



# **GMS Core Environment Program**

## **Semi-Annual Progress Report**

**January to June 2014**

GMS Core Environment Program  
2014 Semi-Annual Progress Report

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## Abbreviations

ADB	–	Asian Development Bank
AM	–	Annual Meeting
ASEAN	–	Association of Southeast Asian Nations
BCC	–	Biodiversity Conservation Corridors project
BSAP	–	Biodiversity Conservation Strategy and Action Plan
CASP	–	Core Agriculture Support Program
CDF	–	Commune Development Fund
CEP	–	Core Environment Program
DMF	–	design and monitoring framework
DNP	–	Department of National Parks, Wildlife and Plant Conservation (Thailand)
DSI	–	Development Strategy Institute (Viet Nam)
ECD	–	Environmental Conservation Department (Myanmar)
EIA	–	environmental impact assessment
EIS	–	Environment Information System
EMM4	–	Fourth GMS Environment Ministers' Meeting
EOC	–	Environment Operations Center
EON	–	Environment Operations Network
FCLU	–	forest cover and land use
GEF	–	Global Environment Facility
GIS	–	geographic information system
GMS	–	Greater Mekong Subregion
ICIMOD	–	International Centre for Integrated Mountain Development
IEE	–	initial environmental examination
IGES	–	Institute for Global Environmental Strategies
IPPS	–	Industrial Pollution Projection System
ISP	–	Integrated Spatial Planning
ISPONRE	–	Institute of Strategy and Policy of Natural Resources and Environment
IVM	–	The University of Amsterdam's Institute for Environmental Studies
Lao PDR	–	Lao People's Democratic Republic
LOA	–	Letter of Agreement
LUP	–	land use planning
MoE	–	Ministry of Environment (Cambodia)
MOECAF	–	Ministry of Environmental Conservation and Forestry
MNRE	–	Ministry of Natural Resources and Environment (Thailand)
MoNRE	–	Ministry of Natural Resources and Environment (Lao PDR)
MONRE	–	Ministry of Natural Resources and Environment (Viet Nam)
MOHT	–	Ministry of Hotels and Tourism
MPI	–	Ministry of Planning and Investment (Viet Nam)
MRV	–	measurement, reporting, and verification
NAMA	–	Nationally Appropriate Mitigation Actions
NDF	–	Nordic Development Fund
NGO	–	nongovernment organization
NSU	–	national support unit
OIC	–	Office on International Cooperation (Thailand)
PCD	–	Pollution Control Department (Lao PDR)
PES	–	payments for ecosystem services
PFES	–	Payments for Forest Environmental Services

PRC	–	People’s Republic of China
PRF	–	ADB Poverty Reduction Cooperation Fund
PPP	–	Phnom Penh Plan for Development Management
PSU	–	Provincial Support Unit
REDD+	–	reducing emissions from deforestation and forest degradation
RETA	–	regional technical assistance
RIF	–	Regional Investment Framework
SAM	–	Semi-Annual Meeting
SEA	–	strategic environmental assessment
SEA START	–	Southeast Asia START Regional Center
SEDP	–	Socioeconomic Development Planning
SFM	–	sustainable forest management
Sida	–	Swedish International Development Cooperation Agency
SMCA	–	spatial multicriteria assessment
SNV	–	Netherlands Development Organisation
TASF	–	Technical Assistance Special Fund
TASU	–	Technical Assistance Supervising Unit
TBL	–	transboundary biodiversity landscape
TOR	–	terms of reference
UNDP	–	United Nations Development Programme
UNEP	–	United Nations Environment Programme
UNESCAP	–	United Nations Economic and Social Commission for Asia and the Pacific
USAID	–	United States Agency for International Development
USEPA	–	United States Environmental Protection Agency
VEA	–	Vietnam Environment Administration
WGA	–	GMS Working Group on Agriculture
WGE	–	GMS Working Group on Environment

In this report, “\$” refers to US dollars.

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## Executive Summary

This Semi-Annual Progress Report summarizes the contribution of the Core Environment Program (CEP) towards achieving the shared regional vision of a “poverty free and ecologically rich GMS” through the development of “a green, inclusive and balanced economy.”<sup>1</sup>

During the first six months of 2014, CEP made reasonable progress towards achieving its annual milestones. As of 30 June, 15 of the program’s 26 activities were “on track” to achieve their annual milestones, seven were “behind schedule” and three were “significantly behind schedule.” One activity was not due to commence until late 2014.

Physical progress was also measured in terms of “inputs” by evaluating progress regarding contracts scoped, prepared, awarded, and implemented. The 30 June target was to complete 30% while the program achieved 21%. By mid-year, a total of 49 contracts had been awarded (cumulative since 2012), comprising four consulting firms and 45 individual consultants. In addition, six Letter of Agreements (LOAs) with government partners are now in place. Physical progress is explained further in the Implementation Progress and Results section of this report and detailed in the CEP 2014 Work Plan in **Appendix 1**.

In terms of financial progress, as of 30 June, \$13.9 million was committed (contracts awarded), accounting for 51% of the total CEP budget, leaving a balance of \$13.2 million (or 49% of the total program budget) to be committed. Actual disbursement as of 30 June was \$4.5 million (17% of total budget). Compared with the cumulative disbursement target for 30 June of \$7.5 million, the program lags by 40%. The lag in disbursement of funds is attributed to the slow start-up of activities under contracts awarded. However, since disbursement typically follows an ‘S’ curve, it is expected to increase in the second half of 2014 and beyond. More detailed financial analysis is in the Financial Resources section of this report.

Based on physical and financial progress monitoring, CEP remains approximately 30% behind schedule, similar as reported for the previous year in the *CEP 2013 Annual Progress Report*. As explained further in the Critical Issues section of this report, a major cause of program implementation delays has been the time-consuming process for contracting the numerous firms and consultants required to implement the complex and diverse CEP portfolio. These contracting issues and processes have been assessed and largely addressed through adaptive management as well as a formal system-based review. However, ‘catching up’ on the initial CEP start-up delay of about 9 months and the complexity of contracting partners, is an ongoing challenge and will be a key point for discussion during the program’s Mid-Term Review scheduled for early 2015.

Apart from the contracting issues highlighted above, some technical and related challenges have impacted CEP implementation, including:

- (i) **Finding suitably qualified specialists** due to the highly specialized nature of some CEP activities, such as multisector scenario planning, economic assessment of natural capital, ecosystem-based adaptation to climate change, and climate risk financing. Finding **government and other champions** to pioneer such activities has also been challenging.

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<sup>1</sup>Joint Ministerial Statement, 3<sup>rd</sup> GMS Environment Ministers Meeting, July 2011, Cambodia: [www.gms-eoc.org/uploads/resources/174/attachment/3rd EMM Joint Ministerial Statement.pdf](http://www.gms-eoc.org/uploads/resources/174/attachment/3rd_EMM_Joint_Ministerial_Statement.pdf)

- (ii) **Accessing and sharing data**, including biodiversity and livelihoods data, for such purposes as TBL assessments, natural capital valuations, risk financing, and value chain development remains a challenge.
- (iii) **Establishing effective coordination mechanisms**, such as a GMS-wide knowledge forum to share knowledge and achieve consensus on a common framework for monitoring TBLs.
- (iv) **Avoiding duplication with similar initiatives**, especially in cases of climate change and biodiversity conservation projects targeting the same geographic areas. CEP must ensure regular coordination with these initiatives.

Despite the implementation challenges outlined above, CEP achievements during the first six months of 2014 were considerable. These have consolidated and built on results from 2013 and significantly contributed towards the 2016 design and monitoring framework (DMF) outcomes. Program wide achievements are summarized below and covered in more depth in the Implementation Progress and Results section of this report.

**CEP made substantial contributions to technical and human resource capacity development:** During the reporting period, the Environment Operations Center (EOC) and CEP National Support Units (NSUs) delivered 30 capacity building events that engaged over 1,400 participants across the Greater Mekong Subregion (GMS).

**CEP played a lead role in mobilizing broad-based partnerships on key environmental issues in the GMS:** For example, CEP has facilitated regular regional meetings of key GMS organizations working on climate change adaptation to exchange knowledge on best practices. Similarly, CEP has mobilized conservation organizations to work towards collaborative approaches to monitor and share information on biodiversity landscapes. Recently, CEP has begun looking at developing a broader partnership initiative to promote investments in “natural capital,” through multiple stakeholders including business, government, and civil society.

**CEP continued to contribute to important policy and institutional development outcomes:** These include environmental impact assessment (EIA) procedures and technical guidelines in Myanmar, an ecotourism management strategy in Myanmar, a master plan for biodiversity conservation in Viet Nam, and institutional review and capacity building support to the new Pollution Control Department (PCD) in Lao People’s Democratic Republic (Lao PDR). The program also secured \$1 million in funding from the Global Environment Facility (GEF) to promote regional cooperation in climate-integrated management of transboundary biodiversity landscapes (TBLs) in the GMS.

**CEP achievements contributed to cross-cutting objectives**, including regional collaboration, cross-sector integration, gender equity, social inclusion, and private sector participation. These are summarized in the table below.

## CEP Contributions to Cross-Cutting Objectives During January to June 2014

Key Deliverables <i>Achievements and Beneficiaries During January to June 2014</i>	Contribution Towards Cross-cutting Objectives				
	Regional Collaboration	Cross-sector Integration	Gender Equity	Social Inclusion	Business Sector Engagement
<b>EOC as regional knowledge hub and resource center</b> <i>The EOC online environment knowledge hub expands further.</i>	3	3	2	2	1
<b>Knowledge transfer and exchange through international and regional events</b> <i>CEP held two regional knowledge exchange and capacity development events: one international study visit/training workshop and one international learning event.</i>	3	3	2	1	2
<b>Policy and institutional reforms through mobilization of partnerships</b> <i>CEP directly and indirectly contributed towards four policy and institutional development outcomes.</i>	2	3	2	2	1
<b>Environment mainstreamed in regional and national strategies</b> <i>CEP supported the mainstreaming of environment in two national development strategies.</i>	3	3	2	2	1
<b>Additional investments leveraged in management of natural capital in transboundary biodiversity landscapes (TBLs)</b> <i>CEP supported the leveraging of additional investments in natural capital management in TBLs and promotion of cleaner technology through inclusion of a relevant investment portfolio in the GMS Regional Investment Framework (RIF).</i>	3	2	3	3	1
<b>Partnerships mobilized to support mainstreaming environment</b> <i>Development partners continue to perceive CEP to be a credible regional entity with whom to combine resources to achieve common objectives.</i>	3	3	2	2	1

**Scale:** 1 = minimal contribution, 2 = moderate contribution, 3 = significant/influential contribution. Supporting evidence is provided in the relevant sections of this report.

**Key strategic documents for CEP were prepared, or implementation begun, during the reporting period:** These include a private sector engagement strategy, an institutional and capacity needs assessment to establish an institutional vision for the future of EOC, a gender and social inclusion strategy, and a communications strategy.

**CEP has further strengthened its results-based monitoring approach** following the successful completion of an independently facilitated self-assessment workshop held in January 2014.

At the component level, there were many achievements during the reporting period and these are summarized in the following table and reported on further in the Implementation Progress and Results section.

### Key CEP Achievements by Component During January to June 2014

Component 1: Environmental Planning, Safeguards and Monitoring
<ul style="list-style-type: none"> <li>• <b>Expanded regional and national knowledge services for environment management and monitoring</b> <ul style="list-style-type: none"> <li>- Raised regional awareness on natural capital by organizing/co-organizing several knowledge events.</li> <li>- Built capacity on impact valuation in support of Strategic Environmental Assessment (SEA) of a revised Power Development Plan in Viet Nam.</li> </ul> </li> </ul>

- Continued to provide knowledge services in support of developing a full Asian Development Bank (ADB) Myanmar Country Partnership Strategy.
- Expanded the GMS online knowledge hub with addition of new maps and new sets of statistics incorporated into CEP website.
- Provided institutional review and capacity building support to Lao PDR's new PCD under the Ministry of Natural Resources and Environment (MoNRE).
- Built capacity in pollution modelling for PCD, Lao PDR.
- Continued support to Myanmar to develop a national online environment information system (EIS).
- **Strengthened and improved safeguards**
  - CEP continued to provide a lead role in supporting Myanmar to establish an environmental safeguards system with preparation of technical Environmental Impact Assessment (EIA) and environmental quality guidelines.

## **Component 2: Biodiversity Landscapes and Livelihoods**

- **Provided policy, planning and investment support of TBL and biodiversity conservation corridors**
  - Initiated regional/bilateral collaboration on TBL management.
    - Initiated consultations to establish a TBL knowledge forum.
    - Initiated cross-border cooperation between People's Republic of China (PRC) and Lao PDR on wild elephant conservation and enhancing local livelihoods.
    - Initiated discussions between the Guangxi Environment Protection Department (PRC) and Viet Nam's Ministry of Natural Resources and Environment (MONRE) Biodiversity Conservation Agency to establish a common monitoring and assessment framework in the Sino-Vietnamese Limestone TBL.
  - Contributed, along with other implementing partners, to Viet Nam's *Master Plan on Biodiversity Conservation through 2020 with a vision towards 2030*, which was approved by the Prime Minister in January 2014.
  - Supported an Ecotourism Working Group in Myanmar to oversee the development of an ecotourism management strategy.
  - TBL management and livelihoods development included in the GMS RIF portfolio of investments.

## **Component 3: Climate Change**

- **Expanded regional capacity and knowledge services on climate change**
  - Organized a training course entitled "Transport, Energy Use and Climate Change in the GMS" in collaboration with the GMS Phnom Penh Plan for Development Management.
  - Supported organization of a joint ADB-GIZ workshop on identifying ways forward for efficient, green freight and logistics in Asia, attended by transport officials from GMS countries.
  - Published *Climate Change and Rural Communities in the Greater Mekong Subregion: A Framework for Assessing Vulnerability and Adaptation Options*, the first of a new knowledge series.
- **EOC continued to promote regional dialogue through roundtable meetings on climate change in the GMS**
  - Organized the second climate change adaptation roundtable meeting of development partners, including the Nordic Development Fund (NDF), the Government of Sweden, the Institute for Global Environmental Strategies (IGES), the United States Agency for International Development (USAID), GIZ, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).
- **Collaborated with the ADB Biodiversity Conservation Corridor (BCC) project to maximize synergies and impacts**
  - Collaborated on elements such as a climate change vulnerability study, climate change risk financing and reducing emissions from deforestation and forest degradation (REDD+) readiness.
- **Catalyzed investment**

- Achieved inclusion of an investment concept on low carbon freight corridors and climate resilience in the GMS RIF.
- Submitted a proposal to the Clean Technology Fund secretariat for additional financing to build climate change mitigation capacity in Viet Nam.
- **Replicated the green freight approach in Cambodia**
  - Completed a study of the opportunities and barriers for green freight in Cambodia.

#### **Component 4: Institutions and Financing**

- **Enhanced WGE and NSU collaboration with other sectors**
  - Laid groundwork for the Institute of Strategy and Policy of Natural Resources and Environment (ISPONRE) to establish a cross-sector steering committee to ensure effective delivery and monitoring of CEP in Viet Nam, following the directive of the Minister of Environment
  - Supported Thailand's Ministry of Natural Resources and Environment (MNRE) to establish a steering committee to oversee delivery of its part of CEP.
  - Established an NSU Technical Committee in Lao PDR, based on the agreement signed by the Minister of Environment, which includes representatives from relevant sector ministries (e.g. agriculture, energy, transport).
  - Achieved endorsement from WGE for the inclusion of five environment investment projects in the GMS RIF.
  - Staffed NSUs/Provincial Support Units (PSUs) in PRC, Lao PDR, and Viet Nam.
  - Worked toward procurement of a National Coordinator in Thailand (in process).
  - Gained approval of Letter of Agreement (LOA) between ADB and Cambodia's Ministry of Environment from the Minister of Environment (in the final stage of approval).
- **Developed EOC as an environment knowledge hub and center for capacity development**
  - Expanded the CEP website with new online tools and knowledge resources, including hosting partner climate change data (USAID and SEA-START). Use by GMS stakeholders increased 30% (per month) in the first six months of 2014 compared to January to June 2013.
  - Disseminated new and existing CEP knowledge products at events, through partners, and online with nearly 2000 hard copies distributed in the GMS during the reporting period.
  - Organized 30 knowledge events during the year, involving more than 1,400 participants.

# 1. Introduction

In 1992, the six countries of the Greater Mekong Subregion (GMS)—Cambodia, the People’s Republic of China (PRC), the Lao People’s Democratic Republic (Lao PDR), Myanmar, Thailand and Viet Nam)—with assistance from the Asian Development Bank (ADB)—launched a subregional economic cooperation program (the GMS Program). The GMS Program aims to strengthen economic growth by focusing on three Cs—connectivity, competitiveness and community—as building blocks for subregional cooperation. Over the past two decades, the GMS Program has increased prosperity in the subregion through investments of more than \$15 billion for roads, airports, railways, hydropower, tourism infrastructure, and urban development.

In 2005, the GMS countries responded to growing concern about the environment impacts of rapid economic development by launching the Core Environment Program and Biodiversity Conservation Corridors Initiative – hereafter referred to as the Core Environment Program (CEP). Administered by the Asian Development Bank (ADB) and overseen by the environment ministries of the six countries that form the Working Group on Environment (WGE), CEP aims to achieve the outcome of an environmentally friendly and climate resilient GMS Program. The Environment Operations Center (EOC), as secretariat to the WGE, provides coordination and technical support. CEP is cofinanced by ADB, the governments of Finland and Sweden, Nordic Development Fund (NDF) and, most recently in April 2014, the Global Environment Facility (GEF).

Phase I of CEP (2006–2012) helped improve environmental management in the GMS by strengthening strategic planning processes, supporting enhanced biodiversity and livelihoods in key transboundary biodiversity landscapes (TBL), and improving national monitoring systems. In recognition of the program’s achievements and continued relevance, ADB approved a new five-year phase in 2011 (RETA 7987) and implementation began in 2012.<sup>2</sup>

The program has taken a spatial approach, with interventions concentrated on high value TBLs, which are increasingly under threat from emerging clusters of urban development and interconnecting economic corridors. CEP is guided by the following key principles:

- (i) Secure natural capital (ecosystem assets and services).
- (ii) Optimize the allocation of scarce resources and manage competition.
- (iii) Enhance the efficiency of natural resource value chains.
- (iv) Improve inclusiveness and equitable benefit sharing.
- (v) Promote collaborative natural resource management across international borders.

As a technical assistance program, the CEP focus is on building human and institutional capacity to mainstream environment in development planning and stimulate greater investments in natural capital. The key elements of the CEP capacity development approach include:

- (i) **Innovation** – introducing and refining approaches, tools and instruments to generate environmental knowledge.
- (ii) **Environmental knowledge management, exchange and sharing** throughout the GMS.
- (iii) **Facilitation of mainstreaming environmental knowledge** in regional, national and subnational development processes.

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<sup>2</sup> For more information about CEP, visit [www.gms-eoc.org](http://www.gms-eoc.org)

CEP Phase II comprises the following four components:

**Component 1: Environmental Planning, Safeguards, and Monitoring**

Output: Environmental planning systems, methods, and safeguards improved.

**Component 2: Biodiversity Landscapes and Livelihoods**

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

**Component 3: Climate Change**

Output: Climate resilient and low carbon strategies developed.

**Component 4: Institutions and Financing**

Output: Institutions and financing for sustainable environmental management improved.

## 2. Implementation Progress and Results

CEP implementation is guided by its design and monitoring framework (DMF). Recognizing its limitations, the DMF was updated twice in early 2013 to incorporate additional cofinancing from Sweden and NDF. Recognizing the limitations of the DMF, CEP instituted an adaptive management approach, expanding the DMF into a results-based framework in early 2013 to include annual milestones and deliverables. In late 2013, CEP complemented this approach by monitoring the development, procurement and implementation of contracts. Thus, the CEP 2014 Annual Work Plan comprises two parts (**Appendix 1**):

- (i) Annual Work Plan-1: Milestones and Deliverables (focusing on outputs)
- (ii) Annual Work Plan-2: Contracts and Schedules (focusing on inputs)

GMS country work plans are embedded within both parts of the CEP work plan. While the main report analyzes progress by Components, **Appendix 2** provides brief country summaries.

The program continues to remain behind schedule, caused by initial start-up delays during the transition from Phase I to Phase II (as explained in the *CEP 2013 Annual Progress Report*) as well as the slower than expected procurement of firms. While contracting of most consulting firms has now been initiated, contract awarding has proved time-consuming due to the complex nature of the packages requiring highly specialized services and often involving entities unfamiliar with ADB procurement procedures (see Critical Issues section for more information). This poses a risk for the timely delivery of some important milestones.

Overall though, as of 30 June, the program was on track to achieve most of its 2014 milestones (**Table 1**). Of the 26 activities, 15 were on track to “fully achieve” their respective milestones, seven were slightly behind schedule, however are likely to “mostly achieve” their milestones. Five activities were significantly behind schedule and are likely to only “partially achieve” their milestones. One activity, not yet started, will commence in the second half of the year. With 100% meaning all

activities are on track to “fully achieve” their milestones, progress for the first six months is given a value of 79%,<sup>3</sup> which compares favorably with 68% achieved for progress during 2013.

**Table 1: Summary of CEP Progress Against 2014 Milestones Based on Annual Work Plan-1**

Indicative Progress Against 2014 Milestones	Number of Activities	Activity
On track (likely to <b>fully achieve</b> 2014 milestones)	15	<p><b>Component 1:</b> Conduct an economic assessment of natural capital, support sector planning, strengthen country environmental safeguard systems, strengthen safeguards application in ADB-funded GMS projects, establish a GMS Environment Information System, and develop and implement a monitoring strategy for TBLs. (6)</p> <p><b>Component 2:</b> Develop and test ecosystem-based livelihood options. (1)</p> <p><b>Component 3:</b> Strengthen capacity to use climate change data and information for planning, develop and test cost-effective adaptation options, strengthen policy frameworks and raise awareness in support of Nationally Appropriate Mitigation Actions (NAMAs), and strengthen technical capacity for mitigation measurement, reporting, and verification (MRV) systems. (4)</p> <p><b>Component 4:</b> Strengthen the role of WGE in promoting regional collaboration; strengthen the role of EOC as a knowledge hub for environmental management; support development of sustainable financing mechanisms; and develop investment projects, including private sector partnerships. (4)</p>
Slightly behind schedule (likely to <b>mostly achieve</b> 2014 milestones)	7	<p><b>Component 1:</b> Support multisector/area-based planning, and strengthen subregional and national environment monitoring databases. (2)</p> <p><b>Component 2:</b> Conduct biodiversity landscapes assessment to inform management strategy, Identify ecosystem-based livelihood options. (2)</p> <p><b>Component 3:</b> Strengthen capacity for risk assessments and identification of adaptation interventions, strengthen capacity for forest carbon monitoring, and develop and test low carbon interventions for transport and energy sectors. (3)</p>
Significantly behind schedule (likely to only <b>partly achieve</b> 2014 milestones)	3	<p><b>Component 2:</b> Strengthen management of TBLs. (1)</p> <p><b>Component 3:</b> Test reducing emissions from deforestation and forest degradation (REDD+) systems with equitable and inclusive benefit sharing. (1)</p> <p><b>Component 4:</b> Strengthen national support units (NSUs) to be capable of program implementation and sector coordination. (1)</p>
Not started (To be initiated in the second half of 2014)	1	<p><b>Component 2:</b> Strengthen national REDD+ strategic planning and policy instruments. (1)</p>

**Note:** The scale for measuring progress against milestones is as follows: **not achieved** = no significant/meaningful progress towards milestone; **partly achieved** = some significant/substantial/meaningful progress (<50% of milestone); **mostly achieved** = most but not all targets met (>50% of milestone); **fully achieved** = milestone(s) all met; **exceeded** = achieved more than planned. The bracketed number equals the number of activities.

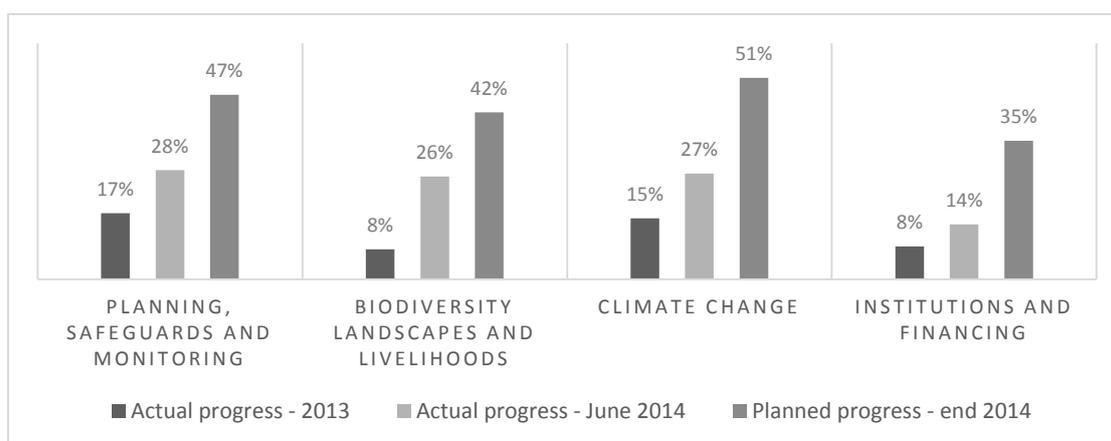
The overall progress of the program in terms of contract implementation was 21% by 30 June 2014, generally on schedule with some activities delayed to achieve a planned progress of 40% by the end of 2014 (**Figure 1**). Estimates of percentage progress are derived from the required time inputs,

<sup>3</sup> The 79% value is based on 62 points out of a total possible 78 points when allocating the 26 activities 3 points for “on track,” 2 points for “behind schedule,” and 1 point for “significantly behind schedule”

weighted by the budget, for each activity. Even though the program is making up for some of the delays, particularly with the activities dependent on procurement of relatively smaller packages involving individual consultants, the estimates shown in **Table 1** reflect delays up to 4 to 7 months in the case of larger procurements involving consulting firms.

As of June 30, a total of 49 contracts had been awarded (cumulative since 2012), comprising four consulting firms and 45 individual consultants. With 10 contracts completed, 39 contracts are currently being implemented. In addition, six Letter of Agreements (LOAs) with government partners are also now being implemented. Action is underway to recruit a further 25 individual consultants and 12 firms. Four additional LOAs with government agencies are in the final stages of being signed.

**Figure 1: CEP Implementation Progress by 30 June 2014, Based on Annual Work Plan-2**



**Note:** Percentage progress for each activity is estimated from required time inputs, then aggregated by taking the average of all activities within a subcomponent weighted by the budget for each activity.

### 3. Key Achievements and Cross-cutting Objectives

CEP built on 2013 progress and is moving towards the DMF outcomes set for 2016. The program delivered significant results on technical and human resource capacity development. EOC and the NSUs organized or co-organized 30 regional and national capacity building activities (training and knowledge sharing events) engaging over 1,400 participants across the GMS (**Appendix 3**).

In addition, CEP maintained its emphasis on mobilizing partnerships to mainstream environment and has championed a regional initiative on “natural capital partnership” to be launched at the Fourth GMS Environment Ministers’ Meeting (EMM4) in January 2015 in Nay Pyi Taw, Myanmar. In order to secure broad support for this partnership, CEP held several meetings with government and non-government partners. The preliminary concept of a GMS Natural Capital Partnership was discussed during the 1st EMM4 Taskforce meeting in March, attended by senior environmental officials from GMS countries.

Similarly, CEP held a consultation meeting with government and non-government organization (NGO) partners working on biodiversity conservation to discuss formation of a TBL Forum. CEP also maintained continuity to twice yearly regional roundtable meetings on climate change, providing an opportunity for development partners in the region to better coordinate their respective activities.

In addition, CEP is further expanding its collaboration with other GMS working groups. The program's engagement with the Tourism Working Group has resulted in a joint initiative with the International Centre for Integrated Mountain Development (ICIMOD) to prepare a first national ecotourism management strategy for Myanmar.

With the commencement of on-the-ground activities such as biodiversity conservation corridors, value chain development, climate change risk financing, and REDD+ readiness, CEP is now poised to start delivering results at the community level. Currently, CEP is implementing activities in Biodiversity Conservation Corridor (BCC) project sites in Cambodia, Lao PDR, and Viet Nam. In addition, CEP has initiated preparatory work in Yunnan and Guangxi provinces of PRC, Cao Bang Province of Viet Nam, and the Eastern Forest Complex in Thailand to either expand existing or establish new biodiversity conservation corridors.

EOC is also guiding and monitoring implementation of key strategic documents prepared in 2013 to ensure delivery of its cross-cutting objectives. These include: i) a capacity needs assessment focusing on an institutional vision for EOC to facilitate regional collaboration and for NSUs to effectively coordinate across sectors, ii) a gender and social inclusion strategy, and iii) a communications strategy and action plan. The implementation of these strategies has already started to yield positive results, particularly with social and gender inclusion and youth mobilization. Similarly, implementation of the communications strategy and action plan has resulted in increasing use of a common visual identity and branding of the program by all the partners, and improved communication and outreach capacity of NSUs.

EOC has also initiated preparation of a strategy for establishing partnerships between businesses, governments and civil society that are serviced by ecosystems in ways that are demonstrably good for business, local livelihoods, and biodiversity.

Major CEP achievements contributed to cross-cutting objectives during the first six months of 2014, including regional collaboration, cross-sector integration, gender equity, social inclusion, and private sector participation. These are summarized in **Table 2** and are described in more detail in the component sections below.

**Table 2: CEP Achievements in Delivering Cross-cutting Objectives by 30 June 2014**

Key Deliverables	Achievements and Beneficiaries by 30 June 2014	Contribution Towards Cross-cutting Objectives (1-minimal contribution, 2-moderate contribution, 3-significant contribution)				
		Regional collaboration	Cross-sector integration	Gender equity	Social inclusion	Business sector engagement
<b>EOC as regional knowledge hub and resource center</b>	<p>EOC expanded its online environment knowledge hub:</p> <ul style="list-style-type: none"> <li>- The website continues to attract significantly more users than anticipated; with a 30% increase in monthly visitors compared to 2013 (2014 target is 20% increase). It currently averages 80 visits a day.</li> </ul> <p>The 23-member EOC team continues to provide support to GMS countries in different aspects of the program (50% EOC-based professional consultants are from GMS countries, and 50% are women).</p>	3	3	2	2	1
<b>Knowledge transfer and exchange through international and regional events</b>	<p>CEP held two regional knowledge exchange and capacity development events, and supported one international study training workshop and one international learning event:</p> <ul style="list-style-type: none"> <li>- Joint event with Working Group on Agriculture (WGA) and GMS Subregional Energy Forum on managing natural capital to ensure food, energy and water security</li> <li>- Regional policy dialogue on mainstreaming natural capital into development decisions.</li> <li>- Study visit and participation in “Green freight and logistics in Asia” workshop in Singapore, organized jointly with ADB and GIZ.</li> <li>- 5-day training program on Transport, Energy Use and Climate Change in the GMS in partnership with the Phnom Penh Plan for Development Management (PPP).</li> </ul>	3	3	2	1	2
<b>Policy and institutional reforms through mobilization of partnerships</b>	<p>CEP directly or indirectly contributed towards three additional policy outcomes, one institutional strengthening exercise, and two initiatives to establish transboundary and regional mechanisms:</p> <ul style="list-style-type: none"> <li>- Finalization of environmental impact assessment (EIA) procedures, preparation of technical EIA guidelines and development of national environmental quality guidelines in Myanmar.</li> <li>- Joint initiative with ICIMOD, under Myanmar’s Working Group on Tourism, to develop an ecotourism management strategy.</li> <li>- Master plan on biodiversity conservation in Viet Nam.</li> <li>- Institutional review and capacity building support to Lao PDR’s new Pollution Control Department.</li> <li>- Collaboration plan for PRC-Lao PDR transboundary protected areas.</li> <li>- Consultation with partners to establish a TBL Forum.</li> </ul>	2	3	2	2	1
<b>Environment mainstreamed in</b>	<p>CEP supporting mainstreaming of environment in two national development strategies:</p>	3	3	2	2	1

Key Deliverables	Achievements and Beneficiaries by 30 June 2014	Contribution Towards Cross-cutting Objectives (1-minimal contribution, 2-moderate contribution, 3-significant contribution)				
		Regional collaboration	Cross-sector integration	Gender equity	Social inclusion	Business sector engagement
<b>regional and national strategies</b>	<ul style="list-style-type: none"> <li>- Technical input to a Myanmar country environmental analyses for the ADB Country Partnership Strategy.</li> <li>- Strategic environmental assessment (SEA) of Viet Nam's revised Power Development Plan VII.</li> </ul>					
<b>Additional investments leveraged in management of natural capital in TBLs and promotion of cleaner technologies</b>	<p>CEP supported leveraging of additional investments in natural capital management in TBLs and promotion of cleaner technology:</p> <ul style="list-style-type: none"> <li>- The GMS Regional Investment Framework (RIF) pipeline of investments includes concepts for TBL management, enhancing community competitiveness and resilience through ecosystem-based approaches and low-carbon freight corridors.</li> </ul>	3	2	3	3	1
<b>Partnerships mobilized in support of mainstreaming environment</b>	<p>Development partners perceive CEP to be a credible regional partner with whom to combine resources to achieve common objectives:</p> <ul style="list-style-type: none"> <li>- United States Agency for International Development (USAID) on safeguards and climate change.</li> <li>- GIZ on NAMAs and green freight.</li> <li>- The United Nations Environment Programme (UNEP), Global Mechanism and Conservation International on natural capital.</li> <li>- ICIMOD on promotion of ecotourism.</li> </ul> <p>CEP secured an additional \$1 million from the Global Environment Facility (GEF) to promote regional cooperation on climate-integrated management of transboundary biodiversity landscapes in the GMS. It is also mobilizing additional funds from the Poverty Reduction Cooperation Fund of PRC and the Clean Technology Fund within ADB.</p>	3	3	2	2	1

## Component 1: Environmental Planning, Safeguards and Monitoring

The overall output of this component is 'environmental planning systems, methods, and safeguards improved'. CEP aims to create better enabling conditions in the GMS to integrate natural capital values in planning and investment decisions. Work in this area supports GMS countries to achieve international commitments, such as those under Rio+20—United Nations Conference on Sustainable Development (specifically Sustainable Development Goals and the Natural Capital Declaration)—and those under the United Nations Convention on Biological Diversity. The component has the following sub-outputs:

- (i) Subregional and national strategic planning capacity strengthened
- (ii) Safeguards strengthened
- (iii) Environmental monitoring processes strengthened

Activities are structured under three subcomponents: Strategic Planning, Safeguards, and Monitoring.

## Progress Towards 2014 Annual Milestones

**Component 1: Environmental Planning, Safeguards and Monitoring** comprises eight activities: three delivering Output 1.1 (Subregional and national strategic planning capacity strengthened); two delivering Output 1.2 (Safeguards strengthened); and three delivering Output 1.3 (Environmental monitoring processes strengthened).

The status of Component 1 is presented in **Table 3**. Six of the eight activities are on track and two are behind schedule. The two activities that are behind schedule are (i) support multisector and area-based planning (Output 1.1) and (ii) strengthen subregional and national environmental monitoring database (Output 1.3).

The main deliverables for Component 1 during January to June included the following:

- (i) CEP initiated regional policy dialogue on mainstreaming natural capital.
- (ii) CEP conducted a national consultation cum training workshop for SEA of revised Power Development Plan VII in Viet Nam.
- (iii) A TOR was finalized for procurement of a consulting firm to undertake economic assessment of natural capital, multisector planning, and integrated energy planning.
- (iv) EIA technical guidelines and initial environmental examination guidelines were drafted.
- (v) New indicator databases were added to the CEP website for TBLs, biodiversity corridors, and impact story maps for each corridor area.
- (vi) A regional TBL consultation workshop was held to identify a core set of biodiversity and livelihoods indicators.

**Table 3: Environmental Planning, Safeguards, and Monitoring**

Activity	2014 Milestone	Status (30 June)
<b>Output 1.1: Subregional and national strategic planning capacity strengthened</b>		
Conduct economic assessment of natural capital and valuation of ecosystem services	Awareness of economic value of natural capital and ecosystem services increased	On track
Support multisector and area-based planning	Technical capacity of national planners and practitioners (NSUs, government, universities, national 'think tanks') for integrated planning improved	Behind schedule
Support sector planning	Technical capacity of national SEA practitioners (NSUs, government, universities, national 'think tanks') to support energy sector planning improved	On track
<b>Output 1.2: Safeguards strengthened</b>		
Strengthen country environmental safeguard systems	Capacity for application of safeguards systems strengthened	On track
Strengthen safeguards application in ADB-funded GMS projects	Safeguards application for ADB-funded projects supported	On track
<b>Output 1.3: Environmental monitoring processes strengthened</b>		

Establish a GMS Environmental Knowledge Hub	Map portal of GMS Environment Information System (EIS) enhanced and promoted	On track
Strengthen subregional and national environmental monitoring database	Environment Knowledge Hub co-maintained by NSUs	Behind schedule
Develop and implement a monitoring strategy for TBLs	Landscape and site level monitoring applied	On track

## Achievements

**Successfully raised regional awareness on natural capital:** EOC organized a regional knowledge event titled “Managing Natural Capital to Ensure Food, Energy and Water Security,” held alongside the annual meetings of the WGE and WGA. Momentum generated by the event led the WGE to recognize the urgent need to “reinvest in natural capital to secure food, energy and water in the GMS” and endorsed this focus on natural capital as the theme for EMM4.

**Provided knowledge in support of environmental management and monitoring:** Demand for CEP knowledge services included requests from other ADB projects and GMS government initiatives, leading to new activities and short term technical inputs, notably:

- (i) Technical inputs to a country environmental analysis, country diagnostic assessment, and country performance assessment reports, in support of development of a full ADB Myanmar country partnership strategy. This includes thematic coverage of green growth development, investment in natural capital, and food, water and energy security.
- (ii) Institutional review and capacity building support to Lao PDR’s new Pollution Control Department (PCD) to identify departmental core functions and human resources gaps, and to strengthen pollution monitoring capability.

**Strengthened safeguards in Myanmar and Cambodia:** CEP has played a lead role in supporting Myanmar to establish an environmental safeguards system focused, to date, on developing EIA procedures and technical guidelines, and national environmental quality guidelines. These outputs provide a sound basis for future safeguard support for EIA implementation with compliance monitoring by CEP, ADB technical assistance, and other development agencies. Government consultations confirmed the utility of planning safeguard support in Myanmar with an initial diagnostic analysis and institutional capacity needs assessment determining priorities for follow-up safeguard strengthening activities.

**GMS Environment Knowledge Hub:** The Statistics and Maps Portal on the CEP website continue to attract significantly more users than anticipated (40% above target), confirming increasing recognition of CEP as a regional knowledge hub. Notable developments in functionality include the addition of TBLs and biodiversity corridors to the Statistics Portal, employing elements of geo-journalism whereby numerical indicators (statistics) are enhanced by qualitative indicators in the form of impact stories linked interactively to maps of each site. This functionality is supported by newly developed databases for TBLs, with 26 indicators (170% above target), and biodiversity corridors, with 16 indicators (60% above target), as well as 84 impact stories (qualitative indicators). Other achievements include the development of an online portal for environment data sharing in Myanmar (in testing phase at the end of June), and updating the CEP Statistics Portal with available 2012 and 2013 national statistics.

**Monitoring capacity:** Existing NSUs have been actively involved in collecting data to update the Statistics Portal, and two knowledge transfer activities are ongoing or imminent to build capacity in pollution modeling: the Industrial Pollution Projection System (IPPS) pilot study for PCD Lao PDR, and forest cover and land use (FCLU) mapping and capacity building.

## Technical Challenges

Availability and access to reliable statistical and geographical data remains a challenge in the subregion. In order to maintain the currency of the GMS Statistics and Maps portals, CEP must systematically engage NSUs, line ministries and NGOs to help fill data gaps. CEP resources are funding the production of a regional FCLU map, but additional resources may be needed to close other data gaps.

## Subcomponent 1.1: Strategic Planning

### **Output 1.1: Subregional and national strategic planning capacity strengthened**

CEP strategic planning activities aim to strengthen subregional and national strategic environmental planning capacity. **Table 4** shows the status of procurements currently underway to deliver the three activities under Output 1.1.

**Table 4: Status of Strategic Planning Activities**

Activity	Tasks/Contracts	Scope	Status (30 June)
<b>Output 1.1: Subregional and national strategic planning capacity strengthened</b>			
Economic assessment of natural capital	Economic assessment of natural capital	Cambodia, Lao PDR, Viet Nam	Procurement
Support multisector and area-based planning	Strengthening multisector planning processes	Cambodia, Lao PDR, Viet Nam	Procurement
	Land use change simulation capacity building	GMS	Implementation
	SEA guideline for river basin planning	Viet Nam	Implementation
	SEA of provincial land use planning	Lao PDR	Procurement
	SEA of provincial socioeconomic development planning	Viet Nam	TOR development
Support sector planning	Capacity building on integrated energy sector planning	Cambodia, Lao PDR, Myanmar,	Procurement
	SEA of revised power development plan VII	Viet Nam	Implementation

### **Activity 1: Economic Assessment of Natural Capital and Valuation of Ecosystem Services**

CEP raised awareness of the economic value of natural capital and ecosystem services among the 164 participants from GMS countries, NGOs, private sector and development partners whom attended the joint WGE and WGA knowledge event titled “Managing Natural Capital to Ensure Food, Energy and Water Security.” This event on 26 March preceded the WGE Annual Meeting at which it was agreed that EMM4 should focus on mainstreaming and investing in natural capital. This was followed by an EOC retreat in May to establish a framework and concepts for EMM4, the latter which will include two days of preceding events to engage the private sector and youth in the natural capital dialogue.

Champasak University presented the findings of its CEP-supported contingent valuation of natural resources in Southern Lao PDR at the 4<sup>th</sup> International Research Conference titled “Integration of ASEAN Local Wisdom into International Thinking” held in Bangkok during March. The event was attended by over 200 participants from the Association of Southeast Asian Nations (ASEAN) countries and others, and the contingent valuation findings were published in the conference proceedings.

Over 100 participants from 13 countries attended a regional policy dialogue titled “Mainstreaming Natural Capital into Development Decisions: Bringing Environment to Center Stage” held 29–30 May in Hanoi, Viet Nam. WGE representatives provided inputs from their five respective countries as panelists in a participatory session titled “The Natural Capital Challenge at the Regional Scale in the GMS.” Outputs from that session will contribute to EMM4.

### ***Activity 2: Support Multisector and Area-based Planning***

Several multisector and area-based tasks are planned under this activity. The University of Amsterdam’s Institute for Environmental Studies (IVM) was procured in April 2014 to implement the activity “Building capacity on Land Use Change Modeling.” IVM, globally recognized for their work on land demand modeling, will develop a comprehensive model and subsequent capacity building program for the GMS during the next two-and-a-half years. The inception workshop will be held in October.

Several other tasks have undergone extensive consultation and commenced, or are in a late stage of procurement:

- (i) *Capacity building on spatial multicriteria assessment (SMCA) for land concessions:* The Viet Nam Ministry of Natural Resources and Environment (MONRE) requested CEP support to evaluate environmental suitability (new) and compliance (existing) of land concessions in Lao PDR. EOC is providing SMCA concept and software training to selected government staff using in house resources (a Geographic Information Systems [GIS] Specialist and GIS Assistant).
- (ii) *Capacity building on SEAs for provincial Socioeconomic Development Planning (SEDP):* Consultations have been held with Viet Nam Development Strategy Institute (DSI) under the country’s Ministry of Planning and Investment (MPI), and with the Institute of Strategy and Policy on National Resources and the Environment (ISPONRE) under the Ministry of Natural Resources and Environment (MONRE). CEP has prepared a concept note and TOR and submitted them to DSI and ISPONRE for final approval. CEP will coach national trainers on SMCA and procure individual experts (national and international) to pilot an SEA on a provincial SEDP.
- (iii) *Capacity building on SEA for Provincial Land Use Planning/Integrated Spatial Planning (LUP/ISP):* This task has been conceptualized in close consultation with the Ministry of Natural Resources and Environment (MONRE), Lao PDR. It is behind schedule because a suitable expert was not found in the first call for Expressions of Interest.

Recruitment of a consulting firm to implement the multisector planning support activity in Cambodia, Lao PDR and Vietnam is at an advanced stage (evaluation of full technical proposals).

### **Activity 3: Support Sector Planning**

The national consultation workshop for SEA of the revised Power Development Plan VII, held on 27 May in Hanoi, Vietnam, brought together 53 representatives from national, provincial and district authorities, power companies and civil society. The Institute of Energy has requested CEP support with impact valuation methodologies to be applied during the SEA.

## **Subcomponent 1.2: Safeguards**

### **Output 1.2: Safeguards strengthened**

CEP activities under this subcomponent aim to strengthen national safeguard systems and the application of safeguards in ADB-funded GMS projects. **Table 5** shows the status of two activities, one to be delivered through an individual consultant and a resource person, and the other to be delivered through EOC specialist inputs under Output 2.1.

**Table 5: Status of Safeguard Activities**

<b>Activity</b>	<b>Tasks/Contracts</b>	<b>Scope</b>	<b>Status (30 June)</b>
<b>Output 1.2: Safeguards strengthened</b>			
Strengthen country environmental safeguard systems	Environmental safeguard specialist	Cambodia	Implementation
	Resource person and EOC specialist inputs	Myanmar	Implementation
Strengthen safeguards application in ADB-funded GMS projects	Responsive support to ADB safeguards application (EOC specialist inputs)	Lao PDR, Myanmar, Viet Nam	Implementation

### **Activity 1: Strengthen Country Environmental Safeguard Systems**

In Cambodia, CEP completed an equivalence assessment of existing and new EIA provisions to guide a review of the country's safeguards system and capacity development needs. Following a period of inactivity due to reorganization of the Ministry of Environment, CEP was given permission to proceed with the diagnostic review and prepare a capacity development action plan.

In Myanmar, additional technical support was provided to finalize EIA procedures, prepare technical EIA guidelines and develop national environmental quality guidelines. The EIA guidelines are nearing completion, and preparation of the related initial environmental examination guidelines has commenced. Development of the environmental quality guidelines is ongoing as an iterative process undertaken in close consultation with the government.

ADB, with input from EOC, has begun work on a capacity development technical assistance proposal to consolidate CEP activities and strengthen the provision and application of environmental safeguards in Myanmar.

CEP has had discussions with USAID, the US Environmental Protection Agency (USEPA), and Pact about potential collaboration on safeguard activities planned under the USAID's Lower Mekong Initiative, including a GMS safeguard study tour and USEPA specialist inputs to safeguard implementation and compliance monitoring in both Cambodia and Myanmar.

## **Activity 2: Strengthen Safeguards Application in ADB-funded GMS Projects**

CEP safeguards support to ADB country programming processes and ADB-funded projects in the subregion included:

- (i) inputs to a Myanmar Country Environmental Analysis preparatory activity,
- (ii) inputs to a Myanmar Country Diagnostic Assessment report,
- (iii) preparation of a Policies and Institutions for Environmental Sustainability chapter of a Myanmar Country Performance Assessment, and
- (iv) participation in the Northern Lao PDR Livestock project completion mission to assess the EIA review framework and safeguard effectiveness.

## **Subcomponent 1.3: Monitoring**

### **Output 1.3: Environmental monitoring processes strengthened**

CEP monitoring activities aim to establish a GMS Environment Information System, strengthen subregional and national environmental monitoring databases, and develop and implement a monitoring strategy for TBLs. Implementation of the three activities under Output 1.3 involves three procurements (two firms and one short term consultant) and the other three tasks rely on inputs from EOC specialists. **Table 6** shows the status of these three activities.

**Table 6: Status of Monitoring Activities**

<b>Activity</b>	<b>Tasks/Contracts</b>	<b>Scope</b>	<b>Status (30 June)</b>
<b>Output 1.3: Environmental monitoring processes strengthened</b>			
Establish a GMS Environmental Information System (EIS)	Enhancement of GMS Online Environment Portal	GMS	Implementation
	Development of a Myanmar national online environment portal	Myanmar	Implementation
Strengthen subregional and national environmental monitoring databases	Development of regional forest cover and land use map	GMS	Procurement
	EOC specialist inputs to pollution monitoring technical support in Lao PDR	Lao PDR	Implementation
Develop and implement a monitoring strategy for TBLs and biodiversity corridor sites	EOC specialist inputs on landscape and site indicator development  Linked with a Component 2 activity and procurement to conduct a biodiversity and landscape assessment	Cambodia, Lao PDR, Viet Nam	Implementation

### **Activity 1: Establish a GMS Environment Information System**

Over the past six months the GMS Statistics Portal user interface and CEP website content management system were redesigned to accommodate several new databases. With the addition of landscape and corridor indicators, the portal features interactive indicators for all four CEP geographic levels: regional, national, landscape, and site. With these additions, the GMS Statistics Portal now hosts 80 indicators (previously 37) and is well aligned with the CEP impact monitoring matrix.

CEP is also expanding into the field of qualitative indicators and geo-journalism with the launch of interactive, geo-referenced “impact stories.” These stories are embedded into maps of the transboundary landscapes and their respective corridors. Currently, each landscape and corridor is illustrated by 4 to 7 impact stories and photos (84 in total).

In Myanmar, CEP has supported the development of a web-based cross-institutional repository for environmental information hosted by the Environmental Conservation Department of the Ministry of Environmental Conservation and Forestry (MOECAAF). The inception meeting took place on 26 April in Nay Pyi Taw, and the draft website was ready for data entry at the end of June. CEP expects to launch the website shortly after the release of the UNEP-led *Myanmar State of the Environment Report* in October.

### **Activity 2: Strengthen Subregional and National Environmental Monitoring Databases**

Now that the GMS Statistics Portal national indicator section is well established (it currently has 37 trend indicators), the next step is to engage the NSUs in its maintenance. Under the guidance of the EOC Statistics and Indicator Assistant, NSUs contributed data to the 2012 update and are currently involved in preparing the 2013 update.

To strengthen the role and profile of EOC as an environmental data producer for the GMS, CEP is supporting several related procurements and pilot studies. The development of an accurate, frequently replicable and low-cost regional FCLU map is in the final stages of procurement and it will be launched along with the activity ‘Building capacity on land use change modeling’ in October. In Lao PDR, CEP is piloting the IPPS to explore its feasibility to estimate pollution loads and help PCD prioritize tasks and best utilize human and financial resources.

### **Activity 3: Develop and Implement a Monitoring Strategy for TBLs and Biodiversity Corridor Sites**

Three new indicator databases were developed for: (i) TBLs, with 27 indicators (170% above target); (ii) Biodiversity Corridors, with 16 indicators (60% above target), and (iii) impact stories, with 84 images and associated text covering all seven TBLs and their respective biodiversity corridors. CEP now has a comprehensive suite of indicators covering the four geographic levels in which it operates: regional, national, landscape and site (corridor). These databases are an important contribution to CEP impact monitoring.

CEP recognizes that maintaining indicator databases at this scale is time consuming and costly. This is reflected in the decreasing number of indicators with increasing geographic scale: there are 37 national indicators, 27 for landscapes and 16 for specific biodiversity corridor sites. On 6 May, CEP hosted a “TBL Consultation Workshop” in Bangkok with WGE representatives and key partners working on landscape assessment and conservation to discuss partnership approaches to monitoring biodiversity and livelihoods in GMS landscapes. This discussion will be further taken up at a TBL forum planned to immediately precede EMM4.

## **Component 2: Biodiversity Landscapes and Livelihoods**

The overall output of Component 2 is “improved local livelihoods and management of transboundary biodiversity conservation landscapes.” Activities support GMS countries to fulfill their commitments under the United Nations Convention on Biological Diversity and associated action plans,

particularly with regard to reducing ecosystem fragmentation. CEP aims to enhance the connectivity, function and services of ecosystems through an integrated approach to biodiversity conservation and sustainable livelihoods development. The component sub-outputs are:

- (i) TBL monitoring and management strengthened.
- (ii) Value chain development based on agroecosystem goods and services supported.

In Cambodia, Lao PDR, and Viet Nam, CEP biodiversity conservation activities are designed to complement the \$70 million Biodiversity Conservation Corridors (BCC) project, the funding of which is a major achievement of CEP Phase I. In addition, pilot activities will continue in the biodiversity conservation sites not covered by the BCC project. These sites are in Guangxi Province (PRC) and Cao-Bang Province (Viet Nam), Yunnan Province (PRC) and Tenasserim (Thailand).

Activities are structured under two subcomponents: Biodiversity Landscape Management and Monitoring, and Value Chain Development.

### Progress Towards 2014 Annual Milestones

Overall progress in achieving the 2014 Annual Milestones for Biodiversity Landscapes and Livelihoods is on track for one activity and behind schedule for four activities (**Table 7**). The main deliverables were:

- (i) PRC, Thailand and Viet Nam signed LOAs with ADB to undertake conservation and livelihood activities.<sup>4</sup> Supporting staff and consultants have been hired and four inception reports delivered.
- (ii) A regional workshop held in Bangkok in May brought together WGE representatives and conservation NGOs working in the GMS to share information on respective activities and consult on the merits of establishing a TBL Forum.
- (iii) Various procurements were initiated, including the development of management strategies for TBLs and situation analysis of potential ecosystem based products.
- (iv) Collaboration was initiated with ICIMOD in support of Myanmar’s MOECA and the Ministry of Hotels and Tourism (MOHT) to develop an ecotourism management strategy, focusing on 23 protected areas.

**Table 7: Biodiversity Landscapes and Livelihoods**

Activity	2014 Milestone	Status (30 June)
<b>Sub-output 2.1 Transboundary biodiversity landscape monitoring and management strengthened</b>		
Conduct TBL assessment to inform management strategy	Biodiversity profiling assessment initiated in key TBLs	Behind schedule
Strengthen management of TBLs	Collaboration for management of TBLs strengthened	Behind schedule
Develop and test community-based conservation options	Community-based conservation options tested	Behind schedule

<sup>4</sup> These LOAs are separate to those for CEP National and Provincial Support Units.

<b>Sub-output 2.2 Value chain development</b>		
Identify ecosystem-based livelihood options	Potential investment-worthy livelihoods development and employment generation opportunities based on ecosystem goods and services identified	Behind schedule
Develop and test ecosystem-based livelihood options	Piloting of livelihoods opportunities (agroforestry products and ecotourism services) initiated	On track

## **Achievements**

### **Regional cooperation on TBL management initiated:**

- (i) CEP consulted with key partners concerning the establishment of a Forum to support regional collaboration in managing TBLs by sharing information and experience, developing a common monitoring platform and other means.
- (ii) Cross-border cooperation in wild elephant conservation and enhancing local livelihoods has been initiated in Xishuangbanna (PRC) and across the border in Lao PDR.

**Ecotourism under development in Myanmar:** An Ecotourism Working Group has been established as a taskforce by MOHT in Myanmar to oversee the development of an ecotourism management strategy, in line with the *Myanmar Tourism Master Plan 2013–2030*. CEP, a member of this task force, is contributing a regional dimension by extending the scope of the strategy to include protected areas in TBLs.

**Viet Nam’s Master Plan on Biodiversity Conservation through 2020 with a vision towards 2030** was approved by the Prime Minister in January. The Master Plan, to which CEP implementing partners contributed, provides opportunities for CEP to support new activities such as national natural capital accounting.

## **Technical Challenges**

Three technical challenges are as follows:

- (i) Difficulties persist in data acquisition and information sharing among GMS countries,
- (ii) Apprehension from some partners about investing time and resources in the proposed TBL Forum needs to be addressed by clarifying synergies and opportunities to achieve common objectives, particularly in relation to EMM4.
- (iii) Consistent application of protected area ecotourism assessments by consultants engaged under CEP and other survey teams must be ensured to secure a cohesive ecotourism management strategy for Myanmar.

## **Subcomponent 2.1: Biodiversity Landscape Monitoring and Management**

### **Output 2.1: TBL monitoring and management strengthened**

CEP activities under this output are aimed at the development of strategic spatial plans for the management of TBLs, informed by assessments of their conservation and economic values with respect to their natural capital and ecosystem services. The establishment of a common framework for monitoring the condition of biodiversity and local livelihoods is integral to their future management.

Two activities will be delivered by three individual consultants and a firm through three LOAs with government agencies of the respective countries. In addition, an EOC specialist will deliver one activity. **Table 8** shows the status of these activities.

**Table 8: Status of Biodiversity Landscape Monitoring and Management Activities**

Activity	Tasks/Contracts	Scope	Status (30 June)
Output 2.1 TBL monitoring and management strengthened			
Conduct biodiversity landscapes assessment to inform management strategy	TBL assessments	Regional	Procurement
Strengthen management of TBLs	TBL knowledge forum (EOC specialist input)	Regional	Implementation
Develop and test community based conservation options	Technical support to biodiversity corridors: - four individual consultants	PRC	Implementation
	- three individual consultants	Viet Nam, Thailand	Procurement
	TBL and biodiversity corridors pilot project (LOAs)	PRC, Viet Nam, Thailand	Implementation

**Activity 1: Conduct Biodiversity Landscapes Assessments to Inform Management Strategies**

The vacancy was announced in June for a consulting firm to undertake this activity, which involves updating biodiversity and socioeconomic profiles, identifying key conservation gaps, establishing a biodiversity landscape monitoring system, and developing TBL management strategies.

**Activity 2: Strengthen Management of Biodiversity Landscapes and Corridors**

Steps are underway to set up a TBL Forum to provide a platform for sharing information on existing and planned activities, collaborating on common objectives and maximizing synergies. CEP held a consultation workshop on 6 and 7 May in Bangkok, attended by 30 participants from WGE, international NGOs and research institutions. In addition to presentations on a range of ongoing activities, EOC presented a draft framework for defining a common approach to monitoring TBLs. This framework builds on the earlier work of CEP Phase I. This Forum will also provide a useful platform for building consensus on the development of the TBL management strategies.

Yunnan PSU drafted a collaboration plan for PRC-Lao PDR transboundary protected areas. Conservation activities will focus on monitoring wild elephants and developing a bilateral conservation action plan. An implementation plan on corridor management and livelihoods improvement has been drafted based on site surveys.

The Viet Nam Environment Administration (VEA) within MONRE held a workshop in February to prepare a work plan for implementing biodiversity conservation corridor activities in Cao Bang, as well as in corridors elsewhere in Quang Nam, Quang Tri, and Thua Thien Hue provinces.

An EOC mission to Viet Nam in March helped strengthen collaboration on biodiversity landscapes and corridors management in the Sino-Viet Nam Karst landscape. EOC held meetings with the Management Board of the Cao Vit Gibbon Landscape Nature Reserve; Fauna and Flora

International; and the People, Resources and Conservation Foundation regarding future activities under CEP. EOC also participated in an inception workshop organized by VEA, attended by 69 participants.

CEP provided technical support on land use planning to the BCC project in Viet Nam. The program procured two national consultants to prepare technical guidelines for land use planning at the community level. CEP conducted three additional land use planning training workshops in Quang Nam, Thua Thien Hue, and Quang Tri provinces in April and May. A total of 260 participants participated in these training workshops.

### **Activity 3: Develop and Test Community-Based Conservation Options**

CEP has recruited three national consultants in PRC to provide technical support on landscape and corridors conservation and management, livelihoods improvement, and community-based conservation.

The biodiversity conservation and livelihoods consultant, in collaboration with Yunnan PSU, identified villages and activities for CEP support in Xishuangbanna and Deqin. An Impact assessment of CEP Phase I interventions was also initiated in Yunnan.

Contract negotiations for two national consultants for Viet Nam are underway for livelihood and biodiversity corridor management support.

## **Subcomponent 2.2: Value Chain Development**

### **Output 2.2: Value chain development based on ecosystem goods and services supported**

CEP activities under this output aim to develop value chains in support of local livelihoods within TBLs, focusing on corridors that connect biodiversity hotspots (protected areas). Three procurements and three tasks facilitated by EOC specialists are underway to deliver the two main activities. **Table 9** shows the status of those activities.

**Table 9: Status of Value Chain Development Activities**

<b>Activity</b>	<b>Tasks/Contracts</b>	<b>Scope</b>	<b>Status (30 June)</b>
<b>Output 2.2: Value chain development based on agro-ecosystem goods and services supported</b>			
Identify ecosystem based livelihood options	Situational analysis of agroforestry product value chains	Cambodia, Yunnan Province (PRC), Lao PDR, Myanmar, and Viet Nam	Procurement
	Value chain development (ecotourism and ecosystem-based products)	Cambodia, Lao PDR, Myanmar and Viet Nam	TOR development
Develop and test ecosystem based livelihood options	Assessment of potential protected areas for developing ecotourism management strategy	Myanmar	Procurement

### **Activity 1: Identify Ecosystem Based Livelihood Options**

CEP has finalized a concept paper on value chain development and is in the process of procuring a consultant to analyze opportunities to enhance livelihoods through ecosystem-based products. Work is expected to begin in August. The TOR for a consultant firm to undertake a feasibility study, pilot a demonstration project and assess its impact has been drafted.

### **Activity 2: Develop and Test Ecosystem Based Livelihood Options**

EOC undertook two missions to Myanmar to consult with stakeholders on the scope of work for ecotourism development. The first was in January, at which MOECA and MOHT confirmed that Tanintharyi would be an appropriate region for piloting community-based ecotourism activities.

The second mission (to Yangon in early June) was to engage in the government-led Ecotourism Working Group attended by 30 participants. The group agreed to a plan and schedule for the formulation of an ecotourism management strategy for Myanmar, to be launched at the upcoming International Ecotourism Conference in March 2015. EOC will collaborate with ICIMOD in the development of this strategy and CEP will procure two individual consultants to assess the ecotourism potential of 12 protected areas, including two within the Tenasserim and Mekong Headwaters TBLs.

CEP has also begun exploring opportunities for jointly developing and implementing activities with other regional initiatives including the BCC project, the GMS Sustainable Tourism Development Project, and the GMS Core Agriculture Support Program (CASP).

## **Component 3: Climate Change**

The overall output of CEP climate change work is “climate-resilient and low-carbon strategies developed.” CEP climate change activities support countries in achieving their commitments under international climate change agreements, including National Adaptation Plans of Actions and National Target Programs for climate change. The component has the following sub-outputs:

- (i) Climate change risk mitigation and disaster preparedness capacity developed.
- (ii) National sustainable forest management (SFM) to enhance carbon stocks and REDD+ readiness improved.
- (iii) Low carbon strategies and Nationally Appropriate Mitigation Actions (NAMA) technical capacity developed.

Climate change activities are structured under three subcomponents: Adaptation, REDD+/SFM, and Mitigation.

### **Progress Towards 2014 Annual Milestones**

The climate change component has made significant progress towards achieving the 2014 Annual Milestones (**Table 10**). Out of the nine activities under three subcomponents, four activities are fully on track to achieve the annual milestones, with significant results during the first six months of 2014. Four activities are slightly behind schedule. One activity (REDD+ in Thailand) has not started mainly due to the national political situation. For this activity, EOC is planning to re-engage key Thai counterparts for further dialogue in the third quarter of 2014.

The major deliverables during the reporting period included the following:

- (i) A second Roundtable Discussion on Climate Change Adaptation in the GMS was held on 16 January.
- (ii) Two regional training events built capacity of 32 GMS practitioners from transport, energy, climate change and planning agencies.
- (iii) A proposal for additional financing for mitigation capacity building in Viet Nam was developed and submitted to the Clean Technology Fund.
- (iv) CEP scoped an NAMA capacity building activity, developed a TOR, and commenced procurement.
- (v) EOC published a knowledge product entitled “Climate Change and Rural Communities in the Greater Mekong Subregion: A Framework for Assessing Vulnerability and Adaptation Options”.
- (vi) CEP scoped REDD+ readiness capacity building in Viet Nam and Lao PDR, and initiated REDD+ readiness project and capacity building activities in Lao PDR.
- (vii) Assessments were conducted to identify financial models for green freight in Thailand, Viet Nam, Lao PDR and Cambodia.

**Table 10: Climate Change**

Activity	2014 Milestone	Status (30 June)
<b>Sub-output 3.1 Climate change risk mitigation and disaster preparedness capacity developed</b>		
Strengthen capacity to use climate change data and information for planning	Up to date climate risk analytical tools, guidelines and knowledge outputs developed and disseminated (knowledge transfer)	On track
Strengthen capacity for risk assessments and identification of adaptation interventions	Capacity of GMS institutions and practitioners to assess climate change vulnerability strengthened	Behind schedule
Develop and pilot cost effective adaptation options	Opportunities for pilot intervention identified.	On track
<b>Sub-output 3.2 National SFM to enhance carbon stocks and REDD+ readiness improved</b>		
Strengthen national REDD+ strategic planning and policy instruments		Not started
Strengthen capacity for forest carbon monitoring	Capacity to monitor forest carbon stocks improved	Behind schedule
Develop and test REDD+ systems with equitable and inclusive benefit sharing	Role of community development funds in REDD+ benefit sharing evaluated	Behind schedule
<b>Sub-output 3.3 Low carbon strategies and NAMA technical capacity developed</b>		
Strengthen policy frameworks and raise awareness in support of NAMAs	Capacity for formulation of climate change mitigation actions strengthened	On track
Strengthen technical capacity for mitigation monitoring, reporting and verification (MRV) systems	Capacity and knowledge gaps for NAMA MRV systems identified	On track

Develop and test low carbon interventions for transport and energy sectors	Benefits of low carbon/green freight interventions demonstrated	Behind schedule
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## Achievements

**CEP Green Freight Initiative catalyzes investment:** The GMS Regional Investment Framework (RIF) pipeline of investments includes concepts on low carbon freight corridors and climate resilience that CEP has identified and promoted. The program has submitted a proposal to the Clean Technology Fund secretariat for additional financing to build climate change mitigation capacity in Viet Nam.

**CEP training strengthens climate change expertise and partnerships:** CEP roundtable meetings and workshops have contributed significantly towards raising awareness of climate change issues and building a cadre of practitioners in GMS countries. In April, EOC organized a week-long climate change training course for senior government officials in collaboration with the GMS Phnom Penh Plan for Development Management (PPP). In June, CEP also supported the design and execution of a joint ADB-GIZ workshop in Singapore focused on identifying ways forward for efficient green freight and logistics in Asia. Knowledge, information, and expertise from CEP partners added much substance to both events.

**EOC continues to promote regional dialogue through roundtable meetings on climate change in the GMS:** The second roundtable meeting held in January highlighted the mitigation and adaptation portfolio of the NDF and brought together development partners, including the Government of Sweden, IGES, USAID, GIZ, UNDP and UNEP. The agencies identified two key areas for collaboration: monitoring and evaluation of program impacts and leveraging of private sector investments.

**CEP collaboration with the BCC project is maximizing synergies and impacts:** The BCC project in Lao PDR has welcomed the CEP approach to building REDD+ readiness capacity among local stakeholders will integrate it with current activities. In Viet Nam, the CEP climate risk financing assessment is supporting the Commune Development Fund (CDF) with the BCC project. Climate risk assessment criteria will be included in CDF surveys to strengthen guidelines and improve climate resilience of CDF operations.

**CEP published a climate change adaptation knowledge product:** In May, CEP published the first of its new knowledge series – *Climate Change and Rural Communities in the Greater Mekong Subregion: A Framework for Assessing Vulnerability and Adaptation Options* – and distributed it via the CEP website, events, ADB dissemination channels, and online professional networks. It will be officially launched at the Third Roundtable Discussion on Climate Change Adaptation in the GMS planned for July.

**Replication of the green freight approach in Cambodia:** CEP completed a study of the opportunities and barriers for green freight in Cambodia and held initial discussions with industry and government stakeholders to promote green freight in the country.

## Technical Challenges

Undertaking technical assessments for CEP interventions in BCC communities is difficult and time-consuming due to the lack of a central, systemic information system relating to the BCC project in

Lao PDR, Cambodia, and Viet Nam. Scarcity of site level meteorological data for the climate risk financing assessment is a similar challenge.

### Subcomponent 3.1: Adaptation

#### **Output 3.1 Climate change risk mitigation and disaster preparedness capacity developed**

CEP adaptation activities aim to develop climate change risk mitigation and disaster preparedness capacity in GMS. One contract is being implemented, and two are being procured, to deliver the two activities under Output 3.1, facilitated by EOC specialists (see **Table 11**).

**Table 11: Status of Adaptation Activities**

Activity	Tasks/Contracts	Scope	Status (30 June)
<b>Output 3.1 Climate change risk mitigation and disaster preparedness capacity developed</b>			
Strengthen capacity to use climate change data and information for planning	Regional capacity building in climate vulnerability and adaptation Assessment in GMS biodiversity conservation landscapes initiated with the Southeast Asia START Regional Center (SEA START)	Regional	Procurement
Strengthen capacity for risk assessments and identification of adaptation interventions	Building capacity to mainstream climate change adaptation in rural communities in GMS Biodiversity Conservation Landscapes	Cambodia, Lao PDR, Viet Nam	Procurement
	Climate risk financing assessment		Implementation

#### **Activity 1: Strengthen Capacity to Use Climate Change Data and Information for Planning**

ADB is finalizing contract negotiations with SEA START in order to implement the CEP regional capacity building program on climate change adaptation. Work is expected to start in the third quarter and will include designing climate vulnerability assessment guidelines, establishing an online technical support system for adaptation planning, and conducting training workshops to support GMS practitioners.

In April, EOC organized a highly successful training course on “Transport, Energy Use and Climate Change”, in partnership with the PPP. CEP supported 26 GMS practitioners to attend from transport, energy, climate change and planning agencies. Overall, the participants rated the course 86% (4.28 out of 5), the highest ever achieved under the CEP and PPP partnership.

#### **Activity 2: Strengthen Capacity for Risk Assessments and Identification of Adaptation Interventions**

In May, CEP published a knowledge product titled *Climate Change and Rural Communities in the Greater Mekong Subregion: A Framework for Assessing Vulnerability and Adaptation Options*. Using the framework, CEP will build the capacity of practitioners in Lao PDR, Cambodia and Viet Nam in climate vulnerability assessment. EOC is currently reviewing technical proposals submitted by the firms shortlisted to implement the activity. This work is expected to begin in the fourth quarter.

CEP scoping assessment for climate risk financing opportunities in the BCC communities is ongoing as planned. Fieldwork has been conducted in Lao PDR and Viet Nam and has started in Cambodia.

Initial findings from the assessment were presented to the 6th Asian Ministerial Meeting on Disaster Risk Reduction in Bangkok (25 June). Development of an implementation plan for piloting risk financing is expected to begin by the end of 2014.

In June, CEP secured additional finance from the GEF for the landscape level climate risk assessment. The TOR is in preparation, with plans to commence work in the fourth quarter.

### **Subcomponent 3.2: REDD+/Sustainable Forest Management**

#### ***Output 3.2: National SFM to enhance carbon stocks and REDD+ readiness improved***

CEP activities under this output aim to improve national SFM and REDD+ readiness in Lao PDR, Thailand, and Viet Nam. One contract is being implemented and one is being procured for the two activities (see **Table 12**).

**Table 12: Status of REDD+/Sustainable Forest Management Activities**

<b>Activity</b>	<b>Tasks/ Contracts</b>	<b>Scope</b>	<b>Status (30 June)</b>
<b>Output 3.2: National SFM to enhance carbon stocks and REDD+ readiness improved</b>			
Strengthen national REDD+ strategic planning and policy instruments	REDD+ support in Thailand	Thailand	Not started
Strengthen capacity for forest carbon monitoring	REDD+ Readiness Capacity Building in Lao PDR	Lao PDR	Implementation
	REDD+ Readiness Capacity Building in Viet Nam	Viet Nam	Procurement

#### ***Activity 1: Strengthen National REDD+ Strategic Planning and Policy Instruments***

CEP prepared an initial concept note outlining program support to Thailand for REDD+ readiness and discussed it in 2013 with the Department of National Parks, Wildlife and Plant Conservation (DNP). This initiative has not progressed due to political uncertainties earlier in 2014. EOC will re-engage with DNP in the third quarter of 2014 to progress this activity.

#### ***Activity 2: Strengthen Capacity for Forest Carbon Monitoring***

REDD+ readiness capacity building activities have been scoped in Lao PDR and Viet Nam and are at different stages of progress.

In Lao PDR, the Netherlands Development Organization (SNV) has been engaged to implement the task. CEP organized an inception workshop in Champasak Province to discuss details with BCC implementing agencies. The agreed-upon approach is outlined in an inception report submitted by SNV in June. Preparations are underway to train local government stakeholders in participatory forest monitoring and, through workshops, to raise awareness of REDD+ in Lao PDR among national government stakeholders. Work in Viet Nam under this activity have not yet commenced.

## Subcomponent 3.3: Mitigation

### ***Output 3.3: Low carbon strategies and NAMA technical capacity developed***

CEP mitigation activities aim to strengthen policy frameworks and awareness of NAMAs, and test low carbon interventions within the transport and energy sectors. Three contracts are being implemented, and five are being procured, to deliver the two activities (see **Table 13**).

**Table 13: Status of Mitigation Activities**

<b>Activity</b>	<b>Tasks/ Contracts</b>	<b>Scope</b>	<b>Status (30 June)</b>
<b>Output 3.3: Low carbon strategies and NAMA technical capacity developed</b>			
Strengthen policy frameworks and raise awareness in support of NAMAs	NAMA feasibility study for transport	Lao PDR, Thailand, Viet Nam	Procurement
Develop and test low carbon interventions for transport and energy sectors	Small to medium enterprises financing study	Lao PDR, Thailand, Viet Nam	Implementation
	Technical advisory support for green freight national projects		Implementation
	Implementation of Green Freight project – Thailand	Thailand	Procurement
	Implementation of Green Freight project - Lao PDR and Viet Nam	Lao PDR, Viet Nam	Procurement
	Facilitation of green freight project in Lao PDR (LOA)	Lao PDR	Procurement
	Facilitation of green freight project in Viet Nam (LOA)	Viet Nam	Procurement

#### ***Activity 1: Strengthen Policy Frameworks and Raise Awareness in Support of NAMAs***

CEP finalized a concept paper outlining its activities in NAMA capacity building after circulating it among national government and regional development partners. This provided the basis of a TOR, since drafted and advertised during the first quarter. The program evaluated expressions of interest and invited qualifying firms to submit technical proposals for review and selection.

The aforementioned PPP climate change training (see Output 3.1) is also a joint deliverable under this activity.

#### ***Activity 2: Develop and Test Low Carbon Interventions for Transport and Energy Sectors***

The program conducted country missions to Lao PDR, Thailand, and Viet Nam in May and June to validate draft results from a study to identify financing models for green freight. The study indicates that a supply chain approach could be applied to finance efficient vehicles and green technologies to increase freight fuel efficiency. CEP completed a freight sector assessment for Cambodia, and circulated a draft report for peer review among freight sector stakeholders. The assessment identified opportunities and barriers relating to the uptake of green freight in Cambodia.

Eight practitioners from GMS transport and environment agencies, supported by CEP, were among the 100 participants in the “Green Freight and Logistics in Asia” workshop held in Singapore in late-June.

While progress has been made on individual activities under the GMS Green Freight Initiative, pilot projects have not yet been initiated as contracting is ongoing.

## Component 4: Institutions and Financing

The overall output of Component 4 is to improve institutions and financing for sustainable environmental management. The component has the following two sub-outputs:

- (i) Institutions strengthened.
- (ii) Financing leveraged.

Activities are structured under two subcomponents: Institutions and Financing.

### Progress Towards 2014 Annual Milestones

During this reporting period, most of the activities under this component are on track to achieve the Institutions and Financing milestones (**Table 14**). The main deliverables for January to June 2014 are as follows:

- (i) Two regional knowledge events on natural capital were organized.
- (ii) A concept paper for EMM4 was prepared and discussed during the 1st EMM4 Task Force meeting.
- (iii) A 1-week capacity building program on transport, energy use, and climate change in the GMS was delivered through the PPP.
- (iv) The CEP Gender and Social Inclusion Strategy and associated Operation Plan is due to be finalized, following further missions to GMS countries in this reporting period.
- (v) The implementation of the CEP communications strategy is underway, with the hiring of national communication associates to support NSUs initiated.
- (vi) A self-evaluation monitoring workshop was conducted, resulting in a refined CEP results-based monitoring framework.
- (vii) CEP consulted on payments for ecosystem services (PES) and held a roundtable meeting.
- (viii) A concept paper for additional cofinancing from the Clean Technology Fund in support of CEP climate change mitigation activities was released.
- (ix) CEP developed new knowledge products, including a published climate change report, a *GMS Statistics and Maps Notebook* and national language versions of the CEP animation film.
- (x) CEP produced its 2013 Annual Progress Report.

**Table 14: Institutions and Financing**

Activity	2014 Milestone	Status (30 June)
<b>Sub-output 4.1 Institutions strengthened</b>		
Strengthen the role of WGE in promoting regional collaboration	Areas of collaboration with other sector groups identified	On track

Strengthen NSUs to be capable of program implementation and sector coordination	NSUs operationalized and capacity to coordinate program activities strengthened	Behind schedule
Strengthen the role of EOC as a knowledge hub for environmental management (Capacity building)	EOC role for capacity building and knowledge exchange strengthened	On track
Strengthen the role of EOC as a knowledge hub for environmental management (Communications)	EOC role for capacity building and knowledge exchange strengthened	On track
<b>Sub-output 4.2 Financing / investment leveraged</b>		
Support development of sustainable financing mechanisms	PES interventions identified and tested	On track
Develop investment projects and promote private sector partnerships	Areas for collaboration with private sector and potential investment opportunities identified	On track

## Achievements

**Under this component, CEP succeeded in enhancing regional learning, knowledge exchange, and WGE collaboration with other sectors.** The region is increasingly recognizing environment as an important cross-cutting sector toward sustainable investments, evidenced in the incorporation of environmental considerations in RIF projects.

The WGE supports regional knowledge events as an effective mechanism for sharing information and initiatives between countries and sectors/disciplines. CEP organized 30 knowledge events from January to June (**Appendix 3**), including one on natural capital – hosted by the WGE and WGA back-to-back with their respective annual meetings in March.

Similarly, engagement with the GMS Tourism Working Group has resulted in Myanmar preparing a national ecotourism management strategy that CEP is supporting jointly with ICIMOD. Through the PPP climate change training, CEP contributed towards human resource development in environment in the region. CEP provided technical, communications and financial support for the policy dialogue in Viet Nam titled “Mainstreaming natural capital into development decisions.”

EOC experts continue to contribute to key regional knowledge events organized by partners. For example, EOC presented on the food-water-energy nexus and climate change at the Mekong River Commission Summit, and presented at two Convention on Biological Diversity events held in PRC and Thailand on the impacts of regional investments in achieving Convention targets in TBLs.

**EOC continued to develop as an environment knowledge hub.** EOC integrated new online tools and knowledge resources into the CEP website and marketed them extensively. These included additional and updated statistics; a monthly round-up of media coverage in the GMS; and increased coverage of CEP and ADB environment news, events, and activities. Monthly visitors to the website increased 30% compared to 2013, reflecting a growing interest in both CEP and its knowledge services. CEP disseminated new and existing knowledge products to the GMS countries and beyond, with nearly 2000 hard copy publications and marketing materials distributed between January and June (**Appendix 4**).

**CEP continues to strengthen NSUs.** The program has now recruited core staff for NSUs in PRC, Lao PDR and Viet Nam, making CEP better resourced to ensure smooth delivery in these countries. NSU staff members have been trained on results-based monitoring and reporting.

## Technical Challenges

**NSU development behind schedule:** NSUs in Cambodia and Myanmar are still to be set up, pending the signing of LOAs to operationalize them. In both cases the LOAs are in the process of being finalized. More emphasis will be required to strengthen NSUs and PSUs, building on the recent initiative to hire a communications associate for each unit.

**Sustainable financing mechanisms:** Identification of a suitable PES activity initially involved a considerable amount of preliminary investigations and scoping to avoid duplication. Latterly, procurement issues delayed implementation.

### Subcomponent 4.1: Institutions

#### *Output 4.1: Institutions strengthened*

Activities under this subcomponent aim to strengthen GMS institutions with a focus on the WGE, NSUs and EOC. By June, five LOAs and 10 contracts relating to three broad activities were being processed or implemented (**Table 15**), while other tasks were undertaken in house by EOC-based consultants.

**Table 15: Status of Institutional Activities**

Activity	Tasks/Contracts	Scope	Status (30 June)
<b>Sub-output 4.1: Institutions strengthened</b>			
Strengthen the role of WGE in promoting regional collaboration	WGE Annual Meeting (AM), WGE Semi-Annual Meeting (SAM), EMM, knowledge exchange events, coordination with GMS Program Secretariat and other working groups	Regional	Implementation
Strengthen NSUs to be capable of program implementation	Cambodia NSU (LOA)	Cambodia	Procurement
	PRC NSU/PSUs (LOA)	PRC	Implementation
	Lao PDR NSU (LOA)	Lao PDR	Implementation
	Myanmar NSU (LOA)	Myanmar	Procurement
	Myanmar Program Advisor	Myanmar	Procurement
	Thailand CEP steering committee and coordinator	Thailand	Procurement
	Viet Nam NSU (LOA)	Viet Nam	Implementation
Build EOC as a knowledge hub on environment – capacity building	Environment Operations Network strategy	Regional	TOR development
	NSU capacity needs assessment (EOC specialist inputs)	Cambodia, PRC, Lao PDR, Myanmar, Thailand, Viet Nam	Implementation
	PCD capacity needs assessment	Lao PDR	Implementation
	Regional training (PPP)	Regional	Completed
	NSU orientation and refresher trainings (EOC specialist inputs)	Cambodia, PRC, Lao PDR, Myanmar, Thailand, Viet Nam	Implementation
	Gender and social inclusion strategy	Regional	Completed
Build EOC as a knowledge hub on	Communications strategy (EOC specialist input)	Regional	Completed

environment – communications	CEP website content and communication support (EOC specialist input)	Regional	Implementation
	Knowledge management and national communications support	Cambodia, PRC, Lao PDR, Myanmar, Thailand, Viet Nam	Procurement
	Knowledge products (writer, copyeditor, infographic, animation, creative design and printing)	Regional	Implementation

### ***Activity 1: Strengthen the Role of WGE in Promoting Regional Collaboration***

Following endorsement of the RIF at the 19<sup>th</sup> GMS Ministerial Conference, WGE reviewed the preliminary ranking of environment projects and submitted it for inclusion in the RIF Implementation Plan for presentation at the 5<sup>th</sup> GMS Summit in December 2014.

Following the successful collaboration between CEP and CASP in 2013, the WGE and WGA jointly organized a regional knowledge event in March on managing natural capital to ensure food, energy, and water security with support from the Subregional Energy Forum. The meeting gathered over 160 officials from agriculture, energy, environment, other relevant ministries from the GMS countries, and development partners. CEP presented tourism and environment synergies at the 33<sup>rd</sup> Meeting of the GMS Tourism Working Group and Mekong Tourism Forum 2014 in June.

CEP is currently processing a number of procurement packages that support cross-sector regional collaboration initiatives. These include recruitment of (i) a value chain expert to produce a situation analysis of key agroforestry products in the biodiversity landscapes of five GMS countries; (ii) individual consultants to assess the ecotourism potential of 12 protected areas in Myanmar; and (iii) a firm that will help build capacity of energy sector officials in Cambodia, Lao PDR, and Myanmar to better integrate environmental and social considerations in energy planning.

In May, CEP supported a UNEP and ISPONRE (Viet Nam) Policy Dialogue on Mainstreaming Natural Capital at which ADB and EOC experts organized and facilitated a session on GMS priorities for mainstreaming natural capital. Five GMS countries presented on the current status and future plans, which benefitted from interventions by representatives from eight countries outside the GMS. Outputs from this session will feed into EMM4.

Preparations are underway for EMM4 with the 1<sup>st</sup> Task Force meeting held in March. EMM4 is a major opportunity for WGE to drive forward its agenda for mainstreaming the natural capital approach across the GMS and national sectors, with emphasis on reinvestment by engaging proactively with the business sector and civil society. Concept development for the event is expected to be well advanced by the 2<sup>nd</sup> EMM4 Task Force meeting scheduled for July.

### ***Activity 2: Establish NSUs Capable of Program Implementation and Sector Coordination***

Three LOAs were signed between PRC and ADB to support CEP Phase II implementation at central and provincial government levels. The Myanmar LOA for NSU establishment has been finalized and is awaiting government clearance. CEP has completed recruitment of NSU core staff in Lao PDR and Viet Nam and provided training on results-based monitoring and reporting. The program began recruiting national communication associates in Yunnan and Guangxi provinces (PRC), Lao PDR,

and Viet Nam. Recruitment of a National Coordinator for Thailand who will provide support to the WGE focal agency and the Steering Committee in the implementation of CEP Phase II activities in Thailand is ongoing.

### **Activity 3: Strengthen the Role of EOC as a Knowledge Hub for Environmental Management**

#### **CEP Capacity building**

In early 2013, CEP initiated an institutional and capacity needs assessment with the following objectives:

- (i) Develop a capacity development strategy for NSUs to provide cross-sector coordination and implementation support for CEP.
- (ii) Propose an institutional framework for EOC and NSUs to evolve into an Environment Operations Network (EON), which will serve as a regional knowledge network.

CEP completed capacity needs assessments and drafted country reports for each of the GMS countries. The contract of the EOC-based capacity building specialist expired. Meanwhile, plans are underway to procure an institutional development specialist to take forward the vision for EOC and NSUs developing into an EON.

Development of a capacity building strategy for the PCD under MONRE in Lao PDR is ongoing. This assessment is examining the core mandate, functions, and human resources competencies of the PCD.

A Gender and Social Inclusion Strategy and supporting Operational Plan have been drafted. These are due for completion by September, following delays in organizing missions to some of the GMS countries. Meanwhile, the vacancy for a Gender and Social Inclusion Coordinator was announced in June. Provisions are underway to extend the contract of the Gender and Social Inclusion Specialist until the end of 2015 in order to support the work of the Coordinator, as well as to continue providing technical assistance and training.

From January to June, CEP organized or co-organized 30 capacity building events, involving more than 1,400 participants. These events were held in five of the GMS countries and included workshops, trainings, conferences, study tours and key meetings. All CEP thematic topics were covered. In addition, CEP participated at seven GMS Program events and 16 external events.

#### **CEP Communications**

In June, four CEP national communication associate positions were advertised for Guangxi and Yunnan provinces (PRC), Lao PDR, and Viet Nam (countries with LOAs); marking a major step toward implementing the new *CEP Communications Strategy and Action Plan 2014–2016*. Under the strategic oversight of the EOC Outreach Specialist, the associates will provide dedicated expertise within NSUs/PSUs to strengthen internal communication systems, build the profile of CEP within their respective countries, and contribute to national and regional knowledge generation and sharing.

The EOC communications team is playing a lead role in planning the upcoming EMM4, including developing a communications plan, a youth engagement plan, and a pipeline of knowledge products. These products include a series of awareness-raising briefs on the EMM4 theme of natural capital, another series on Green Freight, and an SEA regional case study publication.

While those knowledge products are in the early stages of development, CEP completed other products during the first part of 2014. An animation film to introduce CEP was finalized and then translated into the six GMS national languages. The animation has proved to be a powerful tool for introducing CEP to new audiences within the region and beyond. For example, ADB representatives showed it during the 5<sup>th</sup> Assembly of the GEF in Mexico in May.

CEP also launched a climate change adaptation publication (details in the Component 3 section), the *GMS Statistics and Maps Notebook* to promote the online portal, and a CEP branded folder for use at events.

Combined with active marketing, these new products, regular updates of news and events on the CEP website, and ongoing improvements to the online statistics and maps portals have led to a marked increase in stakeholder interest in CEP knowledge services. Average monthly website visitors increased 30% compared to 2013, already exceeding the annual target of 20%. Importantly, GMS country use of the website is up, with a monthly average visitor increase of 24%, while growing ADB interest is reflected by a 57% increase in visits from Philippines-based stakeholders (**Appendix 5**).

CEP launched a monthly roundup of environment media coverage in the GMS as a new information service in June, which is a stepping stone toward a full E-news product.

Dissemination of new and existing knowledge products continued in the first six months of the year (**Appendix 4**). In all, CEP distributed nearly 2,000 hard copies of publications to GMS countries and beyond via environment ministries, ADB headquarters and resident missions, and events. Additional online distribution methods include international list-serves and partner newsletters.

Media coverage during the period including television and newspaper coverage of the natural capital dialogue in Viet Nam as well as PRC online news about biodiversity conservation corridor work in Guangxi supported by CEP (**Appendix 4**).

## Subcomponent 4.2: Financing

### *Output 4.2: Finance leveraged*

Financing activities aim to leverage additional investments in natural capital from public and private sources. A TOR is being prepared to initiate one activity, while other tasks are being undertaken in-house by EOC-based consultants. **Table 16** presents the status of these activities.

**Table 16: Status of Financing Activities**

Activity	Tasks/Contracts	Scope	Status (30 June)
<b>Sub-output 4.2: Finance leveraged</b>			
Support development of sustainable financing mechanisms	Enable conditions for implementation of PES scheme	Cambodia, Lao PDR & Viet Nam	Concept Paper Development

	Support the transparent, effective and efficient implementation of PES	Viet Nam	TOR Development
Develop investment projects and promote private sector partnerships	Additional cofinancing from the Government of Sweden, NDF, GEF, ADB Poverty Reduction Cooperation Fund (PRF), e-Asia	Regional	Implementation
	Investment proposals and private sector engagement (RIF)	Regional	Implementation

### **Activity 1: Support Development of Sustainable Financing Mechanisms**

#### **Payments for ecosystem services (PES)**

CEP held a roundtable meeting on PES in Vientiane, Lao PDR in April with 30 participants, followed by a field trip to consult with PES stakeholders in two provinces. In addition, the program prepared a concept note on pilot implementation of PES schemes in Cambodia, Lao PDR and Viet Nam.

Scoping of the mobile banking initiative resulted in its discontinuation due to the fact that the similar initiatives already exist. An alternative activity was identified following consultations with the Viet Nam Forest Administration (Ministry of Agriculture and Rural Development), resulting in a proposal to support more transparent, effective and efficient implementation of Viet Nam's Payments for Forest Environmental Services (PFES) policy.

#### **Private Sector Partnerships**

A TOR was prepared and work commenced in June to procure a Corporate Partnership Specialist to develop a strategic framework to build partnerships between businesses, government, and civil society for enhancing natural capital and livelihoods in the GMS. The strategic framework will identify opportunities and mechanisms for such partnerships. A business forum is planned for EMM4 with a view to it engaging with the proposed GMS Natural Capital Partnership.

## **4. Critical Issues**

As highlighted in the CEP 2013 Annual Report, CEP is a large, complex multifaceted program that presents significant implementation challenges under existing systems and protocols designed for Technical Assistance projects. The three main critical issues are presented below.

**Cash flow constraints:** The program is currently severely hampered by the lack of funds to honor existing commitments and to initiate new activities. This situation has arisen due to Finland and Sweden expressing an unwillingness to release their respective second tranche payments until the audited financial reports of Phase I were submitted. Upon submission of these audit statements, Sweden released a second tranche payment in the second quarter of 2014 which narrowly averted a cash flow crisis. However Finland has extended its embargo on release of funds until issues raised by the KPMG systems-based review are resolved.

As shown in the Financial Resources section of this report, the cash balance in the Technical Assistance (TA) account that can be utilized *for all activities* is quite limited. It must be noted that funds from NDF are earmarked for activities under Component 3 (Climate Change) and those too only in NDF approved countries and on regional activities. Therefore expenses under Components 1, 2 and 4 can only be charged to the other three financing sources (ADB, Finland and Sweden). As

indicated in Table 17 in the following section, the total cash balance is below \$1 million. Although actual disbursements in the first half of 2014 have been lower than projected, disbursements in the second half of 2014 are expected to be higher since activities under LOAs and other contracts will pick up. The program runs a significant risk of being unable to honor payments on existing contracts unless the cash flow constraint is resolved.

**Complex procurements:** As a programmatic TA, CEP covers a broad range of subject matter, including environmental planning support and tools, environmental assessments and safeguards, environmental performance monitoring, biodiversity assessments and management, rural livelihood support, climate adaptation and mitigation, vulnerability assessments, sustainable environmental financing, regional cooperation and capacity building

Building on the experience of Phase I, CEP strives to engage regional partners who have a long-term stake in supporting the GMS countries. EOC has therefore consciously designed multiple and specialized procurement packages to attract partners such as NGOs, research institutions, academic institutions, etc. While larger and more comprehensive packages might have been more efficient to award and monitor, some of the above described partners may not have been eligible or interested in bidding for such contracts.

Another reason for delays in finalizing procurement packages has been the nature of partners with whom such packages are being contracted. Several of these entities are unfamiliar with ADB consulting service procedures and have therefore been engaged in protracted negotiations with the Operations Services and Financial Management Department (OSFMD).

EOC and ADB's Technical Assistance Supervising Unit (TASU) are aware of the tradeoffs between larger, more generic procurement packages compared to the smaller, more specialized packages. The current composition of procurements is based on a good understanding of these tradeoffs.

However, mindful of the challenges described above, TASU and EOC have taken corrective measures as follows:

- (i) EOC has recruited a Project Implementation Specialist well-versed in ADB's consulting services and procurement procedures. The Specialist monitors the status of procurements on a weekly basis follows up with TASU and OSFMD as necessary.
- (ii) The EOC management team hold weekly meetings to address procurement issues and follow up on a regular basis with OSFMD.
- (iii) EOC's in-house capacity to support TASU on consultant recruitment procedures is actively being refined.
- (iv) During the CEP Mid-Term Review, ADB and EOC will take stock of remaining procurement packages as well as future procurements with a view to merging procurements into larger packages where feasible.

**Significant demands on staff time due to multiple assessments:** The first half of 2014 was particularly challenging due to multiple demands on EOC and TASU staff in order to support several assessments. These included an assessment of the program's results-based monitoring and reporting formats, a system-based review by an external team (KPMG, Finland), and an external audit of EOC's financial accounts. These reviews necessitated substantial and time consuming inputs from both TASU and the EOC management team to provide information, facilitate meetings and field visits, as well as in coordinating the review and responses to reports. This does not

undermine the value of such reviews, nevertheless the increased demand on staff time was a considerable added challenge of coping with a demanding program.

## 5. Financial Resources

As of 30 June 2014, confirmed funds for CEP totalled \$28.4 million,<sup>5</sup> of which \$27.1 million is considered the CEP budget, and \$1.3 million is allocated for ADB administration fees. Of the \$27.1 million, \$13.8 million has been committed (i.e, contracts awarded), accounting for 51% of the total CEP budget, leaving a balance of \$13.2 million (or 49% of the CEP budget) to be committed. Actual disbursement as of 30 June was \$4.5 million (17% of the CEP budget) compared with the cumulative disbursement target for 30 June of \$7.5 million. Between January and June 2014, \$1.3 million was disbursed against an annual target of \$6.2 million.

**Table 17** provides a breakdown of cumulative expenditure, overall as well as by CEP components, and includes allocation by funding source.

**Table 17: RETA 7987 - Expenditure by Component and Fund Source as of 30 June 2014**

COMPONENT DESCRIPTION	TOTAL	ADB TASF	FINLAND	SWEDEN	NDF
<b>A. AMOUNT APPROVED</b>	28,400,000	800,000	14,000,000	8,300,000	5,300,000
<b>B. CONTRACT AWARDED (COMMITMENTS)*</b>	13,798,262	635,921	7,398,989	2,853,647	2,909,705
<b>C. DISBURSEMENTS</b>	4,523,526	400,252	2,487,578	1,540,881	94,815
<b>D. EXPENDITURES CHARGED TO :</b>	4,523,526	400,252	2,487,578	1,540,881	94,815
1. Environmental Monitoring, Planning and Safeguards	1,774,481	153,788	1,019,982	586,915	13,797
1.1 Strategic planning	862,875	82,903	494,664	277,733	7,575
1.2 Safeguards strengthening	313,410	23,099	179,531	108,615	2,164
1.3 Monitoring	598,197	47,786	345,787	200,566	4,058
2. Biodiversity Landscapes and Livelihoods	681,121	60,366	371,032	243,340	6,384
2.1 Transboundary landscape management	404,423	35,843	220,304	144,485	3,791
2.2 Value chain development	276,698	24,523	150,728	98,854	2,593
3. Climate Change	930,030	83,386	427,796	350,599	68,250
3.1 Adaptation	378,714	36,219	174,803	155,467	12,225
3.2 REDD	157,948	13,475	84,800	55,124	4,549
3.3 Mitigation	393,368	33,692	168,193	140,007	51,476
4. Institutions and Financing	1,137,893	102,713	668,768	360,028	6,384
4.1 Institutions strengthened - WGE	116,348	12,291	65,980	37,286	790
4.1 Institutions strengthened - NSU	450,677	47,271	256,002	144,364	3,040
4.1 Institutions strengthened - EOC capacity support	201,214	9,454	131,094	60,058	608

<sup>5</sup> This total excludes the recently awarded GEF grant, which is being processed as a minor change to the TA.

4.1 Institutions strengthened - EOC Strategic communications	298,034	26,131	175,077	95,367	1,459
4.2 Finance / investment leveraged & Institutions strengthened	71,619	7,566	40,615	22,952	487
<b>E. FUNDS RECEIVED FROM DEVELOPMENT PARTNERS</b>	10,488,012	800,000	1,797,600	2,740,412	5,150,000
<b>F. BALANCE OF FUNDS RECEIVED (E-C)</b>	5,964,486	399,748	(689,978)	1,199,531	5,055,185

In addition to the \$4.5 million disbursed as shown above, EOC was advanced a further \$2.4 million as shown in **Table 18** below. This advance does not reflect in the ADB disbursement until liquidated. Therefore, the actual cash outflow from the program is \$6.9 million.

**Table 18: RETA 7987 – Cash Outflow as of 30 June 2014**

Contributions received	\$10,488,011.94
Disbursement:	
Cumulative Expenditure Liquidated	\$4,523,525.59
Outstanding Advance	\$2,403,102.73
<b>Total Cash Outflow</b>	<b>\$6,926,628.32</b>

Although financial progress to date falls short of estimates in terms of disbursement, the program is on track with respect to commitment of funds.<sup>6</sup> Given that program implementation generally follows an S-shaped curve, EOC envisions that disbursement will increase in the second half of 2014 as implementation of LOAs and larger contracts gets underway.

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<sup>6</sup> Committed funds are funds allocated for EOC operations, as well as active contracts (EOC-based consultants, short term individual consultants, LOAs, and firms).

## Appendix 1: Progress Against the CEP 2014 Work Plan

Table A1.1 Progress and Achievements Measured Against Planned 2014 Milestones and Deliverables

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
<b>OUTPUT 1 - PLANNING, SAFEGUARDS AND MONITORING</b>				
<b>Output 1.1 Subregional and national strategic planning capacity strengthened</b>				
Conduct economic assessment of natural capital and valuation of ecosystem services	2013–2016	<p><b>Awareness of economic value of natural capital and ecosystem services increased</b></p> <ul style="list-style-type: none"> <li>- Dialogue between government, universities and regional think tanks initiated through a regional event</li> </ul>	<ul style="list-style-type: none"> <li>- Scoping completed and stakeholders/beneficiaries identified</li> <li>- Stakeholders/beneficiaries exposed to concept of natural capital through participation in Working Group on Environment (WGE) knowledge events, international conferences and/or study visits</li> <li>- Knowledge product on economics of natural capital drafted</li> </ul>	On track
Support multisector/area-based planning	2013–2016	<p><b>Technical capacity of national planners and practitioners (national support units [NSUs], government, universities, and national think tanks) for integrated planning improved</b></p> <ul style="list-style-type: none"> <li>- At least three GMS-based universities trained in strategic environmental assessment (SEA) and related tools</li> <li>- At least two cross sector dialogues held for decision makers and practitioners</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic environmental planning capacity needs identified for government agencies in Cambodia, Lao PDR, Myanmar, and Viet Nam</li> <li>- Technical experts for multisectoral planning identified and mobilized</li> <li>- Specifications for Land-use Change Simulation tool development identified and agreed upon; beneficiaries for capacity building interventions identified (e.g. MSc and PhD students from local universities)</li> </ul>	Behind schedule
Support sector planning	2013–2016	<p><b>Technical capacity of national SEA practitioners (NSU, government, universities, national think tanks) to support energy sector planning improved</b></p> <ul style="list-style-type: none"> <li>- At least 30 government officials, researchers and practitioners trained in SEA and related tools</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic environmental planning capacity needs identified for energy sector in Cambodia, Lao PDR, Myanmar, and Viet Nam (including identification of integrated energy planning tools)</li> </ul>	On track
<b>Output 1.2 Safeguards strengthening</b>				
Strengthen country environmental safeguard systems	2013–2016	<p><b>Capacity for application of safeguards systems strengthened</b></p> <ul style="list-style-type: none"> <li>- Safeguards gap analysis completed in at least one additional GMS country</li> </ul>	<ul style="list-style-type: none"> <li>- Cambodia safeguards gap analysis and capacity strengthening strategy and action plan completed</li> </ul>	On track

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
		<ul style="list-style-type: none"> <li>- Capacity development action plan developed in at least one additional GMS country</li> <li>- Capacity development action plans implemented in at least two GMS countries through capacity building and technical support</li> </ul>	<ul style="list-style-type: none"> <li>- Myanmar environmental impact assessment (EIA) procedures completed</li> <li>- Myanmar technical capacity needs for environmental impact assessment identified</li> <li>- Myanmar EIA technical guidelines completed</li> </ul>	
Strengthen safeguards application in ADB-funded GMS projects	2013–2016	<p><b>Entry points for safeguards strengthening safeguards application for ADB-funded projects supported</b></p> <ul style="list-style-type: none"> <li>- Technical support provided for safeguards application in ADB projects in at least two additional GMS countries</li> <li>- Dialogue initiated for safeguards application with ADB teams in at least one additional GMS country</li> <li>- Country programming supported in at least two GMS countries</li> <li>- At least 100 practitioners trained</li> </ul>	<ul style="list-style-type: none"> <li>- Lao PDR project EIA compliance review completed</li> <li>- Myanmar safeguards capacity development and action plan completed</li> <li>- Identification of opportunities for environmental safeguards capacity building for GMS key sectors undertaken</li> <li>- Myanmar preparation of country environmental analysis supported</li> <li>- Cambodia ADB assessment, strategy and action plan and country environmental note preparation supported</li> </ul>	On track
<b>Output 1.3 Environmental monitoring processes strengthened</b>				
Establish a GMS Environmental Information System (EIS)	2013–2016	<p><b>Map portal of GMS Environmental Information System enhanced and promoted</b></p> <ul style="list-style-type: none"> <li>- Map portal receives at least 100 hits per month within 6 months of launch</li> <li>- At least five Environment Operations Center (EOC) geographic information system (GIS) data downloads per month and at least five external websites using Web Map Service within the first 6 months from launch</li> </ul>	<ul style="list-style-type: none"> <li>- Map archive updated with format-optimized maps</li> <li>- CEP statistics App in IOS App Store and Android Marketplace</li> <li>- Final version of transboundary biodiversity landscape (TBL) and biodiversity corridor site level indicators web pages and impact stories map function online</li> <li>- Myanmar EIS design/functional concept (wireframes) agreed on by stakeholders</li> </ul>	On track
Strengthen subregional and national environmental monitoring database	2013–2016	<p><b>EIS comaintained by NSUs (EOC quality control).</b></p> <ul style="list-style-type: none"> <li>- All existing NSUs have at least one data support staff member identified and trained</li> <li>- 45 indicators developed and updated annually, with national data</li> </ul>	<ul style="list-style-type: none"> <li>- Statistics portal updated with national statistics for 2012</li> <li>- Three important regional/national indicator gaps identified and plan/budget for data production/collection developed</li> </ul>	Behind schedule

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
		<ul style="list-style-type: none"> <li>contributed by NSU staff</li> <li>- One prefecture level Environmental Performance Assessment report published and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>- Lao PDR enterprise data collected and suitable for Industrial Pollution Projection System (IPPS) modeling</li> <li>- Forest cover and land use (FCLU) stakeholders identified and inception workshop planned</li> </ul>	
Develop and implement a monitoring strategy for transboundary biodiversity landscapes (TBLs)	2013–2016	<p><b>Landscape and site level monitoring applied</b></p> <ul style="list-style-type: none"> <li>- At least ten key indicators on landscape and corridors reported and recorded in EIS</li> <li>- Qualitative “Impact stories” function developed and integrated with site level statistics portal (for at least six landscapes)</li> </ul>	<ul style="list-style-type: none"> <li>- Impact stories database ready and integrated into Statistics Portal</li> <li>- Partners for TBL and biodiversity corridor site monitoring identified and concepts (technical solutions and procurement) drafted</li> </ul>	On track
<b>OUTPUT 2 - BIODIVERSITY LANDSCAPES AND LIVELIHOODS</b>				
<b>Output 2.1 TBL monitoring and management strengthened</b>				
Conduct biodiversity landscapes assessment to inform management strategy	Jan 2014–Dec 2016	<p><b>Biodiversity profiling assessment initiated in key GMS landscapes</b></p> <ul style="list-style-type: none"> <li>- At least 30 stakeholders trained in methodologies on biodiversity landscape assessment</li> <li>- Biodiversity profiles updated for at least three GMS landscapes</li> <li>- Regional knowledge/information sharing and exchange mechanism initiated</li> </ul>	<ul style="list-style-type: none"> <li>- No results expected until second half of the year</li> </ul>	Behind schedule
Strengthen management of TBLs	Mar 2014–Dec 2016	<p><b>Collaboration for management of TBLs strengthened</b></p> <p>Collaborative mechanisms for management of at least three TBLs identified</p> <ul style="list-style-type: none"> <li>- At least three transboundary exchange mechanisms initiated</li> </ul>	<ul style="list-style-type: none"> <li>- Members, function and structure of TBL Knowledge Forum scoped</li> </ul>	Behind schedule
Develop and test community based conservation options	Mar 2014–Dec 2016	<p><b>Community based conservation options tested</b></p> <ul style="list-style-type: none"> <li>- 150 practitioners trained in biodiversity conservation management skills</li> <li>- Impact assessment of Phase I support completed in three corridors</li> <li>- Zoning activities completed for at least three conservation corridors</li> <li>- Establish/ strengthen community development funds in at least 30 communities</li> </ul>	<ul style="list-style-type: none"> <li>- Technical experts identified and mobilized</li> <li>- Impact assessment of Biodiversity Conservation Corridor Initiative Phase I interventions conducted and capacity needs identified</li> </ul>	Behind schedule
<b>Output 2.2 Value chain development</b>				
Identify ecosystem-based livelihood options	Nov 2013–Mar 2014	<p><b>Potential investment-worthy livelihoods development and employment generation opportunities based on ecosystem goods and services identified</b></p>	<ul style="list-style-type: none"> <li>- Opportunities for promotion of high value agro-ecosystem products identified</li> </ul>	Behind schedule

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
		- At least three potential "green" agriculture and forestry products/ecotourism services identified and selected for value chain development for each of the TBLs		
Develop and test ecosystem-based livelihood options	Apr 2014– Sep 2016	<p><b>Piloting of livelihoods opportunities (agroforestry products and ecotourism services) initiated</b></p> <ul style="list-style-type: none"> <li>- Partnership with development and implementing agencies on green value chain promotion built</li> <li>- Key stakeholders, green value chain actors and implementation arrangement identified</li> <li>- Resources for implementation of selected value chains mobilized</li> </ul>	<ul style="list-style-type: none"> <li>- Content of ecotourism development strategy for Myanmar agreed upon through consultative process</li> <li>- Experts identified and mobilized for the preparation of ecotourism development strategy in Myanmar</li> </ul>	On track
<b>OUTPUT 3 - CLIMATE CHANGE</b>				
<b>Output 3.1 Climate change risk mitigation and disaster preparedness capacity developed</b>				
Strengthen capacity to use climate change data and information for planning	2013– 2015	<p><b>Up-to-date climate risk analytical tools, guidelines and knowledge developed and disseminated (knowledge transfer)</b></p> <ul style="list-style-type: none"> <li>- An online technical support system established to support GMS practitioners to assess climate risks and plan adaptation measures</li> </ul>	<ul style="list-style-type: none"> <li>- Coordination among development partners and initiatives enhanced through Second Roundtable Meeting on Adaptation</li> <li>- Knowledge product completed on climate vulnerability assessment framework</li> <li>- GMS senior officials from energy and transport sector trained in climate change issues and tools</li> </ul>	On track
Strengthen capacity for risk assessments and identification of adaptation interventions	2013– 2015	<p><b>Capacity of GMS institutions and practitioners to assess climate change vulnerability strengthened</b></p> <ul style="list-style-type: none"> <li>- At least 30 practitioners trained in applying climate risk assessment framework with 10 demonstrating the ability to perform risk assessments</li> <li>- Climate risk assessment conducted in at least 30 communities in Biodiversity Conservation Corridors project (BCC) sites</li> <li>- Climate risk assessment conducted in at least three TBLs</li> <li>- Recommendations for integrating adaptation into planning systems developed</li> </ul>	<ul style="list-style-type: none"> <li>- Technical experts identified and mobilized for climate vulnerability and adaptation assessment</li> <li>- Climate risk financing opportunities identified for BCC sites</li> </ul>	Behind schedule
Develop and test cost-effective adaptation options	2014– 2016	<p><b>Opportunities for pilot interventions identified</b></p> <ul style="list-style-type: none"> <li>- Detailed feasibility studies conducted and pilot implementation plan developed</li> </ul>		On track

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
		- Key partners and implementation arrangement identified		
<b>Output 3.2 National sustainable forest management (SFM) to enhance carbon stocks and reducing emissions from deforestation and forest degradation (REDD+) readiness improved</b>				
Strengthen national REDD+ strategic planning and policy instruments	Mar 2014– Aug 2015	<b>Capacity to monitor forest carbon stocks improved</b> - Demonstrated improvement in capacity to apply these methods in at least 30 communities	- REDD+ readiness support scoped out for Thailand in consultation with stakeholders	Not started
Strengthen capacity for forest carbon monitoring	Sep 2013–Dec 2014	<b>Capacity to monitor forest carbon stocks improved</b> - Participatory Forest/Carbon Monitoring tested in at least 30 communities in biodiversity conservation corridors - Demonstrated improvement in capacity to apply these methods in at least 30 communities	- REDD+ readiness approach agreed upon for BCC sites in two countries - Participatory Forest Monitoring tested in two countries	Behind schedule
Develop and test REDD+ systems with equitable and inclusive benefit sharing	Sep 2013–Dec 2015	<b>Role of community development funds in REDD+ benefit sharing evaluated</b> - Evaluation of community development funds and community conservation agreements as potential REDD+ benefit distribution system	- Participatory Forest Monitoring tested in two countries	Behind schedule
<b>Output 3.3 Low carbon strategies and Nationally Appropriate Mitigation Action (NAMA) technical capacity developed</b>				
Strengthen policy frameworks and raise awareness in support of NAMAs	Jan 2014– Jan 2015	<b>Capacity for formulation of climate change mitigation actions strengthened</b> - At least 30 GMS officials trained in NAMA formulation	- No results expected until second half of the year	On track
Strengthen technical capacity for mitigation measurement, reporting, and verification (MRV) systems	Jan 2014– Jan 2015	<b>Capacity and knowledge gaps for NAMA MRV systems identified</b> - Capacity building plan and target beneficiaries identified - Key partners and implementation arrangement identified	- No results expected until second half of the year	On track
Develop and test low carbon interventions for transport and energy sectors	Sep 2013– Dec 2015	<b>Benefits of low carbon/green freight interventions demonstrated</b> - Fuel consumption of at least 300 trucks reduced by 10%	- Thailand green freight initiative launched - Outline investment proposals drafted for Thailand, Lao PDR and Viet Nam - Initial technology demonstrations and inventory of	Behind schedule

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
			green technologies in Thailand completed - Monitoring framework for green freight developed - Sector assessment completed for Cambodia	
<b>OUTPUT 4 - INSTITUTIONS AND FINANCING</b>				
<b>Output 4.1 Institutions strengthened</b>				
Strengthen the role of the Working Group on Environment (WGE) in promoting regional collaboration	2013–2015	<b>Areas of collaboration with other sector groups identified</b> - Increased integration of WGE in GMS sector group meetings against previous year - Increased collaboration between activities under CEP and at least three other sector working groups - Program progress and future directions for collaboration endorsed/supported by environmental ministries and relevant line ministries	- Continuation of collaboration with agriculture sector; joint WGE- Working Group on Agriculture (WGA) knowledge event organized	On track
Establish NSUs capable of program implementation and sector coordination	2013–2014	<b>NSUs operationalized and capacity to coordinate program activities strengthened</b> - NSU coordinators and staff recruited in all countries - NSU staff trained in program implementation and coordination at regional and national levels - Regular reporting and work planning conducted by NSU staff in at least five countries	- NSU/WGE trained in results-based monitoring for CEP - NSU sufficiently staffed in Lao PDR - NSUs staffed in all countries	Behind schedule
Strengthen the role of EOC as a knowledge hub for environmental management	2013–2015	<b>EOC role for capacity building and knowledge exchange strengthened</b> - Cross program capacity building monitoring system operational - At least one regional training program and three regional knowledge events held - Website visitors increased by 20% over previous year - At least two publications produced	- NSU capacity and training needs identified and action plans agreed on with WGE member countries - Gender and social inclusion strategy finalized - Mid to high level officials from energy and transport sectors in the GMS trained in “Integrating Climate Change Considerations in Sector Planning and Projects” under the Phnom Penh Plan for Development Management (PPP) - Lao PDR Pollution Control Department (PCD) capacity needs identified - CEP Communications Strategy adopted	On track

Activity	Timeline	2014 Milestones and Deliverables	January to June Milestones	Status
			<ul style="list-style-type: none"> <li>- Annual Progress Report, quarterly progress update, and Stats</li> <li>and Maps notebook disseminated</li> <li>- Atlas raw photos compiled</li> <li>- First animation film completed</li> <li>- Website up to date</li> <li>- CEP E-News launched</li> <li>- Quarterly progress update disseminated</li> <li>- Project factsheets developed</li> </ul>	
<b>Output 4.2 Finance/Investment Leveraged</b>				
Support development of sustainable financing mechanisms (payments for ecosystem services [PES], REDD+)	2014–2016	<b>PES interventions identified and tested</b> <ul style="list-style-type: none"> <li>- Feasibility study conducted and pilot implementation plan developed for at least two GMS countries</li> <li>- Capacity gaps for implementation of PES analysed</li> <li>- PES interventions identified and piloted in at least one GMS country</li> </ul>	<ul style="list-style-type: none"> <li>- Priority PES opportunities and potential schemes identified for Lao PDR and Thailand through consultative process</li> </ul>	On track
Develop investment projects and promote private sector partnerships	2013–2017	<b>Areas for collaboration with private sector and potential investment opportunities identified</b> <ul style="list-style-type: none"> <li>- At least one collaborative activity with private sector partners initiated</li> </ul>	<ul style="list-style-type: none"> <li>- Mechanism to engage private sector identified</li> <li>- Areas of common interest identified with the private sector and prioritized</li> </ul>	On track

**Note:** The scale for measuring semi-annual progress against annual milestones is as follows: “**On track**”= good progress and the annual milestone is expected to be achieved, “**Behind schedule**” = some progress but the annual milestone may not be achieved, “**Not started**” = implementation has not begun and the annual milestone will not be achieved.



## Appendix 2: Country Progress January to June 2014

### Cambodia

The new Mandate of the Royal Government of Cambodia was formulated in September 2013 after the fifth national election; this led to some adjustments of leadership and management of the environment sector in the country, including the reform of the Ministry of Environment (MoE) and its cabinet members. Progress to date includes:

- (i) the Cambodia Climate Change Strategic Plan 2014-2023;
- (ii) the MoE Strategic Intent document;
- (iii) a joint enforcement initiative between the MoE, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Land Management, Urbanization and Construction established to eliminate irregular issues of economic land concessions and environment/social conflicts; and
- (iv) a comprehensive draft of environmental impact assessment (EIA) Law. In addition, the MoE has issued the declaration for registration of EIA consulting firms to operate in Cambodia (215 Pro. K. B. St, 19 June 2014).

#### CEP Activities in Cambodia in 2014

- Official meeting between the Minister of Environment and EOC team for CEP implementation
- Finalization of LOA to establish NSU and CEP implementation (4.1)
- Assessment of gender and social issues to improve CEP implementation in Cambodia
- Consultation workshop for CEP implementation of safeguards and planning support in Cambodia (components 1.1 and 1.2)
- Completion of equivalence assessment of existing and new EIA requirements
- Green freight study for exploring opportunities in market-based interventions (component 3.3)

### Core Environment Program Progress January to June 2014

During the last six months, the enabling environment for Core Environment Program (CEP) implementation has been strengthened via the official meeting between the Minister and the Asian Development Bank Environment Operations Center (ADB EOC), letter of agreement (LOA) finalization, and national support unit (NSU) establishment. At the regional level, Cambodia has been involved in the joint Working Group on Environment/Working Group on Agriculture (WGE/WGA) knowledge event and WGE 20<sup>th</sup> Annual Meeting, experience sharing on transboundary landscape biodiversity and the policy dialogue on natural capital.

Progress on project implementation includes:

- (i) assessment and recommendation for gender and social inclusion in CEP implementation in Cambodia;
- (ii) completion of equivalence assessment of existing and new EIA requirements and authorization to proceed secured safeguarding review and capacity assessment activity;
- (iii) agreement on a proposed activity for formulation of a national environmental strategy and action plan; and
- (iv) completion of the green freight study in Cambodia, to explore opportunities for market-based interventions

### Challenges and Opportunities for CEP Implementation

There is a significant delay in CEP implementation in Cambodia due to governmental restructuring, reform of the MoE, and delays in loan processing within the EOC. In spite of these delays, opportunities exist for CEP to support Cambodia's environment sector development, in ways such as the latest draft of EIA law, new Action on Economic Land Concession, the Cambodia Climate Change Strategic Plan, and the MoE Strategic Intent document for addressing cross-cutting environment issues with other sectors.

## Guangxi and Yunnan Provinces, PRC

At the beginning of 2014, the State Council approved the “National Ecological Conservation and Establishment Plan 2013–2030,” primarily focusing on the design of ecological civilization, major function zone establishment and ecological compensation mechanisms. The National Environmental Protection Law was revised and adopted on 24 April by the Standing Committee of China's National People's Congress. A draft amendment for the Environment Protection Act was reviewed, providing an “ecological conservation red-line,” or conservation measures for fragile and sensitive ecological zones. The PRC Ministry of Environmental Protection will finalize the design of the ecological red-line in 2014, including guidelines and policy support for biodiversity corridor and transboundary biodiversity landscape (TBL) conservation and management in Yunnan and Guangxi provinces. In June, the second wetland survey in Yunnan province revealed that 40.27% of the province’s natural wetlands are currently under conservation.

### CEP Activities in PRC in 2014

- Transboundary cooperation on biodiversity conservation (Subcomponent 2.1)
- Testing of community based conservation options (Subcomponent 2.1)
- Consultation to identify ecosystem-based livelihood options for value chain development (Subcomponent 2.3)
- LOA preparation to strengthen NSU and PSUs for CEP implementation (Subcomponent 4.1)
- Organization and participation in several events to promote CEP **(Appendix 4)**

### CEP Progress January to June 2014

The Guangxi Biodiversity Conservation Strategy and Action Plan (BSAP) was issued on 13 March, identifying eight biodiversity conservation priority areas. The concepts of transboundary conservation collaboration and corridors have been integrated into the BSAPs of Yunnan and Guangxi provinces, and Biodiversity Conservation Corridor Project (BCC) sites are located in the BSAP priority action areas, providing great opportunities to integrate BCC activities with Yunnan and Guangxi BSAPs.

PRC and ADB signed three LOAs to initiate CEP Phase II implementation. The capacity of the NSU and Provincial Support Units (PSUs) has been strengthened with newly hired staff, and three consultants were recruited to provide technical support. Orientation and inception workshops were held in March, the capacity of staff and partners on project management and biodiversity conservation has been enhanced, and detail work plans and implementation arrangements have been discussed. The NSU workshop for CEP Phase II was conducted on June 30. Three inception reports were delivered to EOC. Staff actively participated in a regional orientation and training workshop, a consultation workshop on biodiversity landscapes, and other regional activities.

CEP completed pilot village planning in Xishuangbanna and Deqin at the end of May and June respectively. The draft plan for Xishuangbanna pilot village is completed and will be finalized into an operational plan. The PSU and Xishuangbanna Environmental Protection Bureau supported a 1-week social and gender field survey in Xishuangbanna in May. **Challenges and Opportunities for CEP Implementation**

Transboundary landscape conservation and corridor mainstreaming requires policy and legislation support, especially for the collaboration with Lao PDR and Viet Nam. Linkages of livelihood improvement with biodiversity conservation and ecosystem restoration need to be further strengthened.

While Phase I financial liquidation has been finalized, new challenges relating to the financial management of Phase II emerge. According to ADB requirements, any expenditure under “reporting and publication” and “meeting, workshop, seminar and training” needs prior EOC approval upon submission of detailed cost estimates. This factor, along with the long contracting process of ADB, may delay the overall implementation of project activities.

## Lao PDR

The Government of Lao PDR strives to continuously improve and reinforce laws and regulations for sustainable environment management. A new guideline has recently been issued for Sustainable Peatlands Management. Other guidelines or technical manuals are under preparation for an Environmentally Sustainable Vientiane Capital City, Pollution Control, Hazardous Waste Management, and Pig Farm Management. The government has initiated a National Green Economy Road Map to identify priority areas for application of Green Growth and gender integrated policy tools.

### CEP Progress January to June 2014

Key achievements include:

- (i) completion of capacity needs assessment for the Pollution Control Department (PCD) of the Ministry of Natural Resources and Environment (MoNRE);
- (ii) delivery of technical training on pollution monitoring for provincial officials; and
- (iii) compilation of an industrial pollution database for Bolikhamxay Province in support of PCD activities in central Lao PDR.

MoNRE appointed NSU members to lead each CEP subcomponent based on professional affiliation, ensuring clarity in roles and responsibilities for implementing CEP activities. The LOA between ADB and the Ministry of Public Works and Transport on the Green Freight Initiative in Lao PDR is awaiting government clearance. CEP activities have been featured and program materials disseminated on the MoNRE website:

<http://dopc.monre.gov.la/>

### CEP Activities in Lao PDR in 2014

- Conference presentation in Thailand on Contingent Valuation Study on Biodiversity in the Southern Part of Lao PDR (Subcomponent 1.1)
- Strategic Environmental Assessment (SEA) for Provincial Land Use Planning activity prepared and recruitment underway (Subcomponent 1.1)
- Capacity building on provincial level pollution monitoring delivered (Subcomponent 1.3)
- Lao Enterprise data for industrial pollution modeling activity reviewed and capacity building on mapping factories in Bolikhamxay Province ongoing (Subcomponent 1.3)
- Contribution to methodology development for TBL assessment, and scoping of TBL indicators and monitoring framework (Subcomponent 2.1)
- Field data collection for Risk Financing for Climate Change Adaptation activity completed (Subcomponent 3.1)
- Scoping of reducing emissions from deforestation and forest degradation (REDD+) readiness capacity building completed and approach agreed upon with partners (Subcomponent 3.2)
- Study results for identification of a Financing Model for Green Freight in Lao PDR discussed with stakeholders (Subcomponent 3.3)
- Recruitment of NSU core staff completed, and training provided on results-based monitoring and reporting (Subcomponent 4.1)
- Procurement of National Communication Associate to support CEP communication strategy implementation underway (Subcomponent 4.1)
- LOA orientation workshop held, and inception report including annual work plan and monitoring and reporting scheme prepared and submitted (Subcomponent 4.1)
- Capacity needs assessment for PCD nearing completion (Subcomponent 4.1)
- Field trip and roundtable meeting on payments for ecosystem services (PES) conducted (Subcomponent 4.2)

### Challenges and Opportunities for CEP Implementation

Due to limited availability of qualified applicants, recruitment of core NSU staff took longer than expected. Delays in fund liquidation contributed to slow commencement of CEP activities, though NSU human resource capability is steadily improving. Corrective measures have been taken in respond to such lessons learned. The NSU has been actively involved in CEP implementation and creating opportunities for strengthening cross-sector collaboration.

## Myanmar

Reforms have taken place in Myanmar with respect to institutions, and environment policy and legislation. Five regional Environmental Conservation Department (ECD) offices were established during the 2013–2014 fiscal year and another five regional offices will be set up in 2014–2015. The cabinet approved a set of Environmental Conservation Rules in June. Preparation of EIA procedure and technical guidelines is nearing completion. ECD commenced development of a Myanmar Environmental Knowledge Portal in early 2014.

### CEP Progress January to June 2014

CEP provided substantial support to establish and enhance Myanmar's environmental safeguard system. The program also provided further technical inputs to finalize EIA procedure and draft technical guidelines for initial environmental examination (IEE) and EIA. Interim Environmental Quality Guidelines have been revised and submitted to ECD. An online Myanmar Environmental Knowledge Portal has been constructed and is ready for data input and testing.

Consultations were completed with government departments and the Ecotourism Working Group to identify potential sites for ecotourism development and activities for transboundary conservation cooperation. CEP drafted TORs for recruitment of two consultants to undertake an assessment of protected areas for ecotourism development.

CEP initiated procurement for a country Program Management Advisor who will assume a central role in overseeing development and implementation of CEP activities and in ensuring good program coordination with ADB and the broader development community.

An LOA for establishment of a NSU under ECD has been submitted and is awaiting government clearance.

### Challenges and Opportunities for CEP Implementation

As Myanmar was not fully involved in CEP Phase I, the country has limited experience and capacity to implement program activities. The government also lacks familiarity with ADB financial procedures. A priority for 2014 is to complete establishment of an NSU capable of program implementation and coordination. This will require a substantial capacity building effort and continuous technical support from EOC. Still, the current environment reform momentum in Myanmar provides promising opportunities for CEP to accelerate implementation and identify additional priorities for program engagement.

#### CEP Activities in Myanmar in 2014

- Strengthening of environmental safeguard system (Subcomponent 1.2)
- Development of an online environmental knowledge portal (Subcomponent 1.3)
- Activity preparation on ecotourism development strategies for protected areas (Subcomponent 2.2)
- Finalization of LOA to establish an NSU and capacity building (Subcomponent 4.2)
- Procurement of a Program Management Advisor to support CEP activity implementation (Subcomponent 4.2)

## Thailand

Thailand's country strategy emphasized "Green Growth" and "Green Economy". In the first half of 2014, Thailand hosted international events reflecting these priorities. Key events included the 11<sup>th</sup> Asia Pacific Roundtable for Sustainable Consumption and Production, hosted by the Pollution Control Department (PCD); and the International Forum 2014 on "Biodiversity and BioEconomy Development: Global Opportunities and Challenges", hosted by the Biodiversity-Based Economy Development Office. During the same period, the Royal Forest Department released the outcome of the 2012–2013 satellite-based forest cover mapping project, finding that 31.57% of the country is covered by forest as of 2013. On climate change, the Thailand Greenhouse Gas Organization signed a memorandum of understanding in June with the PTT Public Company Limited to implement the Thailand Voluntary Emission Reduction Program.

### CEP Activities in Thailand in 2014

- Piloting biodiversity conservation approach in Eastern Forest Complex (Subcomponent 2.1)
- Donor site visit to Western Forest complex – Tenasserim Landscape
- Consultation to identify ecosystem-based livelihood options for value chain development (Subcomponent 2.2)
- Support on REDD+ Readiness policy (Subcomponent 3.2)
- Thailand green freight pilot project (Subcomponent 3.3)
- Freight Nationally Appropriate Mitigation Actions (NAMA) feasibility study (Subcomponent 3.3)
- NSU coordination of CEP activities (Subcomponent 4.2)

### CEP Progress January to June 2014

In April, ADB and the Department of National Parks, Wildlife and Plant Conservation (DNP) signed the LOA to implement biodiversity conservation and livelihood development activities in Thailand under CEP Phase II. CEP and DNP are currently planning inception activities under the LOA, including developing a TOR for a national consultant, and preparing for an inception workshop and an inception report. In the meantime, DNP has initiated a new study on biodiversity conservation corridors, which is cofinanced under the LOA. The study examines the potential connectivity between Khao Ang Ruenai Wildlife Sanctuary and Khao Chamao – Khao Wong National Park, primarily focusing on the movement of large mammal species (especially elephants) within these protected areas. Moreover, DNP, through the National Park and Protected Area Innovation Institute, has conducted a preliminary survey of other potential biodiversity corridors in the Eastern Forest Complex, with the aim to replicate the pilot experience from the Western Forest Complex under CEP Phase I. For work on TBLs, DNP has planned for a feasibility study on a landscape which connects Klong Kreua Wai Chaleum Prakiet Wildlife Sanctuary and Namtok Klong Kaew National Park in Thailand with Samlout Protected Area in Cambodia.

To support the Office on International Cooperation (OIC) in the implementation of CEP Phase II, a TOR for a Thailand National Coordinator has been developed and advertised. The recruitment progress is ongoing. It is expected that the Coordinator will be on board by the third quarter of 2014. Five practitioners from Thailand participated actively in the "Transport, Energy Use and Climate Change in the GMS" training organized in April by CEP in collaboration with the ADB Phnom Penh Plan for Development Management (PPP). Representatives from Thailand also participated in "the Policy Dialogue on Mainstreaming natural capital into development decisions: Bringing environment to the centre stage" in Viet Nam on 29-30 May.

### Challenges and Opportunities for CEP Implementation

Political uncertainty has contributed to further delays in the establishment of the Steering Committee for CEP Phase II implementation in Thailand. There is also a need to expedite the recruitment of the National Coordinator to support OIC in CEP-related coordination and communication. At the activity level, the green freight pilot project in Thailand continues to be delayed due to protracted contract negotiation between the ADB and the Federation of Thai Industries. Stakeholders also need to be re-engaged to initiate CEP support to REDD+ activity in Thailand.

## Viet Nam

The National Assembly has recently approved the new Law on Environmental Protection, which will go into effect on 1<sup>st</sup> January 2015, replacing the 2005 version. Guiding decrees of the Law are in the process of development. In January 2014, the Prime Minister approved a master plan on biodiversity conservation through 2020 with a vision towards 2030. The master plan aims to preserve and develop important natural ecosystems, as well as valuable and endangered genetic resources. It will also maintain and strengthen ecosystem services in response to climate change in order to boost national sustainable development. Under the master plan, 46 conservation areas will be established in the next 6 years. By 2030, another 20 conservation areas will be established, increasing the total number to 219 with an aggregated area over three million hectares.

### CEP Progress January to June 2014

CEP planning stage in Viet Nam was finalized. Detailed work plans were prepared. Following the two signed LOAs, the inception reports on implementation of CEP activities in Viet Nam were completed. Staffs of the National Support Unit were fully recruited.

Consultation with Ministries, including the Ministry of Natural Resources and Environment (MONRE), the Ministry of Transport, the Ministry of Planning and Investment (MPI), and the Ministry of Agriculture and Rural Development, has been conducted to develop detailed work plans for a number of activities, such as the Green Freight project, a freight NAMA feasibility study, monitoring and evaluation of Payments for Forest Environmental Services (PFES), capacity development plan activities for improving Socioeconomic Development Planning (SEDP) and SEA processes, and SEA support for a revised National Power Development Plan VII.

Viet Nam continued to commit to promoting natural capital for the sustainable development agenda. With support from international development agencies including ADB, UNEP, the Hanns Seidel Foundation, the Global Environment Facility and international nongovernment organizations, the international policy dialogue on “Mainstreaming Natural Capital into Development Decisions: Bringing Environment into Center Stage” was successfully conducted in May. Participants from five GMS countries joined the dialogue and shared their national strategies on initiating natural capital interventions.

### Challenges and Opportunities for CEP Implementation

Although the majority of planned activities were implemented, a number of activities during the first half of 2014 were behind schedule due to a long process of procurement. To respond to this challenge, EOC has established the procurement monitoring plan. Every week, this plan is updated and reported to the management team. The constraints will be solved by the management team of CEP in close consultation with the procurement team of ADB.

The newly approved national plans create enabling conditions for promoting CEP activities in Viet Nam. This provides opportunities for CEP to effectively facilitate activities such as national natural capital accounting, biodiversity conservation and environmental safeguards. A more effective coordination mechanism among governmental ministries and different development projects needs to be implemented to ensure that resources are optimally used.

#### CEP Activities in Viet Nam in 2014

- Capacity development plan activities for improving SEDP and SEA process for MPI in Viet Nam (Subcomponent 1.1)
- Technical Support SEA of revised Power Development Plan 7 in Viet Nam (Subcomponent 1.1)
- Preparation for safeguards strengthening in ADB projects (Subcomponent 1.2)
- Development of monitoring strategy for BCC sites (Subcomponent 1.3)
- Impact assessment of CEP- phase 1 in Cao Bang province (Subcomponent 2.1)
- Testing of community based conservation options (Subcomponent 2.1)
- Land use planning training (Subcomponent 2.1)
- Interprovincial training workshop on ecosystem based approaches and legal frameworks for biodiversity conservation (Subcomponent 2.1)
- Interprovincial training workshop on biodiversity conservation planning (Subcomponent 2.1)
- Consultation to identify ecosystem-based livelihood options for value chain development (Subcomponent 2.2)
- Risk financing for climate change adaptation (Subcomponent 3.1)
- REDD+ readiness (Subcomponent 3.2)
- Viet Nam Green Freight pilot project (Subcomponent 3.2)
- Freight NAMA feasibility study (Subcomponent 3.2)
- NSU Coordination of CEP activities (Subcomponent 4.1)
- National workshop on review of PFES program (Subcomponent 4.1)
- Design and print fact-sheet of PFES and disseminate to relevant audiences (Subcomponent 4.1)
- Policy Dialogue on Mainstreaming Natural Capital

## Appendix 3: Summary of CEP 2014 Events (January to June)

Table A3.1: Internal Events

Title								
Second Stakeholders' Consultation Workshop on Environment	06/01/2014	06/01/2014	Yangon, Myanmar	Workshop	1	135	108	27
Consultation meeting on scoping ecotourism value chain in My	06/01/2014	07/01/2014	Yangon, Myanmar	Meeting	2	6	6	0
Consultative Meeting on Mobile banking fact-finding in Viet Na	13/01/2014	16/01/2014	Quang Nam, Hue, Hanoi,	Meeting	2	10	5	5
River Hydrology, Land-Use, and Climate Change at the Catchr	14/01/2014	16/01/2014	Vientiane, Lao PDR	Training	1	43	31	12
Roundtable Discussion on Collaboration with Nordic Developm GMS	16/01/2014	16/01/2014	Bangkok, Thailand	Meeting	3	15	10	5
Orientation workshop on letter of agreement (LOA) implementa	12/02/2014	12/02/2014	Hanoi, Viet Nam	Workshop	4	20	16	10
Workshop on improving results-based management	20/01/2014	22/01/2014	Bangkok, Thailand	Workshop	All	35	28	11
Synergies of Activities between Core Environment Program (C Lao PDR	20/02/2014	20/02/2014	Champasak, Lao PDR	Workshop	All	60	49	11
Orientation and Work Plan Development	21/02/2014	21/02/2014	Champasak, Lao PDR	Workshop	All	47	36	11
LOA Orientation and Workplan Development in Myanmar	05/03/2014	06/03/2014	Nay Pyi Taw, Myanmar	Workshop	4	36	24	12
Inception workshop on CEP in Cao Bang	10/03/2014	11/03/2014	Cao Bang, Viet Nam	Workshop	2	62	62	29
Orientation workshop on LOA implementation in PRC	09-03-2014	11-03-2014	Kunming, PRC	Workshop	2	30	18	12
Inception workshop on CEP Phase II for the Foreign Economic Protection Department in PRC	12-03-2014	12-03-2014	Kunming, PRC	Workshop	2	30	18	12
Inception workshop on CEP Phase II for Guangxi in PRC	13-03-2014	14-03-2014	Nanning, PRC	Workshop	2	60	32	28
Meeting with the Minister of Environment, Cambodia	13/03/2014	13/03/2014	Phnom Penh, Cambodia	Meeting	1	15	12	0
1st Task force meeting for Fourth Environmental Ministers' Me	24/03/2014	24/03/2014	Nay Pyi Taw, Myanmar	Meeting	All	30	20	10
Joint Knowledge Event – Working Group on Environment/ Wor	25/03/2014	25/03/2014	Nay Pyi Taw, Myanmar	Meeting	All	164	100	64
Working Group on Environment – 20th Annual Meeting	26/03/2014	26/03/2014	Nay Pyi Taw, Myanmar	Meeting	All	84	53	31
Roundtable event on payment for ecosystem services in Lao F	07/04/2014	07/04/2014	Vientiane, Lao PDR	Workshop	2	30	20	10
Land use planning training in BCC site – Thua Thien Hue prov	21/04/2014	24/04/2014	A Luoi, Hue, Vietnam	Training	2	59	23	36
Development of Myanmar online Environmental Information Sy	25/04/2014	25/04/2014	Nay Pyi Taw, Myanmar	Workshop	1	42	30	12
Consultation workshop for CEP implementation and Compone	05/05/2014	05/06/2014	Phnom Penh, Cambodia	Workshop	1	25	21	4
Transboundary Biodiversity Landscape Forum	06-05-2014	07-05-2014	Bangkok, Thailand	Workshop	2	30	20	10

Title								
Environmental Management related to Pollution Data Analysis	07/05/2014	08/05/2014	Bolikhamsay, Lao PDR	Training	1	44	32	12
Land use planning training in BCC site – Quang Nam province	13/05/2014	16/05/2014	Tay Giang, Q.Nam, Viet N	Training	2	107	30	77
Land use planning training in BCC site – Quang Tri province	19/05/2014	23/05/2014	Huong Hoa, Q.Tri, Viet N	Training	2	94	73	21
Agricultural Non-Point Source Pollution Stressors	20/05/2014	20/05/2014	Vientiane, Lao PDR	Training	1	22	12	10
Value of Pollution Treatment Performed by Wetlands	22/05/2014	23/05/2014	Bolikhamsay, Lao PDR	Training	1	52	31	21
Strategic environmental assessment (SEA) workshop for revis	27/05/2014	27/05/2014	Hanoi, Viet Nam	Workshop	1	53	39	14
Results of 20th WGE Annual Meeting and Discussion on CEP	30/05/2014	30/05/2014	Vientiane, Lao PDR	Meeting	All	28	19	9
<b>Total</b>						<b>1468</b>	<b>53%</b>	<b>31%</b>

**Table A3.2: External Events**

Title						Environment
<b>GMS EVENTS</b>						
Second Tourism Sector Working Group meeting	17/02/2014	18/02/2014	Yangon, Myanmar	Meeting	2	EOC staff participated
Ecotourism Working Group meeting	09/06/2014	09/06/2014	Yangon, Myanmar	Meeting	2	EOC staff participated
33rd Meeting of the GMS Tourism Working Group	09/06/2014	09/06/2014	Mandalay, Myanmar	Meeting	All	Presentation by ADB CEP office
Mekong Tourism Forum 2014	11/06/2014	11/06/2014	Mandalay, Myanmar	Meeting	All	Presentation by ADB CEP office
<b>OTHER EVENTS</b>						
Second Environment Conservation Sector Working Group Meeting	23/01/2014	23/01/2014	Nay Pyi Taw, Myanmar	Meeting	1	EOC staff coordinated with do
National Awareness Seminar on Myanmar's Country Safeguard S	10/02/2014	11/02/2014	Nay Pyi Taw, Myanmar	Workshop	1	Presentation by EOC
United Nations Economic and Social Commission for Asia and the Pacific Appropriate Mitigation Actions (NAMAs) in Asia and the Pacific	18/03/2014	19/03/2014	Bangkok, Thailand	Workshop	3	Presentation by EOC
Cooperation for Water, Energy, and Food Security in trans bound	02/04/2014	03/04/2014	Ho Chi Minh City, Viet	Workshop	All	Presentation by EOC
ADB technical assistance midterm review on Yunnan Biodiversity	17-05-2014	19-06-2014	Kunming, PRC	Meeting	2	Presentation by EOC
Consultation workshop for Cambodia EIA Law draft	26/05/2014	27/05/2014	Sihanoukville, Cambod	Workshop	1	Presentation and inputs by EOC
Policy Dialogue on mainstreaming natural capital	29/05/2014	30/05/2014	Hanoi, Viet Nam	Conference	1	Presented and a session of W
Validation workshop on Metric for Green Growth: measuring the s	19/06/2014	20/06/2014	Phnom Penh, Cambod	Workshop	1	Input from EOC
The Sixth Asian Ministerial Conference on Disaster Risk Reductio Management"	22/06/2014	26/06/2014	Bangkok, Thailand	Meeting	3	Presentation by EOC
Regional event 'Green freight and logistics in Asia'	25/06/2014	27/06/2014	Singapore	Workshop	3	EOC supported eight GMS pa

## Appendix 4: Publications Disseminated and Media Coverage

Table A4.1: Core Environment Program Knowledge Products Dissemination January–June

Title	Year of Publication	Amount Distributed January–June
Strengthening Sustainable Tourism – Strategic Environmental Assessment of the Tourism Sector in Cambodia	2009	50
Reducing Risks: Adaptation to Climate Change Among Local Communities – policy brief	2010	60
Climate Change Vulnerability, Adaptation and Mitigation in the GMS	2011	40
Applying Spatial Tools to Support Sustainable Planning the GMS	2011	40
GMS Forestry Outlook	2011	20
Policy Brief – SEA Power Development in Viet Nam	2011	15
GMS Atlas of the Environment 2nd edition	2012	115
GMS Atlas thumb drive	2012	110
GMS 2020 International Conference – Proceeding	2012	60
Core Environment Program brochure in English	2012	120
Core Environment Program brochure in Chinese	2013	10
Core Environment Program brochure in Khmer	2013	40
Core Environment Program brochure in Lao	2013	30
Core Environment Program brochure in Burmese	2013	25
Core Environment Program brochure in Thai	2013	30
Core Environment Program brochure in Vietnamese	2013	60
Stats and Maps brochure	2013	355
Planning Sustainable Investment in the GMS (RIF)	2013	240
<a href="#">Climate Change and Rural Communities in the Greater Mekong Subregion: A Framework for Assessing Vulnerability and Adaptation Options</a>	2014	150
CEP animation film in 7 languages ( <a href="#">English</a> ) ( <a href="#">Burmese</a> ) ( <a href="#">Chinese</a> ) ( <a href="#">Khmer</a> ) ( <a href="#">Lao</a> ) ( <a href="#">Vietnamese</a> ) ( <a href="#">Thai</a> )	2014	Online/events
CEP folders	2014	50
GMS Stats and Maps notebook	2014	360
<b>TOTAL</b>		<b>1980</b>

Note: CEP knowledge products are disseminated nationally by GMS environment ministries (via NSUs) and ADB Resident Missions in the GMS countries. Regional dissemination is undertaken by EOC and ADB.

ADB = Asian Development Bank, CEP = Core Environment Program, EOC = Environment Operations Center, GMS = Greater Mekong Subregion, NSU = national support unit, RIF = Regional Investment Framework, SEA = strategic environmental assessment

**Table A4.2: National Media Coverage of CEP January–June 2014**

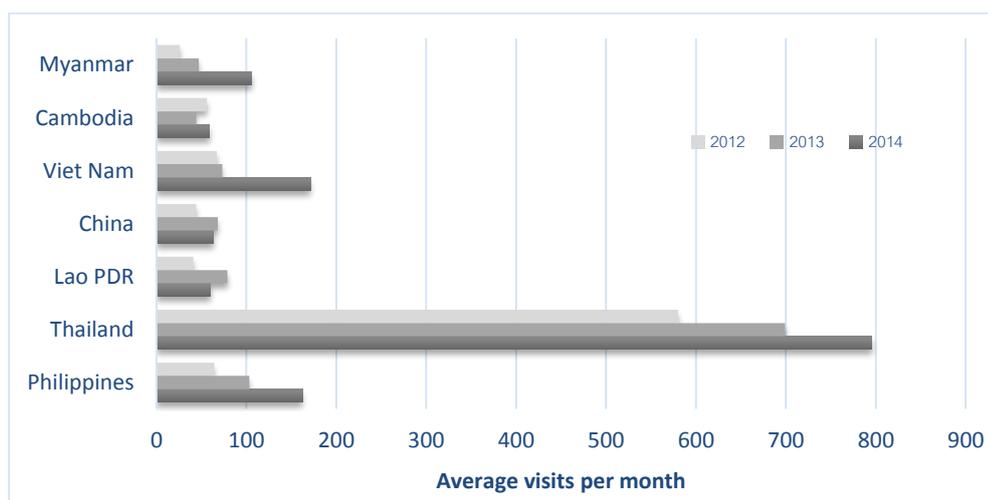
Subject/Event	Country	Date of Publication	Media Outlet	Type	Link
Policy Dialogue on Mainstreaming natural capital into development decisions: Bringing environment to the centre stage	Viet Nam	May 29-30, 2014	Viet Nam Television 1 (VTV1)	Television news	
			Viet Nam Television 1 (VTV4)	Television news	
			Environmental Economics Newspaper	Online news	<a href="http://goo.gl/zkEHbz">http://goo.gl/zkEHbz</a>
Guangxi will build a biodiversity corridor in transboundary biodiversity landscapes	Guangxi, PRC	March 14, 2014	Guangxi develop & reform net	Online news	<a href="http://goo.gl/2BT1nU">http://goo.gl/2BT1nU</a>
			New PEOPLE NET	Online news	<a href="http://goo.gl/gpaxZd">http://goo.gl/gpaxZd</a>
			people net	Online news	<a href="http://goo.gl/SGgFfo">http://goo.gl/SGgFfo</a>
			Wetlands International China	Online news	<a href="http://goo.gl/rDk5LN">http://goo.gl/rDk5LN</a>

## Appendix 5: CEP Website Statistics January to June 2014

**Table A5: Average Page Views and Visits per Month**

	2012	2013	2014	Change %
Page Views	4864	7014	7676	9%
Visits	1407	1870	2417	30%

**Figure A5.1: Average Visits per Month by Selected Countries**



**Table A5.2: Popular Web Sections by Average Visits per Month**

Content	2013	2014	Change %
GMS Map Portal	199	138	-30%
GMS Statistics Portal	152	141	-7%
Online Library	142	105	-26%
GMS Calendar	140	167	19%

**Table A5.3: Top Ten Popular Web Resources January–June 2014**

Rank	Web Resource	Type
1	Climate Change Vulnerability Publication	Knowledge Product
2	Myanmar Environmental Performance Assessment	Knowledge Product
3	Managing Natural Capital – Working Group on Environment (WGE) 20 <sup>th</sup> Annual Meeting	Event
4	CEP Core Documents	Documents
5	CEP Animation	Knowledge Product
6	GMS Atlas of the Environment	Knowledge Product
7	GMS Green Freight	Activity Page
8	Myanmar Safeguards	Event
9	Biodiversity Conservation Corridors Project	Activity Page
10	WGE 20 <sup>th</sup> Annual Meeting	Event