12. Mr. Surendra Shrestha, Director, UNEP Regional Resource Center for Asia and Pacific (RRC-AP), gave the introduction to electronic version of the Atlas, the Introduction of which was proposed for presentation to the GMS Leaders. The introduction would be very short (no more than 5 minutes) and could consist of a spinning globe that would zoom in on detailed locations showing information gathered from remote sensing and other studies. Mr. Evans said that to catch the Leaders' attention, we could zoom in on their hometowns. He then detailed the funding requirements and the timetable for the preparation of the Atlas, including training required for GMS staff. Discussion on this issue included:

- U Thane Myint requested that the localities' names be reflected accurately. Mr. Evans noted the importance of such, and suggested that the WGE members' inputs would be requested for such quality control.
- Mr. Ieng supported the GMS Atlas. He asked whether it was possible to highlight during the Atlas presentation to the GMS Summit, the anticipated positive and negative impacts of upstream development on the downstream Mekong basin, particularly during the flood season. This would reflect the efforts and concerns of the WGE towards sustainable development in the GMS; Mr. Evans replied that we could still be flexible on the Atlas.
- Mrs. Keobang A (Lao) asked about the nature of training under the Atlas as opposed to the current training under SEMIS II; Mr. S. Shrestha replied that more hands-on training would be provided as opposed to the formal training under SEMIS.
- Daw Yin Yin Lay (Mya) inquired on the background of the Summit theme, and Mr. Rajendran replied that for environment, "Making it Happen" would refer to cooperative actions to improve environmental management tools for the GMS countries to utilize, and which SEF II aims to undertake.
- Mr. Chanrithy (Cam) noted the usefulness of the training under the Atlas project that could be tied to training under the SEMIS.
- Mr. Evans said that since the WGE agreed to the Atlas, a more detailed outline/ work program of the Atlas would be distributed to WGE members shortly.

III. Strategic Environment Planning

Subregional Environmental Monitoring and Information System Phase II (SEMIS II)

13. Mr. Rajendra Shrestha, Program Specialist, RRC-AP, UNEP summarized the status and work plan for SEMIS II (TA No. 5899). He described the background of SEMIS II, including a brief on SEMIS I achievements in terms of developing core data sets, conceptual database design, and technical capacity for data exchange. He noted the project's goal of helping GMS governments make informed decisions regarding sustainable development through Integrated Economic and Environmental Development Planning (IEEDP). He outlined the implementation and coordination aspects of the project, including objectives, work program and products. He then enumerated the project's progress to date, which included among others, the implementation plan, the SEMIS webpage, report on data availability/ gaps (Output 1), the subregional inception workshop, and various national workshops. The timeline of major events under the project was discussed noting the recent completion of the IEEDP Interim Report. A subregional workshop was scheduled for October 2002 to review the draft final report. Discussion on this issue included:

- Ms. Malee (Tha) said that there was a need for guidelines/standards for translating primary into secondary data in order to ensure consistency in interpretation and for this to be accomplished may require more intense discussion with national sector experts.
- Daw Yin Yin Lay asked for the timing of release of software, to prepare for local training. Mr. R. Shrestha said hardware and software could be ready in a month's time.
- U Myint and others expressed concern that many computers used in some GMS countries lack the capacity to run the new software being provided under SEMIS II.
- Mr. Chanrithy noted the need for better coordination and information sharing in environment projects: Mr. Rajendran replied that these problems were being addressed in ongoing projects.
- Mr. Luo noted that coordination between various activities of SEMIS II should be improved, making them link closer to each other, and timely feedback provided to domestic participants involved in the project.

14. Mr. Daniel Gunaratnam (Consultant, SEMIS II) explained the rationale for the IEEDP project, i.e., the mismatch between economic and environmental planning has resulted in environment usually losing out. Examples of the economic costs of inadequate investment in environmental management, from the modeling work on the Northeast Thailand Case Study, were presented. The results of the application on NE Thailand indicated that normal economic growth rates were overstated if environmental damages were not included. The IEEDP model was being developed as a planning tool to ensure that all costs and benefits were covered and all externalities of economic plans were captured. He asserted that with minimum data, environment protection measures could be derived. He then noted that the IEEDP model manual was being finalized for training and dissemination purposes. Discussion on this issue included:

- U Thane Myint raised the possibility of developing the environmental rate of return (EnRR).
- Ms. Yurawee (Tha) asked how the study could be used to benefit GMS governments' work. Mr. Evans said the challenge had always been to integrate environment into subnational and sectoral development planning. IEEDP was not intended to be an academic exercise. He added that if the IEEDP could, combined with work from SEF and SEMIS II, demonstrate the economic costs and benefits of real environmental integration, then the countries should be in a strong position to support this approach to sustainable development planning.
- Mr. Chanrithy noted that the failure stemmed from lack of integration of environmental analysis with economic analysis at various levels of decision making.

Strategic Environment Framework Phase II (SEF II) Project Proposal

15. Mr. Vikrom Mathur, of Stockholm Environment Institute (SEI) and Consultant for SEF I, announced the distribution of printed copies of the Executive Summary of SEF I including the CD of the Early Warning and Information System (EWIS) Version 1 with instructions on its operation. He noted that SEF I combined analytical, participatory, and policy oriented processes into a strategic platform for guiding investment decisions in transport, water resources and environment sectors. He then explained the need for the SEF, and noted that the SEF offered both products and process. Three key outputs of the project included decision-making tools, analytical methodologies, and strategic interventions. He enumerated the ultimate goals of the GMS Program (i.e., reduced poverty/ social vulnerability and maintenance/ restoration of healthy eco-systems) and the steps (goals) to achieve these, such as informed decision making, public participation, effective governance, and innovative financing. These goals were then translated into a list of 20 proposed strategic interventions derived through a regional consultative process. Discussion on this issue included:

- Daw Yin Yin Lay asked about lessons learned from the implementation set-up of the project. Mr. Mathur said that national consultations could have been broadened and anticipated early on in the project. He added that data gaps and limited data access were persistent problems.
- Mr. Evans suggested that such data limitations should guide SEF II priorities.

16. Mr. Evans referred to the endorsement of the recent GMS Ministers' Meeting for a second phase SEF. In response, ADB, UNEP and other interested institutions have prepared a draft SEF II proposal, sent to WGE members on 27 March 2002. He requested the WGE's views on the proposal that was intended to be submitted to GEF for consideration. He stressed that GMS country GEF Focal Points would need to endorse the proposal. Mr. S. Shrestha said from UNEP's view, the project would bridge the data gaps through more uniform standards and better data disaggregation, among others.

17. Mr. Masami Tsuji, Environment Specialist, RSES, ADB, provided an overview of the proposal. He explained that the project would enable integration of environmental concerns into economic and social decision-making based on environmental performance assessment systems. He gave the project's five objectives, which included among others, improved decision making, strengthened national environmental program management, and support for performance-based lending requirements of donors. He then cited five (5) components of the project, such as the preparation of preliminary tools for performance, identification of country specific issues, and capacity development/ performance assessment, etc. Implementation arrangements covered the Steering Committee meeting (GMS countries, ADB, UNEP, NIES, IGES etc.), the Secretariat (in UNEP RRC-AP), the Expert Group meeting, technical training and review workshop. He then gave the project's timetable and budget, including the next step, which was to get endorsement of the GEF's Operational Focal Points.

18. Mr. Evans clarified that if WGE agrees to the subregional (Mekong Basin) focus of the proposal, ADB would submit the proposal in time for the April 5 deadline for the current GEF pipeline cycle. Discussion on this issue included:

- Mr. Tien (Vie) asked for more details on the proposal for the purpose of inter-ministerial clearance. Mr. Evans noted that the proposal was in adequate detail for the consideration by funding agencies and questioned whether additional details would add value to the proposal.

- Mr. Letchumanan (ASEAN) gave his comments on the proposal and noted that it was comprehensive but would demand training and capacity building activities by participating countries. He said ASEAN has a similar program to harmonize data collection and the GMS should avoid duplication. Mr. Evans noted that the proposal was to utilize existing or readily available data/information and agreed that the GMS should take advantage of other organizations' environmental information work.
- Mr. Rajendran stressed the national capacity building aspect of the proposal.
- Daw Yin Yin Lay suggested setting up a monitoring and feedback mechanism for the project which would ensure the activities were in line with the needs and expectations of the GMS countries.
- Mr. Ieng (Cam) supported the proposal. He asked whether it was possible to tap more local consultants/ organizations for more cost-effective implementation and more ownership and whether it would be possible to locate the project somewhere other than UNEP-RRC.AP (at AIT campus in Bangkok). In addition, he reiterated that as discussed/ agreed in the last WGE-7 meeting, ADB would provide financial support to each GMS-WGE office where the project had designated the WGE as implementing agency. He also suggested that where the WGE was designated Steering Committee for a project, it should be involved in the selection of international consultants for more effective implementation. Mr. Evans opined that centralizing work with RRC-UNEP would be cost-effective, but other options could be explored. He also noted that the intent was to maximize use of local experts and that, within the ADB guidelines, the WGE could play an active role in identifying the local experts.
- Mr. Rajendran recalled a recently approved ADB TA to strengthen the GMS national coordinators, and suggested exploring modalities where TA implementation would lead to build-up of local capacities.
- Mr. Evans said budgetary details of the proposal would be threshed out during the internal ADB TA approval process.
- Ms. Yuwaree supported the proposal, but suggested reflecting private sector concerns in the proposal.
- Mr. Luo said that he personally supported this important and useful proposed project, but it had been too tight to get the government's endorsement before the WGE-8 meeting, and he would consult with China's GEF focal point to give the endorsement after he returned to Beijing. He added however, that he would need time to proceed. He believed that UNEP would be the appropriate agency in terms of being IA of GEF for this project based on its expertise and experience. Mr. Luo expressed that much more work of this project would be done by domestic experts in addition to international experts' assistance. He stressed that the real test of the project would be whether local experts could do performance assessment upon project completion.
- Representatives of the WGE supported the proposal and committed to facilitate as quickly as possible the endorsement of the GEF Focal Points.

IV. Coordination of International Assistance

MRC

19. Mr. Nguyen Chi Cong, Team Leader of the Basin Development Plan (BDP), MRC gave a broad overview MRC's current operations and its prospective activities. He cited the three (3) core programs of MRC, namely, the Basin Development Plan (BDP), the Water Utilization Program (WUP), and the Environment Program. A Support Program cited was the Capacity Building Program. He then gave a summary of the BDP, and showed its duration,

commencement, funding, funding sources, and organization. He expounded on the BDP concept, gave its medium-term and immediate objectives, and the basic principles of the BDP. He then showed a chart showing BDP's relationship with other MRC programs and another chart showing the BDP organization. Mr. Cong then showed three (3) parallel processes of the BDP, namely, the planning, the capacity building and the participation process. He then outlined the stages in the planning process of the BDP.

Mr. Cong presented the Water Utilization Program (WUP), which had \$16.3 million funding over six (6) years beginning April 2000. Its development objectives included putting a mechanism in place for sustainable water management, and promoting reasonable and equitable water utilization among GMS countries. He mentioned three (3) WUP components, the Basin Modeling Package, Development of Water Utilization Rules, and Institutional Strengthening, and the expected outcomes from each. He then listed the functions of WUP's three (3) working groups as well as the key milestones. Finally, he enumerated the WUP activities, completed and current, and elaborated on the relationships between WUP and other MRC programs (BDP and Environment Program or EP).

20. Ms. Mya Sein, Specialist, Environmental Data, MRC, then presented on the Environment Programme (EP). She noted that the EP's focal point was the quality of life of the people and the focus was on water and aquatic eco-systems, with a basin-wide and transboundary perspective. She listed the EP's five (5) thematic areas (monitoring water quality, ecological health, etc.) and supporting functions (training, research facilitation, etc.). She enumerated the programme's achievements in 2001 and the plan for 2002, which included revising the EP strategic plan, and making the First State of the Basin Report.

Lastly, Ms. Sein presented the MRC's strategy for flood management and mitigation (FMM) in the Lower Mekong Basin (LMB). She said the FMM's development objective was to alleviate people's suffering and economic losses due to floods. She said the output was a fully operational Flood Forecasting and Early Warning System (FFEWS) for the Mekong basin. She went through each of MRC's three (3) strategic roles for FMM- providing technical products/ services, addressing differences and facilitation, and capacity building and technology transfer. She said these would support four (4) technical elements of FMM, namely, land use planning, structural measures, flood preparedness, and emergency response. She then showed relationships among the FMM cooperators/ clients, detailed the next steps for FMM, and demonstrated the information now available under the FFEWS.

21. Mr. Ieng suggested involving WGE members in MRC meetings to ensure broader dissemination of information on MRC activities. Ms. Sein noted that MRC national programs involved national environment officials. Mrs. Keobang A suggested that the MRC examine external studies (i.e., ESCAP, etc.) on water utilization, which could provide useful models for MRC programs. She asked about a new proposal from ADB on water management; Mr. Evans explained this concerned the preparations for the World Water Forum in 2003.

UNEP/ RIO + 10 Earth Summit

22. Mr. Surendra Shrestha gave an update on preparations for the World Summit on Sustainable Development in 2002 (WSSD or RIO + 10). He enumerated the steps involved in the WSSD preparatory process and the WSSD road maps. The Preparatory Committee I meeting (NY, 30 April- 2 May 2001) initiated the preparatory process and set the modalities for PrepCom meetings and WSSD Summit. Mr. S. Shrestha then cited the WSSD partnership in the Asia Pacific Region involving the ADB, ESCAP, UNDP and UNEP. He noted the various

subregional and regional reports that arose from various consultations. He then went through the subregional preparations undertaken in NE Asia, Pacific, Central Asia, South Asia and Southeast Asia. The Regional Platform meeting (Phnom Penh, 27-29 November 2001) resulted in several issues being identified, such as chronic/ persistent poverty and globalization.

23. The process of WSSD preparation introduced novel approaches for partnership, participation, and focus. For PrepCom II (NY, 28 January- 8 February 2002), key areas which emerged as focus were poverty eradication, sustainable pattern of consumption/ production, sustainable development of natural resources, and globalization to promote sustainable development. Mr. Shrestha cited the cloud of issues of concern such as reduced ODA, large military expenditures, dumping of waste in developing countries, good governance at national level, and local capacity building, among others. He then listed the expected outcome of the WSSD, and the way forward through the Earth Summit. He also enumerated international development goals by 2015, such as halving of poverty and 2/3 reduction in infant mortality. He ended with a note on UNEP's role and mandate, its various partnerships, funding source, and its efforts at capacity building and technical assistance.

Mr. Evans said that for the first session of Day 2, the WGE members would be asked to give a short country presentation on recent environmental policy/ program developments.

Day 2

Mr. Rajendran welcomed the WGE participants as chair of the sessions for Day 2 of the meeting. He reiterated that the country presentations were meant to update the WGE members on recent environmental developments in the GMS.

V. Action Plan for Environmental Cooperation in the GMS

Country Presentations on Recent Environmental Policy/ Program Developments

24. *PRC.* Mr. Luo presented on the progress in Yunnan Province from the last WGE meeting in the following areas: pollution control; ecological conservation; and capacity building. He said Yunnan had been implementing both pollution control and nature conservation and added that Yunnan had been tasked to implement the plan to control its total loading of pollutants. Some wastewater treatment plants and solid waste landfills had been constructed in cities. The State Environmental Protection Administration (SEPA) had set up 25 pilot enterprises to conduct clean production throughout Yunnan. The amount of 2.5 billion RMB had been inputted for pollution control in lakes. SEPA had elevated ecological conservation as a priority along with pollution control measures in recent years. Measures such as reclaiming land for forests and forbidding deforestation in natural forests had been undertaken. More natural reserves had been set aside, accounting for 6.1% of total territory. Monitoring equipment in Yunnan Province was recently upgraded through a Yunnan Government and World Bank project. He reported that a rural poverty reduction and environmental management project of US\$10 million, being supported by the UK, had started.

Mr. Rajendran asked whether there were guidelines on activities that could be undertaken in national reserves. Mr. Luo said projects potentially affecting reserves would be subjected to rigorous EIA. Daw Yin Yin Lay asked about the hydropower projects in Yunnan and Mr. Luo said a proper forum would be agreed to discuss this issue.

25. *Lao PDR.* Ms. Keobang A provided an update on the formulation and review of the country's environmental management strategy/ policy. She noted the functions of the Science Technology and Environment Agency (STEA), the agency, which was held responsible for coordinating the various line agencies' environmental activities. STEA also had a role in the review and update of existing regulations/ decrees/ laws relating to environmental issues as necessary. Lao PDR was also working to extend environmental management and monitoring from the national to the provincial level. She noted the key initiatives on environment being funded by external donor agencies. These also involved institutional capacity building for environmental management. She noted Lao PDR's membership in various conventions to protect the environment. Lao PDR had been a very active member of the GMS environment program and served as coordinator of various GMS RETAs on the environment. She noted ongoing preparations for an ADB program loan on environmental management.

Mr. Rajendran expressed appreciation for Lao PDR's active environmental program, particularly the government's quick action in the processing of the environmental program loan.

26. *Myanmar.* Daw Yin Yin Lay reported on the progress in environmental management in Myanmar, starting with the creation of the NCEA in 1990, which was tasked to formulate environmental policies and guidelines. She noted that increased threats to the environment had been matched with increased environmental awareness, especially among schoolchildren and the general public. NCEA as environmental focal point, was instrumental in having Myanmar join several international conventions on the environment. The integration of environmental considerations in development was evident in the enactment of forestry laws and creation of wildlife sanctuaries. Government had also actively promoted alternative energy as well as poverty reduction in remote border regions. She cited that a major constraint in environmental management was the lack of capacity of environmental institutions. She updated the group on Myanmar's involvement in GMS projects and other Mekong cooperation programs.

Mr. Rajendran was pleased to learn of the many environment-related activities in Myanmar, which would bring environmental management and governance at par with those of other GMS countries.

27. *Thailand.* Ms. Yuwaree noted the three major policy reforms affecting environmental management in Thailand. The first was the restructuring of government, in which a separate Ministry on Natural Resources and Environment would be created. The second was the decentralization policy, in which local authorities were given authority to manage their local resources. A challenge here however was the lack of local capacity to manage resources, and Thailand had obtained donor assistance to build local capacity. The third was the 9th Socio-Economic Development Plan, which was aimed at local empowerment for environmental protection. She cited ADB's monitoring and performance indicators project (SEF II) that would help monitor achievement under the Plan. She noted that a "Livable City Plan" was implemented which aimed to upgrade the living conditions of local people in terms of environmental protection, poverty reduction and improved economic conditions.

Mr. Rajendran agreed with Thailand's capacity building plan for local governments in line with the decentralization policy. Mr. Tang asked whether there was plan to restructure the regional offices, and Ms. Yuwaree replied that regional offices would provide technical assistance to local authorities.

28. *Viet Nam.* Mr. Tien said that since 1992, Viet Nam had achieved much progress in environmental protection. He noted the principles of environmental protection and management

adopted by the government. He cited plans to separate environment from science and technology, which would indicate more active environmental policy management. In the National Action Plan, various issues (green and brown issues, capacity building) were tackled. The law on environmental protection, which was enacted in 1994, faced challenges in terms of effective enforcement. He cited the establishment of monitoring stations for land, air and water quality, including three (3) regional stations. Government had been preparing its report on Rio + 10. He cited the various government targets for protected areas, reforestation, and marine resources conservation, as well as the development of the strategy for hazardous waste management. He noted Viet Nam's active involvement in regional environmental cooperation programs such as the GMS program and ASEAN. He said that with impending restructuring of government, environment would be given more importance through its own ministry.

Mr. Rajendran inquired about the details of the reorganization involving the environment offices. Mr. Tien listed the possible functions that would comprise the ministry of environment and natural resources. Mr. Rajendran cited Viet Nam's efforts in coastal resources management with its strong anti-poverty dimensions.

29. *Cambodia*. Mr. Ieng provided background on the policy and legal framework of the Ministry of Environment (MOE). He listed Cambodia's accession to various international conventions and agreements and enumerated MOE's membership in various national environmental committees. He distributed a handout showing the organizational structure of the MOE and discussed the prospective changes in the ministry. The handout also showed the various project activities (externally funded) being implemented by the MOE. An important upcoming activity was the Tonle Sap project. He cited the changes in GMS program coordination within Cambodia that resulted from ADB's reorganization. Mr. Chanrithy noted government's efforts at rural poverty alleviation, with emphasis on improving capacity for environmental monitoring and management, which had been overlooked in the past. He cited the critical need for institutional strengthening of agencies tasked with environmental data collection, processing and data sharing.

Mr. Rajendran said he anticipated comments on coordination of activities in the sector, especially in the budgeting for natural resources management activities. Ms. Keobang A asked about the status of the wetlands and watersheds RETAs and the prospects for follow up activities. Mr. Rajendran said the Tonle Sap loan for Cambodia was a follow up of the wetlands study.

30. Mr. Rajendran said he welcomed the numerous comments concerning the need for institutional capacity building. On watersheds, he clarified that for Lao PDR, the planned assistance for Nam Ou river basin development project would fit in ADB's overall program for Lao PDR. Mr. Ieng provided an update on the DANIDA funded coastal management project.

Ms. Chompunuch (Tha) reiterated Thailand's view of the need for ADB to play a key role in coordinating the cumulative impacts of upstream and downstream activities along the Mekong. She also stressed the need for the GMS Program to focus on the environmental impacts of economic corridors especially the North South Corridor (which could include both R3 and Navigation Channels). Mr. Evans gave an update of the loan for the North South Corridor, which would entirely be in the Lao PDR side. While ADB financing would only be for the middle section of the corridor, there have been discussions between ADB, PRC and Thailand on the needed environmental safeguards for the entire stretch. On the downstream/ upstream impacts, Mr. Rajendran noted that ADB had conveyed such concerns to PRC authorities, and the latter had been receptive to sharing of information on upstream activities, on a bilateral basis. Daw Yin Yin

Lay asked about follow up activities on the Nam Loi watershed study. Mr. Rajendran said findings from the watersheds study would be utilized for future projects in due course.

Ms. Yuwaree announced that Thailand had agreed to host the 9th WGE meeting next year; details on the venue would be communicated to ADB later next year.

VI. Joint Session with the Tourism Working Group (TWG)

31. During the Joint WGE-TWG session, the TWG members raised the need for enhancing efforts to preserve the cultural heritage in the GMS, and discussed the various suggestions for sustainable management of tourism/ cultural resources. The meeting noted the critical training requirements for tourism knowledge and skills, including for resource management and conservation. Mr. Evans then gave a presentation on environment issues in the tourism industry, and commenced with the rationale behind the holding of the joint WGE-TWG session. He noted that environment was a cross-cutting issue which should be considered in planning for tourism development. Mr. Evans then discussed the tourism prospects of the GMS and the needed sustainable tourism strategies and policies. He listed tourism's impacts on environmental resources and other impacts such as additional solid waste, surface water pollution, and groundwater depletion/ contamination. He then proceeded to a discussion of tourism and environmental synergies, noting the various GMS environment TA projects. He then expounded on the GMS Early Warning and Information System (EWIS) and hotspot analysis developed under the SEF I. He explained hotspots as areas under social and environmental threat. He showed various overlay maps, which demonstrated the EWIS' analytical capabilities.

WGE and the TWG members agreed on the need for closer coordination between the two working groups as well as between the activities of their respective projects.

VII. Conclusion

32. Mr. Rajendran gave a recap of the country presentations, which he noted, gave a fair reflection of the pace in which GMS countries carried out environmental protection and sustainable resource management initiatives. He thanked Mr. Evans for the excellent presentation during the joint WGE-TWG session. He asked the WGE members to provide additional comments on the preceding sessions.

- Mr. Ieng suggested a joint project between WGE and TWG, but Mr. Evans cited constraints in doing this, such as the perception that environment people are regulators. He said WGE should be proactive in reaching out to other sector groups.
- Mr. Luo reiterated PRC's support for the publication of the GMS Atlas; he said PRC also supports the SEF II proposal but would need time in giving formal endorsement.
- U Thane Myint said that it could be considered that the GMS countries have approved the SEF II proposal in principle.
- Ms. Keobang A proposed that training under SEMIS II be designed for a longer period, and preferably include on-the-job training.
- U Thane Myint noted the importance of regulatory as well as enforcement mechanisms in environment sector work.
- Ms. Yuwaree cited Thailand's internal coordination mechanisms for the GMS Program, which facilitated information sharing on work of different sectors.

- Mr. Thang (Vie) expressed support for the SEF II project but urged ADB to shorten the project duration for quicker results. Mr. Evans clarified however that the basic tools/ indicators would be available for use in 2-3 years.

33. Mr. Rajendran thanked the Government of the Union of Myanmar for graciously hosting the meeting and thanked the WGE members for their inputs. He also thanked the UNEP, MRC, ASEAN, Government of Japan, and the resource persons for their contributions to the success of the meeting. He recalled highlights of the discussions in the past two days of the WGE-8 meeting. He reiterated the importance of the forthcoming GMS Summit of Leaders in November, and requested WGE members to assist in development of the proposed GMS Atlas. He stressed that the most urgent action from the WGE was to finalize the proposal for SEF II. He noted that the WGE members expressed support for the project, and asked WGE members to help get endorsement for this. He concluded by thanking again the GOUM, especially the NCEA, and wished everyone a nice stay in the city.

34. U Thane Myint recalled the achievements of the WGE meeting and noted the meeting's success in terms of the high quality of the presentations and the substantive discussions and agreements. He noted the importance of sustainable development initiatives, which he believed the SEF project would achieve. He thanked the resource persons, particularly MRC, UNEP, and ADB staff/ consultants, for their excellent presentations. He also thanked the NCEA staff and ADB for support in organizing the meeting. He wished everyone a nice stay and a pleasant return journey.

35. Mr. Evans expressed his appreciation for the excellent working experience with the WGE members. He reminded that while the WGE would be in capable hands, he would continue to be involved in, and supportive of the WGE. He declared the WGE-8 meeting adjourned.