FOR APPROVAL OF PARA. 13

To: Stephen Groff  
Vice President, Operations 2

Through: James Nugent  
Director General, SERD

From: Javed H. Mir  
Director, SEER

Subject: TA 7987 (REG): Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase II  
— Increase in TA Amount and Minor Change in Scope and Implementation Arrangements

8 October 2014

A. Background

1. In July 2011, the environment ministers of the Greater Mekong Subregion (GMS) countries endorsed the Program Framework Document (PFD)\(^1\) for the Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI) Phase II (2012–2016) at the Third Environment Ministers’ Meeting held in Phnom Penh, Cambodia, and requested ADB to support its implementation. The captioned regional capacity development technical assistance (R-CDTA) (hereinafter referred to as the TA) was designed to implement the PFD. It follows CEP-BCI Phase I which was implemented from 2006–2012. The TA is aligned with the new GMS Strategic Framework 2012–2022 and is included in the GMS Regional Cooperation Operations Business Plan (RCOBP).\(^2\)

2. The impact of the TA is improved biodiversity conservation and climate resilience across the GMS. The outcome is an environment friendly and climate-resilient GMS economic cooperation program. It seeks to achieve four outputs: (i) improved environmental planning systems, methods, and safeguards; (ii) improved management of transboundary biodiversity landscapes (TBLs) and local livelihoods; (iii) development of climate-resilient and low-carbon strategies; and (iv) improved institutions and financing for sustainable environmental management. The TA is executed by ADB and is implemented by the line ministries that represent the countries at the Working Group on Environment (WGE).

3. The TA was approved on 12 December 2011 in the amount of $14.8 million, financed by the ADB’s Technical Assistance Special Fund ($800,000) and by the Government of Finland ($14 million) with completion date on 31 December 2015 (Attachment 1). On 5 December 2012, the Board approved an increase in TA amount of $8.3 million from the Government of Sweden for scaling up of activities under the original TA framework and extending the implementation

\(^1\) See http://www.gms-eoc.org/resources/core-documents to access the PFD, the TA inception report, and the semi-annual progress reports.
period by one year until 31 December 2016 (Attachment 2). In April 2013, an increase in the TA amount by $5.3 million (financed on a grant basis by the Nordic Development Fund) was approved by the Board to support additional and scaling up of activities related to output (iii) described in para 2 above (Attachment 3).

4. On 2 May 2014, the Global Environment Facility (GEF) approved a grant of $917,431 to the ADB to co-finance activities under outputs (ii) and (iii) of the TA. The grant will be sourced from two trust funds administered by GEF—$458,715 from GEF Trust Fund and $458,716 from the Special Climate Change Fund—for the “Greater Mekong Subregion Forests and Biodiversity Program (GMS-FBP): Creating Transboundary Links through a Regional Support Project”. The objective of the GEF grant is to build on and expand the TA’s current work to promote regional cooperation on climate-integrated management of transboundary landscapes in the GMS. All TA activities to be financed by the additional funds will be completed within the current completion date of 31 December 2016.

B. Current Status of TA Implementation

5. At its inception, the TA’s implementation arrangements were subject to internal review within ADB since it represents a large programmatic TA which challenges ADB’s internal systems for TA execution. Consequently, ADB adopted several innovative arrangements to improve implementation efficiency and enhance ADB’s financial and fiduciary controls over the TA. These measures included formal recognition of the Environment Operations Center (EOC) as the TA implementing unit, under direct supervision of the TA Supervising Unit (TASU) and subject to annual independent audits. Moreover, certain measures typically applicable to implementation of loan or grant investment projects were also adopted for the TA, such as the preparation and disclosure of a procurement plan. These improvements to TA implementing arrangements coupled with a delay in finalizing co-financing arrangements delayed implementation of the TA by about 9 months.

6. Despite these early delays, as of 28 July 2014, the TA had commitments of $18.4 million (64.7% of the total cost) and $5.6 million in disbursements (19.9% of total cost). In terms of physical progress the TA had achieved 14% as compared with a target of 20%. The TA had engaged 49 individual consultants and 4 firms, and signed Letters of Agreement with 6 implementing partners. The TA has achieved important outputs over this period including: an environmental analysis of the GMS Regional Investment Framework, leading efforts to establish an environmental safeguard system in Myanmar, conducting 32 regional and national capacity building activities, strengthening the GMS statistics and maps portal, formulating an ecosystem-based adaptation framework in partnerships with the World Bank and World Wide Fund, and commencing a pilot green freight initiative to mainstream environmental and low carbon concepts in the transport sector.

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3 An additional $82,569 was approved by GEF for agency fees, i.e., to cover expenses related to corporate activities and project cycle management activities by ADB.

4 The GMS-FPB comprises five (5) projects: four (4) national projects, and one regional support project. The four national projects focus on biodiversity conservation, and sustainable land and forest management in Cambodia, Lao PDR, Thailand and Viet Nam. Complementing the national projects, the regional support project will identify and strengthen transboundary links in conservation, as well as facilitate collaboration and regional knowledge exchange on transboundary landscapes in the GMS. The regional support project will overarch, link to, and build on the four national projects, as well as CEP BCI Phase II, to create synergies that fill important thematic, spatial, and collaboration gaps related to climate-integrated conservation of transboundary landscapes in the GMS.

5 Figures were taken from the Technical Assistance Information System (TAIS).

6 See www.gms-eoc.org
C. Minor Change in Scope and Implementation Arrangements

7. GMS governments are looking for more strategic and effective conservation approaches to maintain the integrity and resilience of GMS forest ecosystems in the face of economic development and climatic change. While national actions for conservation are required, much of the rich natural capital of the GMS is located in transboundary biodiversity landscapes, thus requiring regional-scale coordination and cooperation. Specifically, a concerted effort by GMS countries is needed to apply an integrated approach to development, conservation and climate resilience in these landscapes. A transboundary landscape approach is necessary to capture large-scale ecological processes needed to maintain forest viability and support productivity of other sectors. The transboundary approach should also incorporate ecosystem-based adaptation (EbA), which promotes maintenance and restoration of ecosystems as part of climate change adaptation. Regional coordination on transboundary landscapes should be supported by regional knowledge exchange mechanisms. The GEF has extensive global experience with implementing transboundary conservation initiatives and can, therefore, be a valuable partner in achieving these outcomes in the GMS.

8. Existing financing under the TA is building capacity of GMS countries in biodiversity conservation and climate resilience by: (i) strengthening transboundary biodiversity landscape monitoring and management; (ii) enhancing ecosystems through establishment of biodiversity conservation corridors and promoting sustainable livelihoods; and (iii) improving climate resilience of forest-dependent communities. However, there is a need to strengthen regional cooperation on climate-integrated management of transboundary landscapes and to create effective knowledge exchange platforms.

9. The additional GEF financing will address these needs and in turn enable GMS countries to strengthen regional cooperation and knowledge exchange for climate-integrated conservation of transboundary landscapes. Specifically, the additional financing will be used to (i) establish collaborative mechanisms to strengthen regional collaboration on transboundary conservation; (ii) develop conservation plans and strategies for GMS transboundary landscapes; (iii) address climate change impacts on the transboundary landscapes through climate vulnerability assessments and EbA; and (iv) facilitate regional knowledge exchange on transboundary conservation.

D. Increase in the TA Amount

10. The proposed additional financing from the GEF amounting to $917,431 will be administered by ADB under existing implementation arrangements for the TA. Activities funded with the additional financing will be consistent with the TA’s impact, outcome, and outputs. Attachment 4 provides the revised design and monitoring framework [see additional financing indicators under outputs (ii) and (iii)]. Consultants will be engaged either as individuals or firms using the most appropriate selection method as provided for in the Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (2013, as amended from time to time). The revised cost estimates and financing plan are provided in Attachment 5. Fund utilization will be activity-based and every request for advance or payment will indicate to which fund expenses should be charged.

E. Staff Views

11. The proposed increase in TA amount will not result in any major change of scope to the TA nor in its implementation arrangements.
12. Pursuant to paragraphs 33 of PAI 5.09, CTL, RSDD, OCO, OGC, and OSFMD have been consulted and they support the proposed changes. All their comments have been appropriately addressed as shown in Attachment 6. The other co-financers were informed about the additional GEF financing at the last Working Group on Environment Annual Meeting and everyone agreed.

F. Recommendations

13. In view of the above and in accordance with para. 33 of PAI 5.09, your approval is requested for an increase in the TA amount by $917,431 as described in para. 10 above.

14. Upon approval of the proposed increase in TA amount in para. 10, the minor change in scope and implementation arrangements as described in paras. 7-9 will be deemed to be approved by Director, SEER, in accordance with PAI 5.09 para. 35.

Attachments:
1. TA 7987-REG: Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 (Technical Assistance, 2011)
2. TA 7987-REG: Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 (Major Change in Technical Assistance, 2012)
3. TA 7987-REG: Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 (Major Change in Technical Assistance, 2013)
4. Revised Design and Monitoring Framework
5. Revised Cost Estimates and Financing Plan
6. Comments from CTL, OCO, OGC, OREI and OSFMD

cc: Counsel; Controller; Director General, OSFMD; Assistant Controller; Director, OSP2; Advisor, OSFMD and Head, OSOM; A. Fox, OSP2; O. Nazmieva, CTLA-TA; I. Ahsan, OGC; L. Chan, T. Dojima, M. Torres, OCO; H. Nacario, M. Paz, J. Varma, SEOD; S. Ranawana, E. Piano, SEER; O. Dyloco-Canto, OSOM
FOR OFFICIAL USE ONLY

R231-11
21 November 2011

Proposed Technical Assistance for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 (Cofinanced by the Government of Finland)

1. Attached for the consideration of the Board is a paper on the above subject.

2. In the absence of any request for discussion and in the absence of a sufficient number of abstentions or objections (which should be communicated to The Secretary by the close of business on 12 December 2011), the recommendation in paragraph 19 of the Paper will be deemed to have been approved, to be so recorded in the minutes of a subsequent meeting of the Board. Any notified abstentions or objections will also be recorded in the minutes.

For Inquiries: S. Ranawana, Southeast Asia Department
(Ext. 5526)
I. Ahsan, Office of the General Counsel
(Ext. 4263)

The attached document has a restricted distribution until it has been approved by the Board of Directors. Following such approval, the document will be available to the public.
Technical Assistance Report

Project Number: 44323
Regional—Capacity Development Technical Assistance (R—CDTA)
November 2011

Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2
(Cofinanced by the Government of Finland)

Asian Development Bank
ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AWBP</td>
<td>annual work plan and budget</td>
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<td>BCI</td>
<td>Biodiversity Conservation Corridors Initiative</td>
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<td>CEP</td>
<td>Core Environment Program</td>
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<tr>
<td>COO</td>
<td>chief of operations</td>
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<td>ECP</td>
<td>economic cooperation program</td>
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<td>EMM</td>
<td>environment ministers' meeting</td>
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<td>EOC</td>
<td>Environment Operations Center</td>
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<td>GIS</td>
<td>geographic information system</td>
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<td>GMS</td>
<td>Greater Mekong Subregion</td>
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<tr>
<td>Lao PDR</td>
<td>Lao People's Democratic Republic</td>
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<td>NSU</td>
<td>national support unit</td>
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<td>PFD</td>
<td>program framework document</td>
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<tr>
<td>REDD</td>
<td>reduced emissions from deforestation and degradation</td>
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<td>SEA</td>
<td>strategic environmental assessment</td>
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<td>TA</td>
<td>technical assistance</td>
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<td>WGE</td>
<td>Working Group on Environment</td>
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TECHNICAL ASSISTANCE CLASSIFICATION

Type
Targeting classification
Sector (subsectors)
Themes (subthemes)
Climate change
Location (impact)
Partnership

- Regional—capacity development technical assistance (R—CDTA)
- Targeted intervention
- Multisector, agriculture and natural resources (land-based natural resources management, forestry, agriculture and rural sector development, water-based natural resources management)
- Environmental sustainability, regional cooperation and integration; (natural resources conservation, environmental policy and legislation); capacity development
- Climate-change adaptation, climate-change mitigation
- Rural (medium), urban (low), national (medium), regional (high)
- Government of Finland

NOTE
In this report, "$" refers to US dollars.

Vice-President: S. Groff, Operations 2
Director General: K. Senga, Southeast Asia Department (SERD)
Director: J. H. Mir, Environment, Natural Resources, and Agriculture Division, SERD

Team leader: S. D. B. Ranawana, Senior Natural Resources Specialist, SERD
Team members: P. Ramachandran, Environment Specialist, SERD
S. Aman-Wooster, Senior Social Sector Specialist, SERD
C. Razon, Project Analyst, SERD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
I. INTRODUCTION

1. Since 1995, the Asian Development Bank (ADB) has provided technical and financial support to address emerging environmental concerns and challenges within the Greater Mekong Subregion (GMS). In 2005, previous environmental initiatives were consolidated into the Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI) and endorsed at the first GMS environment ministers meeting (EMM). CEP-BCI addresses one of the five strategic thrusts and constitutes one of the flagship programs of the GMS economic cooperation program (ECP). The first phase of CEP-BCI, administered under ADB’s technical assistance (TA) for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, is scheduled for completion on 31 December 2011.

2. During the second EMM concluded in Vientiane, Lao People’s Democratic Republic (Lao PDR), in 2008, the GMS governments acknowledged the relevance of CEP-BCI in achieving the overall goals of the ECP and directed the Working Group on Environment (WGE) to begin preparation of a follow-on phase for endorsement at the third EMM. Accordingly, commencing in January 2010, ADB helped the WGE and its technical secretariat, the GMS Environment Operations Center (EOC), prepare the second phase of CEP-BCI through a series of country-level and regional consultations. In July 2011, the program framework document (PFD) for CEP-BCI (2012–2016) was endorsed, in principle, at the third EMM. A follow-on regional TA for the second phase of CEP-BCI was included in the GMS Regional Cooperation Operations Business Plan. The proposed TA covers the first 4 years (2012–2015) of the PFD. The design and monitoring framework is in Appendix 1.

II. ISSUES

3. Resource-intensive economic growth. The GMS economies expanded rapidly over the past decade, with a combined average annual gross domestic product growth rate exceeding 9%. A defining feature of economic growth was the dependence on primary sectors (i.e., agriculture, forestry, fisheries, mining), the energy sector (i.e., hydropower, petroleum products, biofuels), and natural resource-based services (i.e., tourism), underwritten by a substantial infusion of foreign investments and fueled by a burgeoning intraregional demand for food, energy, and commodities. Productivity gains in these sectors were based on harnessing the GMS’s natural capital, natural resources, and ecosystem services. However, current trends of resource depletion and environmental degradation are undermining ecosystem service delivery functions. National environmental performance assessments confirm downward trends of GMS-wide environmental indicators. Between 10% and 40% of arable land is already degraded. Water quality is decreasing as a result of contaminant loading from agriculture, urban settlements, and industry. Although the actual rate of forest loss is decreasing, forest cover will decline by a further 0.9% between 2010 and 2020.

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3 Joint Ministerial Statement. 29 January 2008. Second Meeting of the GMS Environment Ministers. Vientiane, Lao PDR.
5 Services provided by ecosystem functions—such as water retention and regulation, soil conservation and regeneration, and flood protection—are the basis for the viability of many economic activities.
4. **Socioeconomic implications of natural resource-led growth.** Economic growth has brought prosperity to the GMS, as evidenced by steady progress on most Millennium Development Goals and positive trends in Human Development Indices across countries. However, a significant percentage of the GMS’s population still lives in poverty (e.g., 30% in Cambodia and 27% in the Lao PDR). Natural resource-intensive, export-led growth may have aggravated poverty by increasing the pressure on limited resource stocks. Consequently, rural communities that have traditionally relied on natural resources for their livelihoods—especially in upland areas where ethnic minorities are concentrated—are at risk of being marginalized. Disparities in economic opportunities also persist between men and women. Women are generally more vulnerable to environmental degradation, as their livelihood activities are more entwined with natural resources.

5. **The impact of climate change.** The flow of ecosystem services is at risk from climate change. Healthy ecosystems buffer investments and livelihoods from the impacts of extreme weather conditions. For instance, it is estimated that the cost of climate change could be as high as 6.7% of gross domestic product per year in Thailand and Viet Nam by 2100. At the same time, ecosystems serve as effective carbon sinks. The GMS has significant potential for carbon capture due to its high to moderate forest cover (at least 25% of land area in several countries); however, high deforestation and forest degradation rates need to be stemmed through sustainable forest management measures.

6. **Future development prospects.** The GMS has strong prospects for continued economic and social prosperity. The GMS’s ECP has established a solid foundation characterized by the 3 C’s: “connectivity” through extensive physical infrastructure; a strong sense of “community” through regional cooperation; and “competitiveness” through improved institutions and human resources. Future investments (i.e., transport, energy, urban development) will primarily be in green field sites, presenting opportunities to adopt a resource efficient and low carbon development pathway from the outset and leapfrog the pitfalls of a costly “grow now—clean up later” development model. Indeed, the GMS’s future global “competitiveness” will hinge on adopting such a pathway. This will require the capacity to discern environmental and climate-related risks, and the ability to systematically integrate environmental risk mitigation and new green investment opportunities within a multisector development context. The enabling policy, institutional, and governance conditions must be established with the corresponding technical and human resource capacity.

7. **Building on lessons from phase 1 and other environmental management efforts, the TA will (i) proactively engage sector agencies, including finance and planning agencies, to adopt a multisector approach to systematically assess and integrate environmental challenges and opportunities at upstream planning stages; (ii) strengthen analytical approaches, including economic analysis of ecosystem values, in TA activities; (iii) strengthen institutional capacity, especially at the subnational level, for multisector collaboration; (iv) anchor TA interventions in country systems and aim to inform policy and legislation; (v) expand the information and knowledge flow from the EOC by creating an environmental operations network across the GMS; and (v) engage more effectively with ADB country programs to build synergy and complementarity between national and regional approaches.**

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10 World Bank. 2011. World Development Indicators—Poverty headcount ratio at national poverty line (% of population). Washington, DC.
11 ADB. 2009. The Economics of Climate Change in South East Asia: A Regional Review. Manila.
13 Growth rates of 5%–10% are projected; see International Monetary Fund. 2011. World Economic Outlook Database—April 2011. Washington, DC.
III. THE PROPOSED TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact of the TA will be improved biodiversity conservation and climate resilience across the GMS. The TA will integrate sound environmental management, biodiversity conservation, and climate resilience measures into the GMS ECP. The TA outcome will be an environment friendly and climate-resilient GMS ECP.

B. Methodology and Key Activities

9. The TA will adopt a programmatic approach to achieve the above outcome. It will support activities in priority economic corridors targeted by the ECP and in priority transboundary biodiversity conservation corridors and landscapes. The TA is aligned with the strategic framework for the GMS ECP (2012–2022) and will complement several regional and country-specific TAs dealing with different aspects of the environment and climate change. In particular, the TA will complement: (i) the proposed regional investment framework for GMS corridor development; (ii) the Core Agriculture Support Program II; (iii) promoting renewable energy, clean fuels, and energy efficiency in the GMS; (iv) harnessing climate change mitigation initiatives to benefit women; and (v) the GMS Biodiversity Conservation Corridors Project. The TA comprises four outputs.

10. **Output 1: Environmental planning systems, methods, and safeguards improved** will involve the application of planning tools such as strategic environmental assessments (SEAs), spatial multicriteria analysis, and extended economic analysis to development strategies and plans for selected sectors and economic corridors. The capacity to address environmental safeguards in key sectors will also be strengthened under this output. The assessments, applied at the early stages of planning, will support internalizing environmental risk management measures and environment- and climate-friendly alternatives (e.g., resource-efficient and low-carbon measures). They will also enable policy conditions and institutional arrangements to improve environmental sustainability and safeguard the performance of GMS ECP investments.

11. **Output 2: Management of transboundary biodiversity conservation landscapes and local livelihoods improved** will support biodiversity conservation measures in critical transboundary landscapes in the GMS. It will support sustainable livelihoods for local communities and also enhance the performance of investments in the economic corridors by maintaining and improving the flow of ecosystem goods and services. Activities will include: (i) improving and updating biodiversity profiles in conservation landscapes; (ii) providing economic and other analysis to support the development of value chains of ecosystem-based goods and services that will promote rural livelihoods; (iii) strengthening biodiversity conservation corridor management and monitoring; and (iv) improving compliance with multilateral environmental agreements on the movement of wildlife, timber, and other natural resources. Output 2 is expected to be complemented by a regional program on forest and biodiversity conservation, funded by the Global Environment Facility.

12. **Output 3: Climate-resilient and low-carbon strategies developed** will promote climate-friendly development within the GMS through the integration of climate-change

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14 While economic corridors enhance "physical connectivity," biodiversity conservation corridors support "ecosystem connectivity" to accommodate movements of species between core areas. These corridors are embedded within wider conservation landscapes, which provide services based on ecosystem functions.

mitigation and adaptation considerations for key development sectors. Activities will focus on vulnerability assessments and adaptation strategies, including ecosystem-based adaptation, for rural communities dependent on agriculture or tourism-based livelihoods. Special consideration will be given to measures benefiting women and ethnic minorities. Synergies between climate-change adaptation and conventional disaster risk reduction measures will be supported. Low-carbon strategies and monitoring, reporting, and verification systems will be developed for transport, energy, and other relevant sectors. Activities under this output will also support reduced emissions from deforestation and degradation readiness.

13. **Output 4: Institutions and financing for sustainable environmental management improved** will support capacity development to strengthen institutional arrangements and enabling policies for effective regional cooperation on environmental management within the overall framework of the GMS ECP. Activities will focus on mainstreaming environment- and climate-friendly measures through multisector investment planning in priority economic corridors. This output will also support the development of enabling policy and regulatory conditions to promote conservation and ecosystem management through incentive-based mechanisms (e.g., payment for ecosystem service schemes targeting hydropower, tourism, or urban water supply and by harnessing global climate finances). Activities will also promote private financing for conservation and ecosystem management through appropriate public-private partnerships and innovative financial instruments (e.g., biodiversity offsets targeting logging and mining operations and philanthropic support).

C. **Cost and Financing**

14. The total cost of the TA is estimated at $14.8 million equivalent. ADB will finance $0.8 million on a grant basis from its Technical Assistance Special Fund (TASF-LV) and the Government of Finland will cofinance, and ADB will administer, $14.0 million equivalent. The GMS governments will provide in-kind contributions in the form of staff assigned to supervise, implement, coordinate, and monitor TA activities, and office space for national support units (NSUs). The detailed cost estimates are in Appendix 2. The TA covers the first 4 years (2012–2015) of the CEP-BCI (2012–2016) PFD as explained in para. 2. The scale of activities and duration of the TA will be revised to cover the full scope of the CEP-BCI PFD (2012–2016) as additional cofinancing becomes available.

D. **Implementation Arrangements**

15. The TA will be implemented from 1 January 2012 until 31 December 2015.\(^{16}\) The respective WGE focal agency of each country will be responsible for implementing the TA.\(^{17}\) Following a programmatic approach, the WGE focal agencies will prepare annual work plans and budgets (AWPBs) in coordination with relevant national and provincial sector agencies (i.e., in the agriculture, energy, tourism, and transport sectors), the Economic Corridor Forum, and the Phnom Penh Plan Secretariat. They will also liaise with development partners (including nongovernment organizations) and ADB resident missions to ensure complementarity between respective environmental and climate-related programs and projects. The AWPB will be adopted at the WGE annual meetings and progress will be reviewed at the semiannual meetings. Activities included in the AWPB will be implemented through letters of agreement between ADB and, as appropriate, the WGE focal agency, other national or subnational sector line agencies, nongovernment organizations, and academic or research institutions acting as implementing agencies for the TA.

\(^{16}\) Following “no-objection” approval by the countries.

\(^{17}\) The responsible WGE focal agencies are: the Ministry of Environment (Cambodia), the Ministry of Environmental Protection (PRC), and the Ministry of Natural Resources and Environment (Lao PDR, Thailand, and Viet Nam).
16. Following implementation arrangements established during phase 1 of CEP-BCI, the EOC will be responsible for timely and effective delivery of the TA. The EOC will continue its role as the technical secretariat to the WGE, specifically as a subregional knowledge hub and resource and referral center on environmental management tools and practices, socioeconomic and biophysical information, and expertise in environmental and climate-related fields. NSUs established under phase 1 will be further strengthened to support the respective WGE focal agency with TA implementation. NSU staff will facilitate coordination of activities and meetings, monitor progress of AWPBs, update geographic information systems (GISs) and environmental information systems, and assist with reporting to the WGE. Details of EOC and NSU roles and responsibilities are in Appendix 3.

17. The TA will require the services of international consultants (up to 175 person-months) and national consultants (up to 751 person-months). Following ADB’s Guidelines for the Use of Consultants (2010, as amended from time to time), international consultants will be engaged either as individuals (to staff the EOC and for some program activities and NSUs) or as a firm (for implementing selected program activities). The engagement of national consultants will be delegated to the EOC in accordance with arrangements satisfactory to ADB. Over the course of the TA, GMS country specialists (an estimated 47 person-months) will be deputed (on secondment) and GMS interns engaged in the EOC. Equipment for the EOC and the NSU will be procured by ADB according to ADB’s Procurement Guidelines (2010, as amended from time to time). Equipment will be handed over to the respective implementing agencies upon completion of the TA.

18. Disbursements under the TA will be made in accordance with ADB’s Technical Assistance Disbursement Handbook (2010, as amended from time to time). An advance payment facility will be used to disburse funds to (i) national implementing agencies and partners, including NSUs; and (ii) the EOC, under ADB’s Thailand Resident Mission, to cover operating costs and travel expenses of EOC staff and consultants. The advance payment facility will be replenished on submission of a statement of expenditures. Implementing agencies and partners will be required to maintain project accounts and have these accounts audited periodically.

IV. THE PRESIDENT’S RECOMMENDATION AND DECISION

19. The President recommends that the Board approve ADB administering a portion of technical assistance not exceeding the equivalent of $14,000,000 for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2, to be financed on a grant basis by the Government of Finland. If the Board approves ADB administering the technical assistance, the President acting under the authority delegated by the Board, will approve ADB providing the balance of the technical assistance not exceeding the equivalent of $800,000 on a grant basis for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2.

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16. Under supervision of ADB, which serves as the executing agency.
19. Selection method will be determined based on terms of reference, in consultation with Central Operations Services Office.
20. On arrangements agreed with EOC.
21. Equipment procured for EOC under ADB’s TA for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion will continue to be used and upgraded during the TA. Equipment for NSUs, such as computers and other office equipment, to be decided during implementation.
22. Including ADB staff serving as resource persons to the TA.
### DESIGN AND MONITORING FRAMEWORK

<table>
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<tr>
<th>Design Summary</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
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<tr>
<td><strong>Impact</strong></td>
<td>Improved biodiversity conservation and climate resilience across the GMS</td>
<td>Compared to 2011 baselines by 2022:&lt;sup&gt;4&lt;/sup&gt; Forest patch sizes maintained in GMS biodiversity conservation corridors and landscapes Climate change adaptation and disaster risk preparedness improved in at least 500 communities in GMS conservation landscapes</td>
<td>National and FAO forestry reports EPA and environmental performance index reports Provincial and local development plans BCC socioeconomic baseline in Cambodia, the Lao PDR, and Viet Nam CEP-BCI progress reports</td>
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<tr>
<td><strong>Outcome</strong></td>
<td>Environment-friendly and climate-resilient GMS ECP</td>
<td>Compared to 2011 baselines, by 2015: ECP portfolio comprises at least 20% of pro-environment and climate-resilient investments Livelihoods (cash and noncash elements) of at least 50% of participating households in the conservation landscapes are improved, with at least 35% women beneficiaries</td>
<td>GMS sector and line agency reports Regional, national, and sector publications on economic indicators Reports to GMS ministers’ meetings and EMM CEP-BCI progress reports</td>
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<td><strong>Outputs</strong></td>
<td>Environmental planning systems, methods, and safeguards improved</td>
<td>By 2015: Environmental and social considerations included in at least 10 GMS sector or corridor strategies and plans At least 150,000 people in the GMS economic corridors benefit from environmental measures, at least 35% of them women At least 100 agency staff (at least 35% women) able to implement safeguard assessments</td>
<td>GMS sector plans and strategies National environmental and social safeguards regulations and guidelines GMS country state of the environment reports CEP-BCI progress reports and baseline database</td>
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<tr>
<td><strong>Management of transboundary biodiversity conservation</strong></td>
<td>By 2015: Biodiversity corridors are gazetted in at least three GMS countries.</td>
<td>Provincial regulations, decisions Provincial land-use plans GMS program evaluation</td>
<td>GMS cooperate on cross-border conservation activities.</td>
</tr>
</tbody>
</table>

**Risk**
Impact of rapid economic growth outpaces environmental response times.
<table>
<thead>
<tr>
<th>Design Summary</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| landscapes and local livelihoods improved | Co-management and maintenance of areas designated for strict protection is in place in at least three landscapes  
Payment for environmental services guidelines developed in at least two countries | reports  
TRAFFIC and WWF reports on wildlife and timber trade  
Program baseline and progress reports  
Socioeconomic surveys | Risks  
Conservation and sustainable livelihoods gains negated by adhoc development  
Growing demand for wildlife and forest products |
| Climate-resilient and low-carbon strategies developed | By 2015:  
At least 3 national, provincial, or city-based MRV systems developed  
At least three investment proposals on low-carbon technologies prepared  
Climate change coping strategies adopted by at least 100 community groups, with at least 35% women beneficiaries | ADB climate change fund progress reports  
GMS ECP sector progress reports  
GMS country REDD reporting  
GMS business forum reports | Assumptions  
Availability of funds for climate change activities  
Sufficient demand for low-carbon and energy-efficient growth |
| Institutions and financing for sustainable environmental management improved | By 2015:  
NSUs fully operational in at least four countries  
At least 50% of EOC professional staff are from GMS, at least 40% of them women  
At least two bankable private sector projects in environmental and natural resources developed and collaboration secured | Government circulars  
CEP-BCI progress reports | Assumption  
Sufficient financial resources and support for environmental service delivery |

### Activities with Milestones

**Output 1: Environmental planning systems, methods, and safeguards improved**

1.1 Build subregional and national SEA capacities, with at least two SEAs per year starting in 2012

1.2 Build capacity for environmental safeguards, through engagement with at least ten projects and/or programs in the GMS by 2013

1.3 Strengthen country environmental monitoring processes, with protocols for at least three national systems established by 2015

**Output 2: Management of transboundary biodiversity conservation landscapes and local livelihoods improved**

2.1 Improve and update biodiversity profiles in conservation landscapes, with at least one profile completed by 2013

### Inputs ($'000)

| ADB and Cofinanciers: | 14,800 |
| Output 1: | 4,867 |
| Output 2: | 3,790 |
| Output 3: | 1,657 |
| Output 4: | 3,716 |
| Contingency: | 770 |
Activities with Milestones

2.2 Support value chain development based on ecosystem goods and services, with recommendations for four investment projects by 2015

2.3 Strengthen biodiversity conservation corridor management and monitoring in biodiversity conservation landscapes, establishing cross-border management arrangements in at least two transboundary landscapes by 2015

2.4 Improve compliance with multilateral environmental agreements on the movement of wildlife, timber, and other natural resources by supporting at least two cross-border initiatives by 2015

Output 3: Climate-resilient and low-carbon strategies developed

3.1 Support climate-resilience measures and synergies between adaptation and disaster risk reduction strategies in agriculture, natural resources, and tourism sectors by identifying at least two adaptation projects for financing by 2015

3.2 Support low-carbon strategies and MRV frameworks in energy and transport sectors, with at least two investment proposals developed by 2014

3.3 Support country REDD readiness and piloting, with at least two REDD readiness plans developed by 2015

Output 4: Institutions and financing for sustainable environmental management improved

4.1 Strengthen subregional-, national-, and subnational-level capacity for environmental management and monitoring, with particular emphasis on the roles of the WGE and NSUs for delivering subregional outcomes and impacts, with all NSUs functional by 2014

4.2 Policy and institutional support for sustainable financing of conservation and ecosystem management, with at least one payment for ecosystem services scheme initiated by 2014

4.3 Facilitate PPPs for conservation and ecosystem management, with at least one PPP arrangement developed by 2015

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants</td>
<td>6,237</td>
</tr>
<tr>
<td>GMS country implementation and partnerships</td>
<td>3,600</td>
</tr>
<tr>
<td>Equipment</td>
<td>402</td>
</tr>
<tr>
<td>Training</td>
<td>1,390</td>
</tr>
<tr>
<td>Surveys</td>
<td>260</td>
</tr>
<tr>
<td>Miscellaneous administration and support costs</td>
<td>2,141</td>
</tr>
<tr>
<td>Contingencies</td>
<td>770</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank; BCC = Biodiversity Conservation Corridors; CEP-BCI = Core Environment Program and Biodiversity Conservation Corridors Initiative; EPA = environmental performance assessment; ECP = economic cooperation program; EMM = environment ministers’ meeting; EOC = Environment Operations Center; FAO = Food and Agriculture Organization of the United Nations; GMS = Greater Mekong Subregion; Lao PDR = Lao People’s Democratic Republic; MRV = monitoring, reporting and verification; NSU = national support unit; PPP = public-private partnership; REDD = reduced emissions from deforestation and degradation; SEA = strategic environmental assessment; TRAFFIC = the wildlife trade monitoring network (www.traffic.org), WGE = Working Group on Environment; WWF = World Wildlife Fund.

Note: Detailed activity milestones will be identified by GMS countries in the first quarter of 2012 during inception.


COST ESTIMATES AND FINANCING PLAN
($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asian Development Bank</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1. Consultants</strong></td>
<td></td>
</tr>
<tr>
<td>a. Remuneration and per diem</td>
<td></td>
</tr>
<tr>
<td>i. International consultants</td>
<td>2,565.00</td>
</tr>
<tr>
<td>ii. National consultants</td>
<td>2,857.00</td>
</tr>
<tr>
<td>iii. Greater Mekong Subregion country specialists on deputation</td>
<td>118.00</td>
</tr>
<tr>
<td>b. International and local travel</td>
<td>579.00</td>
</tr>
<tr>
<td>c. Reports and communications</td>
<td>118.00</td>
</tr>
<tr>
<td>d. Greater Mekong Subregion country implementation and partnerships</td>
<td>3,600.00</td>
</tr>
<tr>
<td><strong>2. Equipment</strong></td>
<td>402.00</td>
</tr>
<tr>
<td><strong>3. Training, seminars, and conferences</strong></td>
<td></td>
</tr>
<tr>
<td>a. Facilitators</td>
<td>278.00</td>
</tr>
<tr>
<td>b. Training program</td>
<td>1,112.00</td>
</tr>
<tr>
<td><strong>4. Surveys</strong></td>
<td>260.00</td>
</tr>
<tr>
<td><strong>5. Miscellaneous administration and support costs</strong></td>
<td>2,141.00</td>
</tr>
<tr>
<td><strong>6. Contingencies</strong></td>
<td>770.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,800.00</strong></td>
</tr>
</tbody>
</table>

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*a* Financed by the Technical Assistance Special Fund (TASF-IV) of the Asian Development Bank (ADB) and by the Government of Finland. The cofinancer fund is administered by the ADB on a front-loaded basis. This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant.

*b* Includes funds for national support units in Greater Mekong Subregion countries, partnership agreements, and service contracts.

*c* Includes $725,000 for publication and media documentation.

Source: Asian Development Bank estimates.
GREATER MEKONG SUBREGION ENVIRONMENT OPERATIONS CENTER

A. Background and Purpose

1. The Greater Mekong Subregion (GMS) environment ministers' meeting in Shanghai, People's Republic of China, in May 2005, and the second GMS summit in Kunming, People's Republic of China, in July 2005, endorsed the implementation of the Core Environment Program (CEP) and its flagship component, the Biodiversity Conservation Corridors Initiative (BCI). The GMS environment ministers also endorsed the establishment of the Environment Operations Center (EOC) in Bangkok, Thailand, to provide operational capacity to the Working Group on Environment (WGE) and to implement CEP-BCI. The EOC was duly established under the TA of the Asian Development Bank (ADB) for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion.¹

2. The GMS EOC facility will continue under the proposed TA and serve as WGE secretariat for coordinating with development partners and GMS countries and as a program management unit. The EOC will coordinate and facilitate the timely and effective implementation of the GMS CEP in collaboration with GMS governments, local communities, development partners, non-state implementing partners, and service providers. The establishment of the EOC has helped maximize program synergies, and reduce transaction costs and operational burdens on implementing agencies and program partners; it has created a platform for multisector planning, with responsibility for implementation lying with field-level sector agencies.

3. Over phase 1 of CEP-BCI, the EOC has evolved into a credible knowledge hub on GMS environmental matters. The geographic information system (GIS)-based information system built over phase 1 serves as a valuable resource for spatial and analytical assessments and as a monitoring and evaluation tool. In addition, the EOC has produced a range of useful knowledge products and services, including a comprehensive website, which will continue to serve as an information clearinghouse for environmental management best practices and socioeconomic and biophysical information on the GMS. The EOC will also be a subregional referral center for expertise on environmental planning, biodiversity conservation, and climate change.

4. In this context, the EOC will continue to support ADB operations (i.e., loans and TA projects in energy, transport, tourism, and agriculture sectors) by responding to technical queries on socioeconomic and biophysical aspects of the GMS. In line with the long-term vision of the EOC becoming a fully GMS-owned and -supported technical secretariat on environment and climate-change matters, EOC staff will increasingly be recruited from the GMS.

5. The EOC will house the TA's core technical team. Overall coordination of the TA as well as financial and administrative functions will be based at the EOC. A GMS national will be identified to serve as the EOC's chief of operations (COO). The core technical team will comprise international and GMS national specialists. GMS nationals will have program coordination, financial, and administration responsibilities.

B. Environment Representation in Greater Mekong Subregion Working Groups

6. Building sustainability and environment into GMS development programs and projects will require close linkage between the WGE and other GMS working groups. Under ADB’s TA for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, the WGE has interfaced with other working groups to mainstream the environment into their sectors. It will continue to do so by keeping those other groups informed of environmental trends and regional concerns, helping them review strategies and programs, contributing to strategy and investment design, and preparing environment safeguards and mitigation measures. The WGE will seek to (i) make development actions more sustainable, and (ii) build environmental components into development activities.

C. Functions of the Greater Mekong Subregion Environment Operations Center

7. The overriding concern of the WGE and the EOC is to conserve the natural systems of the GMS for the ecosystem services they provide, to protect and enhance environmental quality, and to ensure sustainable development in the GMS. The EOC’s primary function must be to help define and keep watch on those areas that must be kept in their natural state for the broad development benefits they provide to the local, national, and subregional economies. The EOC will focus on five main tasks as described below.

8. The five main tasks of the EOC are:

(i) GMS environmental information and knowledge management:
   (a) maintaining and sharing environmental information (from various sources, including environmental assessments of development projects and sector strategies);
   (b) keeping track of trends and problems in subregional environment reporting;
   (c) analyzing and planning strategies to address current and emerging issues (such as climate change and air pollution) related to environmental and natural resource maintenance; and
   (d) taking an active part in communications and information networking.

(ii) GMS environmental management and conservation:
   (a) managing the GMS CEP;
   (b) setting the framework for environmental safeguards and codes of practice for key development sectors;
   (c) preparing the GMS environment action plan, and reviewing and revising it regularly, in keeping with GMS development programming cycles;
   (d) implementing the BCI; and
   (e) attracting finance for new environmental initiatives to meet changing needs.

(iii) Sustainable development design, environmental assessment, and oversight:
   (a) providing strategic environmental assessments of sectors;
   (b) contributing to the design and sustainability of development projects;
   (c) carrying out environmental reviews of strategies and plans; and
   (d) monitoring and reporting on performance.

(iv) Coordination and liaison:
(a) convening regular meetings of development partners and stakeholders to keep them informed of progress, and nurturing the GMS environmental partnership for the implementation of the GMS action plan and CEP; and

(b) convening regular meetings with stakeholder groups to engage them in program development, implementation, and monitoring.

(v) Acting as WGE secretariat. The WGE is the steering and oversight body responsible for implementing the GMS CEP. It must meet at least twice a year, with each member country convening meetings and facilitating in-country activities under the CEP. The EOC has taken over the secretariat and program support functions for the WGE under ADB’s TA for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion; the EOC will continue to administer these.

D. Functions of the National Support Units (NSUs)

9. Fully functioning country national support units (NSUs) will be formed to support the WGE focal agency to implement CEP-BCI activities at the subnational and national levels. They will facilitate coordination of activities and meetings, monitor progress of CEP-BCI annual work plans and budgets, update GIS and environmental information systems, and assist with reporting to the WGE. The NSU will be staffed with technical and administrative national consultants, recruited according to ADB’s Guidelines for the Use of Consultants (2010, as amended from time to time). The composition of NSU staff will depend from country to country, but will include at least three staff responsible for the above task.

10. Under the auspices of the WGE focal points, the NSUs will work closely with country implementing agencies, partners, and ADB resident missions to identify opportunities for collaboration and environmental mainstreaming. NSUs will also provide management and administration support. They will liaise closely with country implementing agencies and partners and provide annual work plans and budget estimates to the EOC. The NSUs will provide mid-year progress and expenditure reports.

11. An ADB project officer based at the Thailand resident mission will supervise the EOC. The EOC operational team will be managed by the COO from a GMS country, who will be responsible for overall program delivery and effectiveness. The COO will be assisted by the following:

(i) technical program head and environmental planning specialist,
(ii) biodiversity conservation landscapes specialist,
(iii) climate change specialist,
(iv) GIS and knowledge management specialist,
(v) capacity development specialist,
(vi) social and gender specialist,
(vii) outreach specialist,
(viii) program implementation and coordination specialists (NSUs and EOC),
(ix) financial accounting and management specialist,
(x) programmatic technical and implementation support specialists, and
(xi) support staff.
Figure A3.1: Environment Operations Center Setup

Working Group on Environment (WGE) (GMS countries)

WGE focal agency

COO

WGE Cochair
Director, SEER
ADB

ADB project officer

NSUs
Program implementation and coordination specialists
International and national consultants (intermittent)

Environmental planning and safeguards
Technical planning head
GMS coordinator
International and national consultants (intermittent)

Biodiversity conservation landscapes
Biodiversity
Landscapes specialist
GMS coordinator
International and national consultants (intermittent)

Climate change
Climate-change Specialist
GMS coordinator
International and national consultants (intermittent)

Sustainable financing
COO
GMS coordinator
International and national consultants (intermittent)

Support Services
Financial accounting and management specialist
Capacity building specialist
Social and gender specialist
Outreach specialist
International and national consultants (intermittent)
Finance accounting staff
Administrative staff

ADB = Asian Development Bank, COO = chief of operations, GMS = Greater Mekong Subregion, SEER = Environment, Natural Resources, and Agriculture Division.
Figure A3.2: Core Environment Program—Biodiversity Conservation Corridors Initiative Organizational Structure

ADB = Asian Development Bank, ECP = economic cooperation program, EOC = Environment Operations Center, GMS = Greater Mekong Subregion, HRD = human resources development, NSU = national support units, WGE = Working Group on Environment.
OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The following sections describe the general roles and responsibilities of Environment Operations Center (EOC) professional and technical staff, national support unit (NSU) coordinators, and administrative and support positions. A total of 175 person-months of international consultants and 751 person-months of national consultants will be required.

A. Chief of Operations (Greater Mekong Subregion national, 36 person-months)

2. The Chief of Operations (COO) will be the representative head of the Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI) and the Greater Mekong Subregion (GMS) Environment Operations Center (EOC). The COO will support GMS country Working Group on Environment (WGE) and cross-sector line agencies in CEP-BCI planning, monitoring and program reporting, policy dialogue, and representational matters. The COO will work with the WGE, the GMS secretariat, and other GMS Economic Cooperation Program (ECP) focal agencies to implement a coordinated strategic approach to achieve CEP-BCI objectives. S/he will take the lead in discussing policy issues with GMS countries; follow up on incorporating environmental considerations into subnational, national, and regional investment decisions; and liaise with GMS country focal agencies and the Asian Development Bank (ADB), reporting to the WGE and the environment ministers’ meetings (EMMs). Specific tasks of COO include:

   (i) providing strategic direction to the program and identifying opportunities to further embed it within GMS economic cooperation, environment, and climate-related platforms;
   (ii) assuming overall responsibility for achieving the program’s impacts and outcomes and overseeing routine operations with the support of EOC staff;
   (iii) engaging in strategic dialogue with senior decision-makers in the GMS, nongovernment and academic or research institutions, and development partners;
   (iv) serving as a representative of the CEP-BCI at appropriate regional, national, and subnational events, including engaging with the WGE and other subregional entities of the GMS ECP; and
   (v) leading resource mobilization activities through dialogue with GMS governments and development partners.

B. Technical Program Head and Environmental Planning Specialist (1 international, 36 person-months)

3. The technical program head, working with other technical leads, will help the COO implement the CEP-BCI. The program head takes the lead in technical planning and implementation matters, helping GMS countries incorporate environmental considerations into subnational, national, and regional investment decisions. The specialist will provide inputs in environmental planning, performance assessment, and safeguard functions. The technical program head will:

   (i) develop and update annual work plans and budgets in collaboration with WGE focal agencies and ADB and with technical support from EOC staff;
   (ii) propose agreed actions to achieve program objectives, in consultation with the COO;
   (iii) direct the technical team to achieve work plans and deliverables on time, providing assessments, analysis, and concept notes to the ADB project officer,
monitoring firms and consultants on short-term assignments, and assisting with follow-up on procedural issues with GMS countries and ADB;

(iv) produce technical materials, guidelines, and reports (i.e., policy briefs, concept papers) in close collaboration with EOC technical lead staff;

(v) oversee coordination of technical inputs of consultants engaged under the program (working at the EOC and through NSU);

(vi) conduct environmental planning activities related to strategic environmental assessments (SEAs), geographic information system (GIS)-based spatial multicriteria analysis, and application of other strategic planning tools and processes, in consultation with the WGE and other sector line agencies;

(vii) provide monitoring and evaluation inputs to economic corridor-level SEAs and general program monitoring;

(viii) conduct country diagnostic studies (identifying relevant policies, regulations, operation guidelines, and implementation manuals) on environmental safeguards equivalence;

(ix) strengthen environmental and social safeguard systems in selected GMS, enabling environment and key sector ministries to improve safeguard application and enforcement;

(x) support GMS national monitoring and reporting systems, collate and update baseline data and compilations from country, regional, and other databases;

(xi) assist in monitoring subregional compliance in the framework of multilateral agreements; and

(xii) consolidate and provide technical progress reports at 6-month intervals to the COO for submission to the WGE, development partners, and ADB.

C. Biodiversity Conservation Landscapes Specialist (1 International, 24 person-months)

4. The biodiversity conservation landscapes specialist will be responsible for identifying and achieving landscape-level biodiversity conservation outcomes across the GMS, particularly in areas impacted by the GMS ECP. The specialist will:

(i) identify and assess the potential impacts of national policies, socioeconomic development, and other sector plans (in the transportation, energy, tourism, agriculture, and other relevant sectors) on biodiversity conservation landscapes, with support from technical specialists and other stakeholders;

(ii) identify the geographic boundaries of biodiversity conservation landscapes based on current land-use plans, ecosystem profiles, and spatial multicriteria assessments, specifying suitability mapping for maintaining biodiversity corridors and habitat connectivity;

(iii) promote a biodiversity conservation landscape approach in GMS national biodiversity action plans;

(iv) support GMS countries to develop the appropriate policy and and or enabling conditions needed to establish and maintain biodiversity conservation landscapes and corridors;

(v) incorporate available biodiversity baseline information into biodiversity conservation landscape profiles and maintain updated baseline data by landscape;

(vi) support the creation of early warning mechanisms that identify climate-change impacts, support disaster prevention activities, and enhance coping mechanisms of local communities;
(vii) oversee and guide technical inputs for program implementation, monitoring and reporting on transboundary biodiversity corridor and landscape activities in GMS countries; and
(viii) submit technical progress reports and updates to the technical program head every 6 months for consolidation into the program progress report.

D. **Climate-Change Specialist** (1 international, 36 person-months)

5. The specialist will work with the WGE and GMS focal agencies in the transportation, energy, tourism, and agriculture and natural resources sectors to integrate mitigation and adaptation measures into economic development plans that maintain biodiversity and ecosystem services and sustain economic development under anticipated climate-change impacts in the GMS. Such activities include the implementation of carbon-neutral transportation corridors, reduced emissions from deforestation and degradation (REDD+), and supporting sustainable finance mechanisms (e.g., payment for ecosystem services). The climate-change specialist will:

(i) develop and update policy papers that identify priority adaptation measures for the WGE, the GMS secretariat, and cooperating focal agencies;
(ii) identify potential investments in the GMS ECP and ADB’s country partnership strategies that could be negatively affected by climate change;
(iii) conduct cost-benefit analyses, as appropriate, based on economic assessments of business-as-usual, climate-change adaptation or alternative strategies;
(iv) develop measurable indicators for program outputs, outcomes, and impacts;
(v) develop energy demand management strategies to support GMS energy sector development plans;
(vi) mainstream energy demand management and REDD+ strategies into economic development policies and plans;
(vii) support the development of sustainable forestry strategies and private sector investment and policy-enabling conditions to achieve climate-change mitigation outcomes; and
(viii) submit technical progress reports to the technical program head every 6 months.

E. **Geographic Information Systems and Knowledge Specialist** (1 international, 12 person-months; 1 national, 18 person-months)

6. The specialist supports the development of the GMS EOC knowledge and information database and the application of decision support tools and related modeling approaches. Together with the WGE, the GMS secretariat, and the other ECP focal agencies, s/he will:

(i) establish a database that will serve as an information hub for the GMS ECP;
(ii) complete a needs assessment for the database;
(iii) identify data sources that can be incorporated into or linked to the database;
(iv) establish and update GIS-based spatial biophysical and socioeconomic baseline assessment tools;
(v) establish linked-in centers in national databases;
(vi) develop a servicing approach and protocol for updating the database;
(vii) develop supporting tools for use in SEAs, environmental impact assessments, and associated environmental monitoring assessments and modeling approaches;
(viii) support the development of GIS-based assessment tools such as DevMap, SMCA, climate-change adaptation models, and ecosystem services valuation modeling tools;
(ix) create, revise, or update spatial data on EOC website and the online GMS Atlas;
(x) develop a protocol for using and contributing to the database; and
(xi) submit technical progress reports to the technical program head every six months.

F. Capacity Development Specialist (1 national, 30 person-months)

7. The capacity development specialist will support the WGE, the GMS secretariat, and EOC task leaders to create conditions under which the regional vision adopted by the CEP-BCI and the EOC area are fully owned by GMS countries and their implementation agencies are capable of carrying it out. The specialist will work with EOC task leaders to develop rigorous approaches to capacity building, identify training needs and participants, develop training support programs to meet technical needs, develop short modules linked to specific outputs, and support a learning-by-doing approach structured to factor participant feedback into the way the output is reached. The specialist will monitor project and activity implementation progress and support technical consultants to adjust planned training activities as needed, with minimum supervision.

G. Social and Gender Specialist (1 national, 35 person-months)

8. The social and gender specialist will have work experience with ethnic minorities, livelihoods, and gender. The specialist will support the WGE, the GMS secretariat, and EOC task leaders in documenting social analyses and updating socioeconomic monitoring data, disaggregated by gender and ethnicity across the GMS countries. The specialist will review existing information, and collate information that has been generated based on ADB’s policy, guidelines, and strategies on poverty reduction analysis, gender development action, indigenous peoples resettlement, and participatory approaches. The specialist will monitor impacts on indigenous peoples, with due attention to the institutional capacity of the implementing agencies, in accordance with national laws and regulations and ADB’s operations manual and policy on indigenous peoples. In particular, s/he will assess the role and capacity of national women’s unions and groups that are active in promoting gender balance and their possible contributions during implementation.

H. Outreach Specialist (1 national, 36 person-months)

9. The outreach specialist will ensure that sufficient awareness exists about the CEP-BCI and its support for the GMS ECP on three levels: (i) increased and improved awareness in mainstream society; (ii) improved awareness of the program in the GMS secretariat, focal agencies, ADB, and potential partner agencies; and (iii) improved awareness and ability to articulate program impacts, outcomes, outputs, activities, and their specific values to policy decision makers, the private sector, development, and implementing partners. The specialist will help technical staff effectively communicate simple and understandable messages about the highly technical aspects of the program to program clients, partners, and civil society.

I. Program Implementation and Coordination Specialists Based in the NSU and the EOC (1 national, NSU, 240 person-months; EOC 144 person-months)
10. The national program implementation and coordination specialist will:
   (i) disseminate analytical skills (e.g., SEAs, spatial multicriteria analysis, and environmental performance assessment);
   (ii) facilitate CEP-BCI integration into other relevant sector- and climate-change bodies;
   (iii) improve environmental information and monitoring capacity at the national level;
   (iv) integrate CEP-BCI activities into the country program strategy and country environmental analysis processes in the resident mission;
   (v) support implementation of regional initiatives; and
   (vi) create a knowledge and information network between the WGE, the EOC, the national NSU, other national working groups, and development and implementing partners.

J. Financial Accounting and Management Specialist (1 national, 48 person-months)

11. The financial accounting and management specialist will:
   (i) devise guidelines to set up and operate disbursements, invoices, and claim settlements;
   (ii) open and maintain project account ledgers, prepare statements of accounts and expenditures, and support external audits, following up with responses;
   (iii) follow up on timely disbursements to partner organizations and assist in their queries;
   (iv) follow up on monthly liquidation of advance and imprest account facilities used by partner organizations under the CEP-BCI and ensure that partners in the GMS countries are submitting properly documented claims;
   (v) administer the administration and miscellaneous budget line to cater to EOC operations, travel advances, and liquidation by consultants and EOC staff; and
   (vi) provide timely financial reports to the COO and task leaders for submission to the WGE.

K. Programmatic Technical and Implementation Support Positions (intermittent international inputs of 67 person-months; intermittent national inputs of 163 person-months)

12. The programmatic technical and implementation support positions will focus on the development and application of tools and approaches related to spatial planning and analysis, biophysical and socioeconomic monitoring and profiling; climate and environmental risk assessment and management; ecosystem valuation and economic assessments; carbon accounting and financing; legal, policy, and regulatory assessments and development; institutional assessments and development; and environmental financing. These positions will help EOC and NSU staff implement program activities, adopting methodologies appropriate to local biophysical and socioeconomic conditions found throughout the GMS.
FOR OFFICIAL USE ONLY

R218-12
14 November 2012

TA 7987-REG: Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 Major Change in Technical Assistance

1. Attached for the consideration of the Board is a paper on the above subject.

2. In the absence of any request for discussion and in the absence of a sufficient number of abstentions or objections (which should be communicated to The Secretary by the close of business on 5 December 2012), the recommendation in paragraph 22 of the Paper will be deemed to have been approved, to be so recorded in the minutes of a subsequent meeting of the Board. Any notified abstentions or objections will also be recorded in the minutes.

For Inquiries: S. Ranawana, Southeast Asia Department
(Ext. 5526)

The attached document has a restricted distribution until it has been approved by the Board of Directors. Following such approval, the document will be available to the public.
Major Change in Technical Assistance

Project Number: 44323
TA Number: 7987-REG
November 2012

Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2

Asian Development Bank
ABBREVIATIONS
ADB — Asian Development Bank
BCI — Biodiversity Conservation Corridors Initiative
CEP — Core Environment Program
EMM — environment ministers meeting
EOC — Environment Operations Center
GMS — Greater Mekong Subregion
Lao PDR — Lao People’s Democratic Republic
TA — technical assistance
WGE — Working Group on Environment

NOTE
In this report, "$" refers to US dollars.

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Office/Department</th>
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<tr>
<td>Vice-President</td>
<td>S. Groff, Operations 2</td>
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<tr>
<td>Director General</td>
<td>K. Senga, Southeast Asia Department (SERD)</td>
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<tr>
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<td>J. H. Mir, Environment, Natural Resources and Agriculture Division, SERD</td>
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<td>S. Ranawana, Senior Natural Resources Specialist, SERD</td>
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<td>S. Aman-Wooster, Senior Social Sector Specialist, SERD</td>
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<td></td>
<td>P. Ramachandran, Environment Specialist, SERD</td>
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<td></td>
<td>C. Razon, Project Analyst, SERD</td>
<td></td>
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<tr>
<td></td>
<td>M. Macabingkil, Operations Assistant, SERD</td>
<td></td>
</tr>
</tbody>
</table>

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
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I. PROPOSED MAJOR CHANGE

1. An increase in technical assistance (TA) amount for Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI) in the Greater Mekong Subregion,\(^1\) Phase 2 is proposed for Board consideration.

2. The Board approved the original TA amount of $14.8 million on 12 December 2011.\(^2\) The proposed increase of $8.3 million equivalent (SKr$55 million) will be financed on a grant basis by the Government of Sweden, and will be administered by the Asian Development Bank (ADB).\(^3\) The increase in amount will support scaling up of activities under the original TA framework and extending the implementation period by 1 year. The revised design and monitoring framework is in Appendix 1.

II. BACKGROUND

3. During the second Greater Mekong Subregion (GMS) environment ministers meeting (EMM) in Vientiane in the Lao People’s Democratic Republic (Lao PDR) in 2008, the GMS governments acknowledged the relevance of phase 1 of the CEP-BCI\(^4\) in achieving the overall goals of the GMS economic cooperation program. As directed by the EMM,\(^5\) ADB assisted the GMS Working Group on Environment (WGE) and its technical secretariat, the GMS Environment Operations Center (EOC), to prepare a follow-on phase. The program framework document (PFD)\(^6\) for the CEP-BCI 2012–2016 was endorsed, in principle, at the third EMM in July 2011. The TA is designed to implement the PFD.

4. The impact of the TA will be improved biodiversity conservation and climate resilience across the GMS. The TA outcome will be an environmentally friendly and climate-resilient GMS economic cooperation program. It will support activities in priority economic corridors targeted by the GMS program, and in priority transboundary biodiversity conservation corridors and landscapes.\(^7\)

5. The TA is aligned with the strategic framework for the GMS economic cooperation program, 2012–2022 and is included in the GMS Regional Cooperation Business Plan.\(^8\) The TA

---

\(^1\) Includes Cambodia, the People’s Republic of China, the Lao People’s Democratic Republic, Myanmar, Thailand and Viet Nam.


\(^3\) Revised Financing Plan (accessible from the list of linked documents in Appendix 2).

\(^4\) Phase 1 was implemented through the Regional Technical Assistance for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion (TA 6289 REG), approved in December 2005 for the amount of $24.97 million. Increases in the TA amount were approved in February 2008 ($6.60 million) and April 2011 ($2.09 million), bringing the total TA cost to $34.66 million. This comprised contributions from ADB ($1.62 million), Government of the Netherlands ($14.00 million), Government of Finland ($4.90 million), Government of Sweden ($11.09 million), Poverty Reduction Cooperation Fund ($0.55 million), People’s Republic of China Poverty Reduction Fund ($0.50 million), Climate Change Fund ($1.0 million), and GMS countries ($12.0 million).


\(^6\) The PFD details the full programmatic and geographic scope of activities under CEP-BCI, Phase 2 and the lessons learned from CEP-BCI, Phase 1. See http://www.gms-eoc.org/resources/core-documents to access: the PFD, evaluation reports of Phase 1 (TA 6289 REG), the Inception Report of Phase 2 (TA 7987 REG); and the semiannual progress reports of Phase 1 and 2.

\(^7\) While economic corridors enhance physical connectivity, biodiversity conservation corridors support ecosystem connectivity to accommodate movements of species between core areas. These corridors are embedded within wider conservation landscapes, which provide services based on ecosystem functions.

supports and complements other GMS regional and country-specific programs to systematically assess and integrate sound environmental management and climate resilience measures. The TA comprises four outputs: (i) improved environmental planning systems, methods, and safeguards; (ii) improved management of transboundary biodiversity conservation landscapes and local livelihoods; (iii) development of climate-resilient and low-carbon strategies; and (iv) improved institutions and financing for sustainable environmental management.

6. The cost of the CEP-BCI, 2012–2016 as detailed in the PFD is $26.5 million. At the time of Board approval in December 2011, ADB had secured funding of $14.8 million ($0.8 million from Technical Assistance Special Funds and $14.0 million from the Government of Finland). Consequently, the TA scope and scale of activities was designed commensurate with the available financing and with a shorter implementation period of 4 years (2012–2015). The current TA completion date is 31 December 2015.

III. IMPLEMENTATION PROGRESS

7. Since the TA became effective on 12 December 2011, progress has been in line with the planned implementation schedule. Inception missions were conducted in each of the countries and an 18-month (July 2012–December 2013) work plan was formulated in consultation with implementing partner agencies and other key stakeholders. The Inception Report incorporating the 18-month work plan was presented and approved at the 18th annual meeting of the GMS Working Group on Environment in May 2012. Subsequently, each output of the TA has been elaborated into a detailed activity plan and corresponding yearly milestones. These milestones collectively make up a more detailed monitoring and evaluation framework for annual assessment of progress. Activity specific concept notes are now being prepared and vetted by countries. Meanwhile, ten consultants have been mobilized and letters of agreement have been drafted to engage implementing agencies. About $752,000 has been committed in contract award and about $607,000 has been disbursed to date. The TA implementation arrangements have been reviewed and refined in consultation with the Controller’s Department, Central Operations Services Office, the Office of the General Counsel and the Office of Cofinancing Operations.

8. Activities to date have also focused on a seamless transition from phase 1 of the CEP-BCI including the synthesis and documentation of knowledge and experience. Phase 1 commenced in 2006 (footnotes 4 and 6) and was considered a pilot in terms of consolidating environmental sector support to the GMS countries under a comprehensive programmatic framework covering: (i) strategic environmental assessments, (ii) biodiversity conservation, (iii) environmental performance assessments, and (iv) capacity development for regional environmental management. In February 2012, the GMS countries, supported by the EOC, conducted a major international conference, taking a retrospective and prospective look at development trends in the GMS in the context of the food, water, and energy security of the subregion. The conference reaffirmed the importance of ecosystem services that underpin

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5 ADB administers the cofinancing by the Government of Finland.

6 Results of the evaluation of CEP-BCI, Phase 1 undertaken by the Government of Sweden and Government of Finland were taken into account in designing CEP-BCI, Phase 2.

7 The output (i.e., component) strategies and the detailed monitoring framework can be found at http://www.gms-eoc.org.

8 In addition, contracts amounting to about $758,000 are currently being processed.

9 The completion date of phase 1 was extended until 31 December 2012 to enable a seamless transition between phases 1 and 2.

10 A detailed report of achievements and activities under phase 1 can be accessed at the EOC website (www.gms-eoc.org).
economic development and highlighted the need to protect and enhance the subregion's natural capital. It established a strong basis for the landscape-based and corridor-based approach—which is adopted by the TA—to integrate sound environmental management and climate resilience measures in economic planning and decision making. Several knowledge products are currently being prepared, including an atlas of the GMS which is expected to be launched at the GMS ministers meeting in December 2012. Semiannual progress reports of activities carried out are posted on the EOC website (footnote 6).

IV. RATIONALE FOR THE PROPOSED CHANGE

9. Since the TA's approval in December 2011, ADB has secured additional cofinancing from the Government of Sweden in the amount of $8.3 million equivalent. The additional cofinancing will contribute towards bridging the funding gap between the PFD cost estimates and the TA budget as noted in para. 6. Accordingly, the additional funds made available by the Government of Sweden for the TA will be utilized to increase the number of activities, increase output targets within the existing impact, outcome, and output structure, and extend these activities to Myanmar which was not included in the original TA scope. Moreover, the TA completion date will also be extended by 1 year, from 31 December 2015 to 31 December 2016, to align with the PFD’s implementation period. Paras. 10–18 describe the expanded scale and scope of activities within the original TA output structure. Performance indicators in the design and monitoring framework in Appendix 1 have been revised to reflect the additional activities and outputs to be financed from the additional financing.

10. Output 1: Environmental planning systems, methods, and safeguards improved. This output aims to strengthen: (i) development strategies, plans, and investments in the GMS economic corridors and conservation landscapes by incorporating environmental and social considerations at the strategic planning and design stages; (ii) safeguard capacity of key sectors; and (iii) environmental performance monitoring capacity. Activities include: (i) application of tools such as ecosystem assessments and valuation, strategic environmental assessments, and spatial multicriteria analysis to assess the implications of multisector development on natural resources and ecosystem services; (ii) safeguard capacity building through applications in specific operational settings and training; and (iii) strengthening country environmental monitoring processes, protocols and guidelines.

11. Additional financing will support these activities by: (i) applying ecosystem assessments and valuation in the context of at least one additional subregional and or national sector strategy; (ii) applying multi-sector spatial planning in at least one additional transboundary economic corridors including special economic zones; (iii) scaling up safeguard applications and training programs; (iv) supporting the development of legal instruments for environmental assessments in at least two countries; and (v) strengthening data and information management systems to support economic corridor investments. Emphasis will be on applying innovative multisector approaches to strengthen cross-sector links (e.g., for improved management of the water–food–energy resource nexus) to dovetail with the GMS Regional Investment Framework.

12. Output 2: Management of transboundary biodiversity conservation landscapes and local livelihoods improved. This output supports transboundary biodiversity conservation landscape management and value chain development in context of promoting sustainable livelihood for rural communities. The TA supports: (i) profiling and monitoring of key landscapes; (ii) capacity building for improved management of priority biodiversity conservation corridors; (iii) value chain development to promote eco-friendly rural livelihoods; and (iv) pilot testing community based integrated conservation and development models.
13. Additional financing will enhance these efforts by adopting an agro-ecosystem based approach to develop green value chains to support local livelihoods and employment. Activities will include: (i) scaling up technical and financial viability assessments of products and services (e.g., eco-tourism, agro-biodiversity products, non-timber forest products) to improve local livelihoods in at least one additional biodiversity conservation landscape; and (ii) pilot testing deployment of sustainable livelihood options in agrarian communities in at least three landscapes. Emphasis will be on enhancing area-based cross-sectoral synergies and complementarities between the CEP-BCI and other GMS sector programs, including agriculture, tourism, energy, transport, and trade.¹⁵

14. **Output 3: Climate-resilient and low-carbon strategies developed.** This output will integrate climate change mitigation and adaptation considerations into the planning and implementation of activities of key development sectors. Activities under the ongoing TA support the development of methodologies, tools, and knowledge on climate change impacts and risks.

15. Additional financing will strengthen the testing and application of carbon monitoring systems for sustainable forest management within transboundary landscapes and biodiversity conservation corridors in at least one additional country. Climate change risk and vulnerability assessments will be applied to rural development plans especially in the context of agrarian community development, in at least two countries.

16. **Output 4: Institutions and financing for sustainable environmental management improved.** This output supports: (i) country-specific institutional capacity development activities to strengthen regional cooperation and collaboration on environmental management within the overall framework of the GMS economic cooperation program; and (ii) sustainable financing for environmental management and to enhance the subregion’s natural capital.

17. Additional financing will support scaling up efforts to strengthen national and subnational institutional capacity of the environmental agencies. Activities will include: (i) strengthening National Support Units (NSU) capacity to serve as a focal in-country coordination and technical node for the CEP-BCI in an additional country; and (ii) strengthening linkages between the WGE and other sector working groups to enable better cross-agency coordination, information sharing and reporting at a national level. Additional financing will also support new efforts to secure sustainable financing for environmental management and investment in natural capital. This will involve supporting at least one additional payment for ecosystem services mechanism and one additional public-private partnership arrangement.

18. The expanded scale and scope of activities will require additional consultant inputs. The TA will require the services of 309 person-months of international consultants and 1,121 person-months of national consultants compared with the original figures of 175 person-months of international and 751 person-months of national consultants.¹⁶ Consultants will be recruited, either as individuals (to staff the EOC, NSUs and for some program activities) or as firms (for implementing selected program activities). They will be recruited in accordance with ADB's

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¹⁵ Consistent with this cross-sector integrated approach, and building on the foundation of the CEP-BCI, ADB and the Government of Sweden signed the cofinancing agreement for the GMS Core Agriculture Support Program, Phase 2 on 19 October 2012.

¹⁶ A minor change in implementation arrangements approved in July 2012 revised the required services of international consultants to 247 person-months and national consultants to 715 person-months (Revised Outline Terms of Consultants, accessible from the list of linked documents in Appendix 2).
Guidelines for the Use of Consultants (2010, as amended from time to time). Procurement of goods and services will be in accordance with ADB’s Procurement Guidelines (2010, as amended from time to time). The TA will also be implemented through letters of agreement between ADB and institutions which cannot otherwise be engaged through a competitive bidding process. These include: national line agencies (e.g., government ministries and departments); international organizations (e.g., United Nations Environment Programme); NGOs (e.g., World Wildlife Fund, the International Union for Conservation of Nature); and academic and research institutions (e.g., the Mekong Institute).

19. The EOC will continue to serve as the secretariat to the WGE, ensure technical oversight of activities, and transition into a subregional knowledge hub and information clearinghouse on environmental management procedures, spatial planning tools, and safeguard practices. The National Support Units (NSUs) will assume responsibility for coordination of in-country activities, including assisting with preparation of financial and progress reports, maintenance of environmental information databases, and reporting to WGE.

20. Disbursements will be made in accordance with ADB’s Technical Assistance Disbursement Handbook (2010, as amended from time to time). Consistent with the Board approved TA paper, an advance facility will be used to disburse funds to the EOC operating account established under ADB’s Thailand Resident Mission and will cover workshops, operating costs and other project expenditures. An advance payment facility (APF) will be used to disburse funds to national implementing agencies and partners, including NSUs. The EOC operating account and APF will be replenished upon submission of statement of expenditures. Implementing agencies and partners will be required to maintain project accounts and these accounts will be made available to ADB for inspection and audit purposes.

V. DUE DILIGENCE

21. Activities supported with additional financing will follow the implementation arrangements established under the TA. The proposed changes comply with the project administration instruction on administering grant-financed TA and address comments from the Central Operations Services Office, Office of the General Counsel, Controller’s Department, and the Office of Cofinancing Operations.

VI. THE PRESIDENT’S RECOMMENDATION

22. The President recommends that the Board approve the increase in the TA amount for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 by $8,300,000 equivalent, which will finance the change as described in paras. 1–2.

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17 Selection method will be determined based on terms of reference, in consultation of Central Operations Services Office. The Consultants’ Qualifications Selection method will be adopted to engage firms or nongovernment organizations (NGOs) with highly specialized expertise.

## REVISED DESIGN AND MONITORING FRAMEWORK

<table>
<thead>
<tr>
<th>Design Summary</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Compared to 2011 baselines by 2022:&lt;sup&gt;6&lt;/sup&gt;</td>
<td>National and FAO forestry reports</td>
<td>Assumptions</td>
</tr>
<tr>
<td>Improved</td>
<td>Forest patch sizes maintained in GMS biodiversity</td>
<td>EPA reports</td>
<td>GMS governments remain</td>
</tr>
<tr>
<td>biodiversity</td>
<td>conservation corridors and landscapes</td>
<td>Provincial and local development</td>
<td>committed to inclusive</td>
</tr>
<tr>
<td>conservation</td>
<td>Climate change adaptation and disaster risk</td>
<td>plans</td>
<td>growth and sound</td>
</tr>
<tr>
<td>climate</td>
<td>preparedness improved in at least 700&lt;sup&gt;6&lt;/sup&gt;</td>
<td>ECC socioeconomic baseline in</td>
<td>environmental practices.</td>
</tr>
<tr>
<td>resilience</td>
<td>communities in GMS conservation landscapes</td>
<td>Cambodia, the Lao PDR, and Viet</td>
<td>Investment financing</td>
</tr>
<tr>
<td>across the GMS</td>
<td></td>
<td>Nam</td>
<td>(public and private)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CEP-BCI progress reports</td>
<td>is available.</td>
</tr>
</tbody>
</table>

| **Outcome**     | Compared to 2011 baselines, by 2016:<sup>6</sup> | GMS sector and line agency reports  | Assumptions            |
| Environmentally | ECP portfolio comprises at least 25% of pro-environment | Regional, national, and sector     | GMS governments remain  |
| friendly and    | and climate-resilient investments                | publications on economic indicators| committed to mainstreaming |
| climate-resilient| Livelihoods (cash and noncash elements) of at least 60%| Reports to GMS ministers meetings | environmental concerns.  |
| GMS ECP         | of participating households in the conservation  | and EMM                             | Community and local     |
|                 | landscapes are improved, with at least 35%       | CEP-BCI progress reports           | agency support and ownership of activities continue.  |
|                 | women beneficiaries                              |                                     | Risk                   |

<p>| <strong>Outputs</strong>     | By 2016:&lt;sup&gt;3&lt;/sup&gt; | GMS sector plans and strategies | Assumption               |
| Environmental   | Environmental and social considerations included in at least 12 GMS sector or corridor strategies and plans | National environmental and social safeguards regulations and guidelines | Sector agency support is received for environmental initiatives. |
| planning systems, | At least 150,000 people in the GMS economic corridors benefit from environmental measures, with at least 35% of them being women | GMS country state of the environment reports | Risk |
| methods, and    | At least 150 agency staff (at least 35% women) able to implement safeguard assessments | CEP-BCI progress reports and baseline database | Sector authorities promote unsustainable development for short-term revenue target gains. |
| safeguards      | Additional financing Indicators:                 |                                     |                       |
| improved        | At least two new or updated legal instruments (laws or regulations) at a sector or national level supporting SEA or related tools prepared in GMS countries |                                     |                       |
|                 | At least five GMS strategic plans and environmental reports supported by the EOC Environment Information System |                                     |                       |</p>
<table>
<thead>
<tr>
<th>Design Summary</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of transboundary biodiversity conservation landscapes and local livelihoods improved</td>
<td>By 2016: Biodiversity corridors are gazetted in at least three GMS countries Management and operational plans are formulated and implemented in at least three biodiversity conservation corridors Payment for environmental services guidelines developed in at least two countries <strong>Additional financing indicators:</strong> Innovative livelihood interventions are tested in at least three biodiversity conservation corridors</td>
<td>Provincial regulations, decisions Provincial land-use plans GMS program evaluation reports Program baseline and progress reports Socioeconomic surveys</td>
<td><strong>Assumption</strong> GMS cooperation on cross-border conservation activities <strong>Risks</strong> Conservation and sustainable livelihoods gains negated by ad hoc development Growing demand for wildlife and forest products</td>
</tr>
<tr>
<td>Climate-resilient and low-carbon strategies developed</td>
<td>By 2016: At least four national, provincial or city-based MRV systems developed At least three investment proposals on low-carbon technologies and / or climate change adaptation prepared Climate change coping strategies adopted by at least 150 community groups, with at least 35% women beneficiaries</td>
<td>ADB climate change fund progress reports GMS ECP sector progress reports GMS country REDD reporting GMS business forum reports</td>
<td><strong>Assumptions</strong> Availability of funds for climate change activities Sufficient demand for low-carbon and energy-efficient growth <strong>Risk</strong> Affordability and accessibility of climate-proofing technology</td>
</tr>
<tr>
<td>Institutions and financing for sustainable environmental management improved</td>
<td>By 2016: NSUs fully operational in at least five countries At least 50% of EOC professional staff are from GMS, at least 40% of them women At least two bankable private sector projects in environment and natural resources developed and collaboration secured <strong>Additional financing indicator:</strong> At least two joint projects involving WGE and other GMS sector agencies implemented</td>
<td>Government circulars CEP-BCI progress reports</td>
<td><strong>Assumption</strong> Sufficient financial resources and support for environmental service delivery <strong>Risk</strong> Sustainable financing systems generate only limited income, with high transaction costs</td>
</tr>
</tbody>
</table>
### Activities with Milestones

<table>
<thead>
<tr>
<th>Output 1: Environmental planning systems, methods, and safeguards improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Build subregional and national environmental planning capacities, with at least two SEAs/environmental assessments per year completed by 2016</td>
</tr>
<tr>
<td>1.2 Build capacity for environmental safeguards, through engagement with at least ten projects and/or programs in the GMS by 2014</td>
</tr>
<tr>
<td>1.3 Conduct safeguard training for at least 150 transport and energy sector officials and practitioners by 2016</td>
</tr>
<tr>
<td>1.4 Strengthen country environmental monitoring processes, with protocols and/or guidelines for at least four national systems established by 2016</td>
</tr>
</tbody>
</table>

**Output 2: Management of transboundary biodiversity conservation landscapes and local livelihoods improved**

2.1 Improve and update biodiversity profiles in conservation landscapes, with at least one profile completed by 2013

2.2 Support value chain development based on ecosystem goods and services, with recommendations for four investment projects by 2015, and testing of interventions in at least three conservation landscapes by 2016

2.3 Strengthen conservation corridor management and monitoring in biodiversity conservation landscapes, establishing cross-border management arrangements, including zoning and gazetting plans, in at least three transboundary landscapes by 2016

2.4 Improve compliance with multilateral environmental agreements on the movement of wildlife, timber, and other natural resources by supporting at least two cross-border initiatives by 2015

**Output 3: Climate-resilient and low-carbon strategies developed**

3.1 Support climate-resilience measures and synergies between adaptation and disaster risk reduction strategies in key development sectors by integrating adaptation considerations into at least two investments by 2014 and by identifying at least two adaptation projects for financing by 2016

3.2 Support low-carbon strategies and MRV frameworks in energy and transport sectors, with at least three investment proposals developed by 2015

3.3 Support country REDD readiness and piloting, with REDD readiness plans supported in at least three countries by 2016

**Output 4: Institutions and financing for sustainable environmental management improved**

4.1 Strengthen capacity for environmental management and monitoring, with particular emphasis on the roles of the WGE and NSUs, with NSUs functional in at least five GMS countries by 2015

4.2 Policy and institutional support for sustainable financing of conservation and ecosystem management, with at least two payment for ecosystem services scheme initiated by 2015

4.3 Facilitate PPPs for conservation and ecosystem management, with at least two PPP financing arrangements developed by 2015

### Inputs ($'000)

<table>
<thead>
<tr>
<th>ADB and Cofinanciers:</th>
<th>23,100</th>
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</thead>
<tbody>
<tr>
<td>Item</td>
<td>Amount ($'000)</td>
</tr>
<tr>
<td>Consultants (International and National)</td>
<td>15,350</td>
</tr>
<tr>
<td>Equipment</td>
<td>630</td>
</tr>
<tr>
<td>Training</td>
<td>2,170</td>
</tr>
<tr>
<td>Surveys</td>
<td>410</td>
</tr>
<tr>
<td>Miscellaneous administration and support costs</td>
<td>3,340</td>
</tr>
<tr>
<td>Contingencies</td>
<td>1,200</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank; CEP-BCI = Core Environment Program and Biodiversity Conservation Corridors Initiative; ECP = economic cooperation program; EMM = environment ministers meeting; EOC = Environment Operations Center; EPA = environmental performance assessment; FAO = Food and Agriculture Organization of the United Nations; GMS = Greater Mekong Subregion; Lao PDR = Lao People’s Democratic Republic; MRV = monitoring, reporting, and verification; NSU = national support unit; PPP = public–private partnership; REDD = reduced emissions from deforestation and degradation; SEA = strategic environmental assessment; WGE = Working Group on Environment.


* The performance target was revised to reflect an increase in the number of communities from 500 to 700.

* Performance targets were revised to reflect additional financing as follows: an increase in the ECP portfolio from 20% to 25%; and an increase in the percentage of participating households benefitting from improved livelihoods from 50% to 60%.

* Output level indicators were updated commensurate to the increase in TA amount.

* Activities were also scaled-up commensurate to the increase in TA amount.

LIST OF LINKED DOCUMENTS
http://www.adb.org/Documents/MC/?id=44323-012-4

1. Revised Financing Plan
2. Revised Outline Terms of Reference for Consultants
FOR OFFICIAL USE ONLY

R52-13
3 April 2013

TA 7987-REG: Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2
Major Change in Technical Assistance

1. Attached for the consideration of the Board is a paper on the above subject.

2. In the absence of any request for discussion and in the absence of a sufficient number of abstentions or objections (which should be communicated to The Secretary by the close of business on 25 April 2013), the recommendation in paragraph 17 of the Paper will be deemed to have been approved, to be so recorded in the minutes of a subsequent meeting of the Board. Any notified abstentions or objections will also be recorded in the minutes.

For Inquiries: S. Ranawana, Southeast Asia Department
(Ext. 5526)

Distribution of the attached document is restricted until it has been approved by the Board of Directors. Following such approval, ADB will disclose to the public in accordance with para. 63 of ADB’s Public Communications Policy 2011.
Major Change in Technical Assistance

Project Number: 44323
TA Number: 7987-REG
April 2013

Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2

Asian Development Bank
ABBREVIATIONS
ADB  —  Asian Development Bank
BCI  —  Biodiversity Conservation Corridors Initiative
CEP  —  Core Environment Program
EMM  —  Environment ministers meeting
EOC  —  Environment Operations Center
GMS  —  Greater Mekong Subregion
NDF  —  Nordic Development Fund
NSU  —  National Support Unit
Lao PDR  —  Lao People’s Democratic Republic
TA  —  technical assistance
WGE  —  Working Group on Environment

NOTE
In this report, "$" refers to US dollars.

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| Director General | K. Senga, Southeast Asia Department (SERD) |
| Director | J. H. Mir, Environment, Natural Resources and Agriculture Division, SERD |
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|              | C. Razon, Project Analyst, SERD |

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I. PROPOSED MAJOR CHANGE

1. An increase in technical assistance (TA) amount for the Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI) in the Greater Mekong Subregion (GMS)\(^1\), Phase 2 is proposed for Board consideration.

2. The Board approved the original TA amount of $14.8 million on 12 December 2011\(^2\) and a revised TA amount of $23.1 million on 5 December 2012. The proposed increase of $5.3 million equivalent ($4 million) will be financed on a grant basis by the Nordic Development Fund (NDF), and will be administered by the Asian Development Bank (ADB).\(^3\) The increase in amount will support additional activities and scaling up of activities related to climate change under Output 3 of the existing TA framework (paras. 13–14). The revised design and monitoring framework is in Appendix 1.

II. BACKGROUND

3. During the second GMS environment ministers meeting (EMM) in Vientiane in the Lao People’s Democratic Republic (Lao PDR) in 2008, the GMS governments acknowledged the relevance of the CEP-BCI, Phase 1\(^4\) in achieving the overall goals of the GMS economic cooperation program. As directed by the EMM, ADB assisted the GMS Working Group on Environment (WGE) and technical secretariat, the GMS Environment Operations Center (EOC) to prepare a follow-up phase. In July 2011, the environment ministers of the GMS countries endorsed the program framework document (PFD)\(^5\) for the CEP-BCI 2012–2016 at the third EMM held in Siem Reap, Cambodia, and requested ADB to support its implementation. The TA is designed to implement the PFD.

4. The impact of the TA will be improved biodiversity conservation and climate resilience across the GMS. The TA outcome will be an environmentally friendly and climate-resilient GMS economic cooperation program. It will support activities in priority economic corridors targeted by the GMS program, and in priority transboundary biodiversity conservation corridors and landscapes.\(^6\)

5. The TA is aligned with the strategic framework for the GMS Economic Cooperation Program, 2012–2022, and is included in the GMS Regional Cooperation Business Plan.\(^7\) The

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\(^1\) The GMS includes Cambodia, the People’s Republic of China, the Lao People’s Democratic Republic, Myanmar, Thailand, and Viet Nam.


\(^3\) Revised Financing Plan (accessible from the list of linked documents in Appendix 2).

\(^4\) CEP-BCI, Phase 1 was implemented through the Regional Technical Assistance for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion (TA 6289 REG), approved in December 2005 for the amount of $24.97 million. Increases in the TA amount were approved in February 2008 ($6.60 million) and in April 2011 ($2.09 million), bringing the total TA cost to $30.66 million. This comprised contributions from ADB ($1.62 million), the Government of Finland ($4.90 million), the Government of the Netherlands ($14.00 million), the Government of Sweden ($11.09 million), the governments of GMS countries ($1.20 million), the Climate Change Fund ($1.00 million), the People’s Republic of China Poverty Reduction Fund ($0.50 million), and the Poverty Reduction Cooperation Fund ($0.55 million).

\(^5\) See http://www.gms-soc.org/resources/core-documents to access: the PFD, the TA inception report, and the semi-annual progress reports.

\(^6\) While economic corridors enhance physical connectivity, biodiversity conservation corridors support ecosystem connectivity to accommodate movements of species between core areas. These corridors are embedded within wider conservation landscapes, which provide services based on ecosystem functions.

TA supports and complements other GMS regional and country-specific programs to systematically assess and integrate sound environmental management and climate resilience measures. The TA comprises four outputs: (i) improved environmental planning systems, methods, and safeguards; (ii) improved management of transboundary biodiversity conservation landscapes and local livelihoods; (iii) development of climate-resilient and low-carbon strategies; and (iv) improved institutions and financing for sustainable environmental management.

6. GMS governments are increasingly concerned about the risks posed by climate change and have initiated several efforts to build adaptation and mitigation strategies (e.g. the National Adaptation Plan of Action, National Target Program, Nationally Appropriate Mitigation Actions). These strategies will require institutional and technical capacity building support to enable implementation of risk mitigation measures, formulation of mitigation actions, and development of monitoring, reporting and verification (MRV) systems. Existing financing under the TA will build climate change monitoring and modeling capacity through the assessment of climate risks and by identifying potential resource efficiency measures applicable to productive sectors. Greater uptake of climate change adaptation and mitigation will require the leveraging of public and private sector investments; to further enable this, activities are needed to (i) develop appropriate business models and financing solutions; and (ii) create the appropriate enabling policy and institutional environment.

7. The TA, classified as a Regional-Capacity Development Technical Assistance (RCDTA), was approved on 12 December 2011, and was financed to the amount of $14.8 million ($0.8 million by ADB's TASF-IV and $14.0 million by the Government of Finland, administered by ADB). On 5 December 2012, a major change in TA was approved by the Board to increase the TA amount, bringing the total value of the TA to $23.1 million equivalent, with additional funding of $8.3 million from the Government of Sweden, administered by ADB. The proposed increase of an additional $5.3 million equivalent (€4 million) will be financed on a grant basis by the NDF, administered by ADB. The TA completion date is 31 December 2016.

8. The TA is executed by ADB and is implemented by the line agencies that represent the countries at the WGE. The WGE focal agencies are: the Ministry of Environment (Cambodia), the Ministry of Environmental Protection (People’s Republic of China), the Ministry of Environmental Conservation and Forestry (Myanmar), and the Ministry of Natural Resources and Environment (Lao PDR, Thailand, and Viet Nam). The EOC was established at the inception of the CEP-BCI, Phase 1 to facilitate implementation of the TA, and it continues to do so in Phase 2. The EOC also serves as the technical secretariat to the WGE and has evolved as a credible subregional knowledge hub and resource and referral center on environmental management tools and practices, socioeconomic and biophysical information, and expertise in the environment and climate-related fields. The National Support Units (NSUs) will assume responsibility for coordination of in-country activities, including assisting with preparation of financial and progress reports, maintenance of environmental databases, and reporting to the WGE.

III. IMPLEMENTATION PROGRESS

9. Since the TA became effective on 12 December 2011, progress has been in line with the planned implementation schedule. Inception missions were conducted in each of the countries and an 18-month work plan (July 2012–December 2013) was formulated in consultation with implementing partner agencies and other key stakeholders. The inception report, incorporating

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8. Revised Financing Plan (accessible from the list of linked documents in Appendix 2).
the 18-month work plan, was presented and approved at the 18th annual meeting of the GMS WGE in May 2012. About 19 consultants have been mobilized and letters of agreement have been drafted to engage implementing agencies. About $3.4 million has been committed in contract awards and about $1.4 million has been disbursed to date. A minor change in TA implementation arrangements was approved on 4 March 2013 to strengthen the financial management and fiduciary safeguards of EOC operations.

10. The focus has been on scoping and initiating activities under the four outputs of the TA. Each output has been elaborated into a detailed 4-year activity strategy and road map with corresponding yearly milestones. These milestones collectively make up a more detailed monitoring and evaluation framework for annual assessment of progress. Implementing arrangements for initial activities related to environmental monitoring systems, biodiversity landscape management, and climate change have been outlined based on consultations with governments and implementing partners. Climate change activity concepts have been prepared and potential partners in the GMS countries have been identified. In October 2012, country missions discussed the structure and responsibilities of the NSUs and drafted agreements with government partners. Semiannual progress reports of activities carried out are posted on the EOC website (footnote 5).

IV. RATIONALE FOR THE PROPOSED CHANGE

11. ADB will administer a grant not exceeding $5.3 million equivalent (€4 million) to be financed by the NDF to support Output 3: development of climate-resilient and low-carbon strategies. The additional funds will be used to increase the number and scale of climate change adaptation and mitigation related activities, and increase output targets within the existing impact, outcome, and output structure. Paragraphs 13–14 describe the expanded scale and scope of activities under Output 3. Performance indicators in the design and monitoring framework (Appendix 1) have been revised to reflect the activities and outputs to be financed from the additional funding. The increase in TA amount will not change the project’s impact and classification.

12. Output 3: Climate-resilient and low-carbon strategies developed. This output will integrate climate change mitigation and adaptation considerations into the planning and implementation of activities of key development sectors. Existing TA funds support the strengthening, testing, and application of carbon monitoring systems for sustainable forest management within transboundary landscapes and biodiversity conservation corridors. Original TA funding is also being used to develop methodologies, tools, and knowledge on climate change impacts and risks, and apply climate change risk and vulnerability assessments to rural development plans.

13. Increasing the number and scale of climate change adaptation activities. Risk assessments in the context of agrarian community development will be scaled up and applied in at least one additional country. Feasibility studies will be conducted in at least three countries to design locally applicable adaptation interventions (e.g. water management, risk management financing, and livelihood diversification). Based on the recommendations from those studies, pilot projects will be instituted to test early warning systems and local finance mechanisms (e.g.

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9 The output (i.e., component) strategies and the detailed monitoring framework can be found at http://www.gms-eoc.org
10 Taking into consideration the NDF’s priority countries.
weather index-based insurance) in communities living in biodiversity conservation corridor areas, in at least three countries.

14. Developing and strengthening low-carbon interventions related to transport and energy. Awareness raising activities will focus on the development of climate change mitigation programs and actions (e.g. Nationally Appropriate Mitigation Actions) in at least three GMS countries (footnote 10). Institutional and financial mechanisms to deploy low-carbon technologies and capacity building in the freight transport sector will be tested in at least three GMS countries. In parallel, additional financing will also support the development of carbon emissions baselines and subsequent MRV frameworks for the energy and transport sectors, in at least three GMS countries. Feasibility studies will be conducted in at least two GMS countries to identify decentralized energy interventions that could be applied in a rural development context.

15. The expanded scale and number of activities to support Output 3 will require additional consultant inputs. The TA will require the services of 405 person-months of international consultants and 1,438 person-months of national consultants (including the additional inputs of 96 person-months for international consultants and 317 person-months for national consultants to support the expanded scale and number of activities to support Output 3). Consultants will be recruited, either as individuals (to staff the EOC, NSUs, and other program activities) or as firms (for implementing selected program activities). Consultants identified for national consultant positions recruited under the TA will be sourced from GMS countries. They will be recruited in accordance with ADB’s Guidelines on the Use of Consultants (2010, as amended from time to time). Procurement of goods and services will be in accordance with ADB’s Procurement Guidelines (2010, as amended from time to time) and disbursements will be in accordance with ADB’s Technical Assistance Disbursement Handbook (2010, as amended from time to time). As per the minor change in implementing arrangements of the TA approved on 4 March 2013, the TA is considered similar to a grant investment project. The EOC, as the TA implementation unit and under the direct supervision of the TA supervising unit, will take full responsibility for all disbursements related to the TA activities and for the financial and fiduciary management of the TA.

V. DUE DILIGENCE

16. Activities supported with additional financing will follow the implementation arrangements established under the TA. The proposed changes comply with the project administration instruction on administering grant-financed TA\(^\text{12}\) and address comments from the Operations Services and Financial Management Department, Office of the General Counsel, Controller’s Department, and Office of Co-financing Operations.

VI. THE RANKING VICE-PRESIDENT'S RECOMMENDATION

17. The Ranking Vice-President, acting in the absence of the President, under the provisions of Article 35.1 of the Articles of Agreement of ADB, recommends that the Board approve the increase in the technical assistance (TA) amount for the Core Environment Program and Biodiversity Conservation Corridors Initiative in the Greater Mekong Subregion, Phase 2 by $5,300,000, which will finance the change as described in paragraphs 1–2.

\(^{11}\) The Revised Outline Terms of Reference for Consultants is accessible from the list of linked documents in Appendix 2.

# REVISED DESIGN AND MONITORING FRAMEWORK

<table>
<thead>
<tr>
<th>Design Summary</th>
<th>Performance Targets and Indicators with Baselines</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
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<tr>
<td><strong>Impact</strong></td>
<td>Compared to 2011 baselines, by 2022:&lt;sup&gt;a&lt;/sup&gt;</td>
<td>National and FAO forestry reports</td>
<td><strong>Assumptions</strong></td>
</tr>
<tr>
<td>Improved biodiversity conservation and climate resilience across the GMS</td>
<td>Forest patch sizes maintained in GMS biodiversity conservation corridors and landscapes</td>
<td>EPA reports</td>
<td>GMS governments remain committed to inclusive growth and sound environmental practices</td>
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<tr>
<td></td>
<td>Climate change adaptation and disaster risk preparedness improved in at least 700 communities in GMS conservation landscapes</td>
<td>Provincial and local development plans</td>
<td>Investment financing (public and private) is available</td>
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<td>BCC socioeconomic baseline in Cambodia, the Lao PDR, and Viet Nam</td>
<td><strong>Risk</strong></td>
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<td>CEP-BCI progress reports</td>
<td>Impact of rapid economic growth outpaces environmental response times</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Compared to 2011 baselines, by 2016:</td>
<td>GMS sector and line agency reports</td>
<td><strong>Assumptions</strong></td>
</tr>
<tr>
<td>Environmentally friendly and climate-resilient GMS ECP</td>
<td>ECP portfolio comprises at least 25% of pro-environment and climate-resilient investments</td>
<td>Regional, national, and sector publications on economic indicators</td>
<td>GMS governments remain committed to mainstreaming environmental concerns</td>
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<td></td>
<td>Livelihoods (cash and noncash elements) of at least 60% of participating households in the conservation landscapes are improved, with at least 35% women beneficiaries</td>
<td>Reports to GMS ministers meetings and EMM</td>
<td>Community and local agency support and ownership of activities continue</td>
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<td>CEP-BCI progress reports</td>
<td><strong>Risk</strong></td>
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<td>Short-term development needs override long-term sustainable development priorities</td>
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<tr>
<td><strong>Outputs</strong></td>
<td>By 2016:</td>
<td>GMS sector plans and strategies</td>
<td><strong>Assumption</strong></td>
</tr>
<tr>
<td>Environmental planning systems, methods, and safeguards improved</td>
<td>Environmental and social considerations included in at least 12 GMS sector or corridor strategies and piers</td>
<td>National environmental and social safeguards regulations and guidelines</td>
<td>Sector agency support is received for environmental initiatives</td>
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<td></td>
<td>At least 150,000 people in the GMS economic corridors benefit from environmental measures, with at least 35% of them being women</td>
<td>GMS country state of the environment reports</td>
<td><strong>Risk</strong></td>
</tr>
<tr>
<td></td>
<td>At least 150 agency staff (with at least 35% women) able to implement safeguard assessments</td>
<td>CEP-BCI progress reports and baseline database</td>
<td>Sector authorities promote unsustainable development for short-term revenue target gains</td>
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<td></td>
<td>At least two new or updated legal instruments (laws or regulations) at a sector or national level supporting SEA or related tools prepared in GMS countries</td>
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<td>At least five GMS strategic plans and environmental reports supported by the EOC Environment Information System</td>
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<sup>a</sup> Note: Other indicators and mechanisms may be added as necessary.
<table>
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<tr>
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</thead>
</table>
| Management of transboundary biodiversity conservation landscapes and local livelihoods improved | By 2016:  
  Biodiversity corridors are gazetted in at least three GMS countries  
  Management and operational plans are formulated and implemented in at least three biodiversity conservation corridors  
  Payment for environmental services guidelines developed in at least two countries  
  Innovative livelihood interventions are tested in at least three biodiversity conservation corridors | Provincial regulations, decisions  
  Provincial land-use plans  
  GMS program evaluation reports  
  Program baseline and progress reports  
  Socioeconomic surveys | Assumption  
  GMS cooperation on cross-border conservation activities  
  Risks  
  Conservation and sustainable livelihoods gains negated by ad hoc development  
  Growing demand for wildlife and forest products |
| Climate-resilient and low-carbon strategies developed                         | By 2016:  
  At least four national, provincial or city-based MRV systems developed  
  At least four investment proposals on low-carbon technologies and/or climate change adaptation prepared  
  Additional financing indicators:  
  Climate change coping strategies tested in, and of benefit to, at least 150 community groups, with at least 30% women beneficiaries  
  Annual carbon emissions of participating companies or households in pilot projects reduced by at least 10% | ADB climate change fund progress reports  
  GMS EGP sector progress reports  
  GMS country REDD reporting  
  GMS business forum reports | Assumptions  
  Availability of funds for climate change activities  
  Sufficient demand for low-carbon and energy-efficient growth  
  Risk  
  Affordability and accessibility of climate-proofing technology |
| Institutions and financing for sustainable environmental management improved    | By 2016:  
  NSUs fully operational in at least five countries  
  At least 50% of EOC professional staff are from GMS, at least 40% of them women  
  At least two bankable private sector projects in environment and natural resources developed and collaboration secured  
  At least two joint projects involving WGE and other GMS sector agencies implemented | Government circulars  
  CEP-SCI progress reports | Assumption  
  Sufficient financial resources and support for environmental service delivery  
  Risk  
  Sustainable financing systems generate only limited income, with high transaction costs |
<table>
<thead>
<tr>
<th>Activities with Milestones</th>
<th>Inputs</th>
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</table>
| **Output 1: Environmental planning systems, methods, and safeguards improved** | **ADB and Cofinancers:**
| 1.1 Build subregional and national environmental planning capacities, with at least two SEAs/environmental assessments per year completed by 2016 | **$28,400,000** |
| 1.2 Build capacity for environmental safeguards, through engagement with at least ten projects and/or programs in the GMS by 2014 | |
| 1.3 Conduct safeguard training for at least 150 transport and energy sector officials and practitioners by 2016 | |
| 1.4 Strengthen country environmental monitoring processes, with protocols and/or guidelines for at least four national systems established by 2016 | |
| **Output 2: Management of transboundary biodiversity conservation landscapes and local livelihoods improved** | |
| 2.1 Improve and update biodiversity profiles in conservation landscapes, with at least one profile completed by 2013 | |
| 2.2 Support value chain development based on ecosystem goods and services, with recommendations for four investment projects by 2015, and testing of interventions in at least three conservation landscapes by 2016 | |
| 2.3 Strengthen biodiversity conservation corridor management and monitoring in biodiversity conservation landscapes, establishing cross-border management arrangements, including zoning and gazetting plans, in at least three transboundary landscapes by 2016 | |
| 2.4 Improve compliance with multilateral environmental agreements on the movement of wildlife, timber, and other natural resources by supporting at least two cross-border initiatives by 2015 | |
| **Output 3: Climate-resilient and low-carbon strategies developed** | |
| 3.1. Support climate-resilience measures in key development sectors by integrating adaptation considerations into at least two investments by 2014 and by identifying at least three adaptation projects for financing by 2016 | |
| 3.2. Support low-carbon strategies and MRV frameworks in energy and transport sectors, with at least three investment proposals developed by 2015 | |
| 3.3. Test institutional and financial mechanisms related to low-carbon transport in at least three countries by 2016<sup>a</sup> | |
| 3.4. Test climate change adaptation for agrarian communities, with pilot projects established in at least three countries by 2016<sup>b</sup> | |
| 3.5. Support country REDD readiness and piloting, with REDD readiness plans supported in at least three countries by 2016 | |
| **Output 4: Institutions and financing for sustainable environmental management improved** | |
| 4.1 Strengthen capacity for environmental management and monitoring, with particular emphasis on the roles of the WGE and NSUs, with NSUs functional in at least five GMS countries by 2015 | |
| 4.2 Policy and institutional support for sustainable financing of conservation and ecosystem management, with at least two loan for ecosystem services schemes initiated by 2015 | |
| 4.3 Facilitate PPPs for conservation and ecosystem management, with at least two PPP financing arrangements developed by 2015 | |

ADB = Asian Development Bank; BCC = Biodiversity Conservation Corridors; CEP-BCI = Core Environment Program and Biodiversity Conservation Corridors Initiative; ECP = Economic Cooperation Program; EMM = environment ministers meeting; EOC = Environment Operations Center; EPA = environmental performance assessment; FAO = Food and Agriculture Organization of the United Nations; GMS = Greater Mekong Subregion; Lao PDR = Lao People’s Democratic Republic; MRV = monitoring, reporting, and verification; NSU = National Support Unit; PPP = public-private partnership; REDD = reduced emissions from deforestation and forest degradation; SEA = strategic environmental assessment; WGE = Working Group on Environment.

<sup>a</sup> Baselines for selected indicators are available on the EOC website at http://www.gms-eoc.org/resources/core-documents

<sup>b</sup> The performance target was revised to reflect an increase in the number of investment proposals from three to four.

<sup>c</sup> The number of adaptation projects was increased from two to three commensurate with the increase in TA amount.

<sup>d</sup> Additional activities commensurate with the increase in TA amount.

LIST OF LINKED DOCUMENTS
http://www.adb.org/Documents/MC/?id=44323-012-4&change=2

1. Revised Financing Plan
   Supplementary Linked Document
   1. Revised Outline Terms of Reference for Consultants
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Forest patch sizes maintained in GMS biodiversity conservation corridors and landscapes
Climate change adaptation and disaster risk preparedness improved in at least 700 communities in GMS conservation landscapes | National and FAO forestry reports
EPA reports
Provincial and local development plans
BCC socioeconomic baseline in Cambodia, the Lao PDR, and Viet Nam
CEP-BCI progress reports | Assumptions
GMS governments remain committed to inclusive growth and sound environmental practices.
Investment financing (public and private) is available.
Risk
Impact of rapid economic growth outpaces environmental response times |
| **Outcome**    | Compared to 2011 baselines, by 2016:
ECP portfolio comprises at least 25% of pro-environment and climate-resilient investments
Livelihoods (cash and noncash elements) of at least 60% of participating households in the conservation landscapes are improved, with at least 35% women beneficiaries | GMS sector and line agency reports
Regional, national, and sector publications on economic indicators
Reports to GMS ministers meetings and EMM
CEP-BCI progress reports | Assumptions
GMS governments remain committed to mainstreaming environmental concerns.
Community and local agency support and ownership of activities continue.
Risk
Short-term development needs override long-term sustainable development priorities |
| **Outputs**    | By 2016:
Environmental and social considerations included in at least 12 GMS sector or corridor strategies and plans
At least 150,000 people in the GMS economic corridors benefit from environmental measures, with at least 35% of them being women
At least 150 agency staff (at least 35% women) able to implement safeguard assessments
At least two new or updated legal instruments (laws or regulations) at a sector or national level supporting SEA or related tools prepared in GMS countries
At least five GMS strategic plans and environmental reports supported by the EOC Environment Information System | GMS sector plans and strategies
National environmental and social safeguards regulations and guidelines
GMS country state of the environment reports
CEP-BCI progress reports and baseline database | Assumption
Sector agency support is received for environmental initiatives.
Risk
Sector authorities promote unsustainable development for short-term revenue target gains |

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*Note: GMS = Greater Mekong Subregion*
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<td>corridors</td>
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<td>negated by ad hoc development</td>
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<td>Payment for environmental services guidelines developed in at least two countries</td>
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<td>Growing demand for wildlife and forest products</td>
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<td>Innovative livelihood interventions are tested in at least three biodiversity conservation corridors</td>
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<td><strong>Additional financing Indicator:</strong></td>
<td>Program baseline and progress reports</td>
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<td>Transboundary biodiversity landscape strategies formulated and implemented in at least three landscapes</td>
<td>Socioeconomic surveys</td>
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<td></td>
<td>Climate-resilient and low-carbon strategies developed</td>
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<td>By 2016:</td>
<td>ADB climate change fund progress reports</td>
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<td>At least four national, provincial or city-based MRV systems developed</td>
<td>GMS ECP sector progress reports</td>
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<td>At least four investment proposals on low-carbon technologies and/or climate change adaptation prepared</td>
<td>GMS country REDD reporting</td>
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<td>Climate change coping strategies tested in and benefited by at least 150 community groups, with at least 35% women beneficiaries</td>
<td>GMS business forum reports</td>
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<td>Annual carbon emissions of participating companies or households in pilot projects reduced by at least 10%</td>
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<td><strong>Additional financing Indicator</strong></td>
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<td>Climate change considerations integrated in transboundary landscape management strategies in at least three landscapes by 2016.</td>
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<td>Institutions and financing for sustainable environmental management improved</td>
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<td>Government circulars</td>
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<td>1.2 Build capacity for environmental safeguards, through engagement with at least ten projects and/or programs in the GMS by 2014</td>
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<td>1.3 Conduct safeguard training for at least 150 transport and energy sector officials and practitioners by 2016</td>
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<td>1.4 Strengthen country environmental monitoring processes, with protocols and/or</td>
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<td></td>
<td><strong>Inputs ($'000)</strong></td>
<td>20,317</td>
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<td><strong>Cofinanciers:</strong></td>
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<td></td>
<td><strong>Item</strong></td>
<td><strong>Amount ($'000)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consultants (International and National)</td>
<td>18,860</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equipment</td>
<td>895</td>
<td></td>
</tr>
</tbody>
</table>
Activities with Milestones

**Output 2: Management of transboundary biodiversity conservation landscapes and local livelihoods improved**

2.1 Improve and update biodiversity profiles in conservation landscapes, with at least one profile completed by 2013.

2.2 Support value chain development based on ecosystem goods and services, with recommendations for three investment projects by the 2015, and testing of interventions in at least three conservation landscapes by 2016.

2.3 Strengthen biodiversity conservation corridor management and monitoring in biodiversity landscapes, formulate and implement management and operational plans in at least three biodiversity corridors by 2016.

2.4 Improve compliance with multilateral environmental agreements on the movement of wildlife, timber, and other natural resources by supporting at least two cross-border initiatives by 2015.

**Additional Activities:**

2.5 Develop conservation strategy and management plan and establish cross-border management and conservation collaboration mechanism in at least three transboundary landscapes by 2016.

2.6 Improve mechanisms for regional knowledge sharing and exchange among the transboundary landscape community of practice in the GMS, by supporting at least one platform and two knowledge products by 2016.

**Output 3: Climate-resilient and low-carbon strategies developed**

3.1. Support climate-resilience measures and synergies between adaptation and disaster risk reduction strategies in key development sectors by integrating adaptation considerations into at least two investments by 2014 and by identifying at least two adaptation projects for financing by 2016.

3.2. Support low-carbon strategies and MRV frameworks in energy and transport sectors, with at least three investment proposals developed by 2016.

3.3. Test institutional and financial mechanisms related to low-carbon transport and climate change adaptation for agrarian communities, with pilot projects established in at least three countries by 2016.

3.4. Support country REDD readiness and piloting, with REDD readiness plans supported in at least three countries by 2016.

**Additional Activity:**

3.5. Develop guidelines to integrate climate change considerations in transboundary landscape management strategies in at least three landscapes by 2016.

**Output 4: Institutions and financing for sustainable environmental management improved**

4.1 Strengthen capacity for environmental management and monitoring, with particular emphasis on the roles of the WGE and NSUs, with NSUs functional in at least five GMS countries by 2015.

4.2 Policy and institutional support for sustainable financing of conservation and ecosystem management, with at least two payment for ecosystem services scheme initiated by 2015.

4.3 Facilitate PPPs for conservation and ecosystem management, with at least two PPP financing arrangements developed by 2015.

ADB = Asian Development Bank; CEP-BCI = Core Environment Program and Biodiversity Conservation Corridors Initiative; ECP = economic cooperation program; EMM = environment ministers meeting; EOC = Environment Operations Center; EPA = environmental performance assessment; FAO = Food and Agriculture Organization of the United Nations; GMS = Greater Mekong Subregion; Lao PDR = Lao People’s Democratic Republic; MRV = monitoring, reporting, and verification; NSU = national support unit; PPP = public-private partnership; REDD = reduced emissions from deforestation and degradation; SEA = strategic environmental assessment; WGE = Working Group on Environment.


b The performance targets were revised to reflect an increase in the number of investment proposals from three to four.

c Additional activity is commensurate with the increase in TA amount.

## REVISED COST ESTIMATES AND FINANCING PLAN
($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Financing</th>
<th>Additional Financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TASF</td>
<td>Finland</td>
<td>Sida</td>
</tr>
<tr>
<td><strong>Asian Development Bank</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Consultants</td>
<td>531</td>
<td>9,306</td>
<td>5,513</td>
</tr>
<tr>
<td>2. Equipment</td>
<td>22</td>
<td>380</td>
<td>228</td>
</tr>
<tr>
<td>3. Training, seminars, and</td>
<td>75</td>
<td>1,315</td>
<td>780</td>
</tr>
<tr>
<td>conferences</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Surveys</td>
<td>14</td>
<td>246</td>
<td>150</td>
</tr>
<tr>
<td>5. Miscellaneous administration</td>
<td>116</td>
<td>2,025</td>
<td>1,199</td>
</tr>
<tr>
<td>and support costs&lt;sup&gt;c&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Contingencies</td>
<td>42</td>
<td>728</td>
<td>430</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>800</td>
<td>14,000</td>
<td>8,300</td>
</tr>
</tbody>
</table>


---

<sup>a</sup> Financed by the Technical Assistance Special Fund (TASF-IV) of the Asian Development Bank (ADB), the Government of Finland, the Government of Sweden, the Nordic Development Fund, and Global Environment Facility—indicated herein as additional funding. These cofinancier funds will be administered by ADB. This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant.

<sup>b</sup> Includes funds for national support units in GMS countries, partnership agreements, and service contracts. Activities will be implemented in all GMS countries, including Myanmar, consistent with the Interim Country Partnership Strategy for Myanmar (2012–2014) approved by the ADB Board on 26 October 2012.

<sup>c</sup> Includes funds for publication and media documentation.

<sup>d</sup> Excludes the additional $92,566 approved by GEF as agency fees.

Source: Asian Development Bank estimates.

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<sup>1</sup> Disbursements will be managed in line with OM Section E1/OP para 14, where TASU will determine the funds to be used for expenditures to achieve the outputs. Direct and indirect contribution will be pro-rated across the funding sources.
## RETA 7987: Increase in TA Amount and Minor Change in Implementation Arrangements
### Comments Matrix

<table>
<thead>
<tr>
<th>Division/Name</th>
<th>COMMENTS</th>
<th>Actions Taken</th>
</tr>
</thead>
</table>
| CTL           | I would like to offer minor following comments on the memo:  
(i) para 2 - Pls remove last statement in paragraph 2 stating "In a bid to address the administration of this large...". The TA is not implemented as an investment grant project due to fur following aspects, such as TA is not administered by the Executing Agency of the Governments, secondly EOC is not a legal body and group of local consultants recruited by ADB and signing authority of imprest account is still with ADB staff, under investment grants ADB cannot be recruiting party contracting party should be EA of the Government, disbursements are not done in line with Loan Disbursement Handbook, investment grants requires a lot of due diligent assessments, that i understand was not done in this TA. We recommend to remove this wording.  
(ii) para. 5 - Please double check numbers provided for contracts in the last statement. As per TAIS there is 51 consulting contracts, of which 47 individual consulting contracts and 4 firms, 3 training and 6 LoAs. 
(iii) para. 9 - Last sentence, i suggest not to make it so prescriptive and revise last statement to read: "Fund utilization will be activity-based and funds will be disbursed based on XXXXXXX as provided in Attachment 3". The option of financing is very important to indicate in line with OM E1. Is it pro-rata or cost sharing? These should be identified against each expense category. 
(iv) Attachment 3 - The proposed cost estimates, indicates that funds will be disbursed on pro-rata basis, based on the contribution of the fund to the specific category for each claim. We suggest specifying percentages column. Considering that fund utilization will be activity based to achieve specific output, we suggest revising presentation of cost estimates and computing use of expenditure categories for each activity. such percentages will indicate the utilization of the funds. We can further discuss details, if needed. | Done. See revised para 2.  
Done. See revised para 9.  
Done. Table was revised in consultation with Ms. O Nazmieva/CTL who suggested the deletion of the percentage columns and the inclusion of a footnote on management of disbursements in line |
<table>
<thead>
<tr>
<th>Division/Name</th>
<th>COMMENTS</th>
<th>Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCO</td>
<td>(i) Based on the attached GEF CEO approval letter, please replace</td>
<td>with OM Section E1/OP</td>
</tr>
<tr>
<td>Toshimasa Dojima</td>
<td>GEF approval date from 22 April 2014 to 2 May 2014.</td>
<td>para 14. See revised Attachment 5.</td>
</tr>
<tr>
<td></td>
<td>(ii) Please note and indicate the breakdown of funding source as</td>
<td>Done. See revised para 4.</td>
</tr>
<tr>
<td></td>
<td>follows (refer to the attached approval letter).</td>
<td>Done. See revised para 4.</td>
</tr>
<tr>
<td></td>
<td>Trust Fund                  Project Grant Amount           Agency Fee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Global Environment Facility Trust Fund (GEFTF)                        $458,715                                 $41,265</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Special Climate Change Fund (SCCF)                                    $458,716                                 $41,284</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total                       $917,431                                 $82,569</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iii) Consult with the GEF Focal Point in RSES (Mr. Bruce Dunn) for</td>
<td>Done. A copy of the draft memorandum was sent to RSES for comments.</td>
</tr>
<tr>
<td></td>
<td>technical viewpoint.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iv) In para. 12, please seek approval for increase in TA amount by</td>
<td>Done. See revised para 12. In Attachment 5, amount was rounded off to $917,000.</td>
</tr>
<tr>
<td></td>
<td>$917,431 (not $1,000,000).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(v) We suggest that the other financing partners (Finland, NDF, and</td>
<td>Done. The other co-financiers were informed about the additional GEF financing at the last</td>
</tr>
<tr>
<td></td>
<td>Sweden) be informed of this additional financing for the project. Once</td>
<td>Working Group on Environment Annual Meeting. See revised para 11.</td>
</tr>
<tr>
<td></td>
<td>done, please indicate this in the memo.</td>
<td></td>
</tr>
<tr>
<td>Division/Name</td>
<td>COMMENTS</td>
<td>Actions Taken</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>OGC</strong></td>
<td>No comments from OGC from a legal view point.</td>
<td>Noted.</td>
</tr>
<tr>
<td>Irum Ahsan</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OSFM</strong></td>
<td>No comments.</td>
<td>Noted.</td>
</tr>
<tr>
<td>Jessy Hilay</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OSP2</strong></td>
<td>The following are OSP2's comments on the memo:</td>
<td></td>
</tr>
<tr>
<td>Alexander Fox</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. In Para 9, revise the third sentence as: &quot;Additional consulting inputs will be procured in accordance with the <em>ADB Guidelines on the Use of Consultants</em> (2013, as amended from time to time).&quot;</td>
<td>Done. See revised para 9.</td>
<td></td>
</tr>
<tr>
<td>II. In Para 9, please describe indicative consulting inputs, and the recruitment modality (eg. individuals or firm(s), and selection method if firm(s)) that will be funded by the additional financing.</td>
<td>Done. See revised para 9.</td>
<td></td>
</tr>
<tr>
<td><strong>RSES</strong></td>
<td>No response received.</td>
<td>Noted.</td>
</tr>
<tr>
<td>Bruce Dunn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Global Environment Facility
Investing in Our Planet

Naoko Ishii
CEO and Chairperson

May 15, 2014

Mr. Nessim Ahmad, Director
Asian Development Bank
Mandaluyong City, Philippines

Dear Mr. Ahmad:

This letter supersedes the MSP Approval Letter dated May 2, 2014 for the same project cited below, in which the breakdown by trust funds wrongly indicated UNDP as the Agency.

I am pleased to inform you that I have approved the medium-sized project detailed below:

<table>
<thead>
<tr>
<th>Decision Sought</th>
<th>Medium-sized Project (MSP) Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEFSEC ID:</td>
<td>4652</td>
</tr>
<tr>
<td>Agency:</td>
<td>ADB</td>
</tr>
<tr>
<td>Focal Area:</td>
<td>Multi Focal Area</td>
</tr>
<tr>
<td>Project Type:</td>
<td>Medium Size Project</td>
</tr>
<tr>
<td>Country:</td>
<td>Regional (China, Cambodia, Lao PDR, Myanmar, Thailand, Vietnam)</td>
</tr>
<tr>
<td>Name of Project:</td>
<td>GMS Forest and Biodiversity Program (GMS-FBP) - Creating Transboundary Links Through a Regional Support</td>
</tr>
<tr>
<td>Parent Program:</td>
<td>Regional: GMS-FBP Greater Mekong Sub-region Forests and Biodiversity Program (PROGRAM)</td>
</tr>
<tr>
<td>GEF Project Grant:</td>
<td>$917,431</td>
</tr>
<tr>
<td>Agency Fee:</td>
<td>$82,569</td>
</tr>
<tr>
<td>Funding Source:</td>
<td>Multi Trust Funds</td>
</tr>
</tbody>
</table>

Breakdown by Trust Fund:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Trust Fund</th>
<th>Project Grant</th>
<th>Agency Fee</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>GEFTF</td>
<td>$458,715</td>
<td>$41,285</td>
<td>$500,000</td>
</tr>
<tr>
<td>ADB</td>
<td>SCCF</td>
<td>$458,716</td>
<td>$41,284</td>
<td>$500,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$917,431</td>
<td>$82,569</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>
This approval is subject to the comments made by the GEF Secretariat in the attached document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

Sincerely,

[Signature]

Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: GEFSEC Review Sheet
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee

GEF ID: 4652 - GMS Forest and Biodiversity Program (GMS-FBP) - Creating Transboundary Links Through a Regional Support