

**Core Environment Program  
and Biodiversity Conservation Corridors Initiative  
in the Greater Mekong Subregion**

**Progress Report  
For the Period January - June 2008**

**Submitted by:  
GMS Environment Operations Center  
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## ACRONYMS & ABBREVIATIONS

ADB	Asian Development Bank
AIT	Asian Institute of Technology
CBET	Community based ecotourism
CCF	Climate Change Fund
CDFs	Commune development funds
CEFPF	Clean Energy Financing Partnership Facility
CEP-BCI	Core Environment Program – Biodiversity Conservation Corridors Initiative
CLUE	Conversion of land use and its effects
CMI	Carbon Market Initiative
CNRMCs	Commune natural resource management committees
CPA	Community protected areas
DAC	Development Assistance Committee
DNP	Department of National Parks, Thailand
DPSIR	Driver-Pressure-State-Impact-Response
EEI	Energy Efficiency Initiative
EIA	Environmental impact assessment
EOC	Environment Operations Center
EPA	Environmental performance assessment
EMM	Environment Ministers' Meeting
FAO	Food and Agriculture Organization
MFU	Mae Fah Luang University, Thailand
MOU	Memorandum of Understanding
GDD	GMS Development Dialogue
GIS	Geographic information system
GMS	Greater Mekong Subregion
IGES	Institute for Global Environmental Strategies
LoA	Letter of Agreement
MDGs	Millenium Development Goals
MLuP	Ministry of Land Use Planning
MoE	Ministry of Environment
MoIT	Ministry of Industry and Trade
MoT	Ministry of Tourism
MONRE	Ministry of Natural Resources and Environment
NREM	Natural Resources and Environmental Management Center
NSEC	North south economic corridor
NSTDA	National Science and Technology Development Agency, Thailand
NSU	National support unit
NTFP	Non-timber forest products
OECD	Organization for Economic Cooperation and Development
PDP	Power development plan
PLUP	Participatory land use planning
PPP	Phnom Penh Plan for Development Management
PRC	People's Republic of China
REACH	Renewable Energy, Energy Efficiency, and Climate Change Program
RECOFTC	Regional Community Forestry Training Center for Asia and the Pacific
RETA	Regional Technical Assistance
RNE	Royal Netherlands Embassy

SBPRP	Safeguarding Biodiversity for Poverty Reduction Project
SEA	Strategic environmental assessment
SEI	Stockholm Environment Institute
SEID	Southeast Asia Infrastructure Division (of the ADB)
SEK	Swedish kroners
Sida	Swedish International Development Cooperation Agency
SDP	Sustainable development planning
SMEs	Small and medium sized enterprises
TAP	Technical Advisory Panel
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNINET	University network
USAID	United States Agency for International Development
USEPA	United States Environmental Protection Agency
VDFs	Village development funds
WGE	Working Group on Environment
WCS	World Conservation Society
WREA	Water Resources and Environment Administration, Lao PDR
WWF	Worldlife Fund for Nature
YEPB	Yunnan Environmental Protection Bureau, PRC
ZOI	Zones of influence

## I. SUMMARY OF ACHIEVEMENTS

1. The regional technical assistance (RETA) Core Environment Program and Biodiversity Conservation Corridors Initiative (CEP-BCI) financed on a grant basis by the Governments of Finland (\$4.9 million), the Netherlands (\$14 million), Sweden (\$10 million), Poverty Reduction Cooperation Fund (\$550,000), PRC Fund (\$500,000), the ADB (\$1.62 million), and in-kind contributions by the GMS countries (\$600,000). CEP-BCI implementation started in April 2006 and is now in its third year of implementation. This progress report is prepared by the GMS Environment Operations Center (EOC) and covers the six months between January – June 2008.

2. This report is divided into four parts. Part I provides a summary of overall program achievements within the framework of the GMS Economic Cooperation Program, ADB operational and CEP-BCI program levels; Part II provides results in brief, Part III provides details of activity and output based progress and results per component, and Part IV reports on financial status and funding requirements. The Annexures provide additional information on EOC's capacity building and knowledge/information network activities during the reporting period.

### A. POLICY LEVEL

3. Mainstreaming of the environment in development processes has received a clear endorsement in the strongest possible terms at the highest political level in the GMS. The Joint Summit Declaration of the Third GMS Leaders' Summit (Vientiane, Lao PDR, March 2008) underscored the importance of measures that "help reduce environmental risks to local livelihoods and GMS development plans, including those posed by climate change...". This highest policy level endorsement for the environmental agenda in the GMS was a direct result of the successful holding of the 2nd GMS Environment Ministers' Meeting (EMM) by the GMS Working Group on Environment (WGE) with the technical and operational support of the EOC. The meeting was held in Vientiane, Lao PDR in January 2008 and details are presented in paragraph 79.

4. **Climate Change: 2nd Greater Mekong Subregion Development Dialogue (GDD2).** On 21 May 2008, EOC and ADB's GMS secretariat jointly organized a policy dialogue with an objective to promote a better understanding of the causes and consequences of climate change, and the challenges of crafting meaningful responses, individually and collectively, for the GMS countries. To conform with GDD's objective of promoting cross-sectoral discussion and debate, the composition of country participants included representatives from Government, academe, the private sector, civil society organizations, and media. Using in-house GIS facilities, EOC generated several maps using historical (100 years) data on change in temperature, precipitation, and incidence of wet days. Scenarios were also developed for sea-level rise and storm surge incidences. Based on these maps, preliminary scenario analyses were conducted on anticipated impacts of climate change on different sectors viz. physical and social infrastructure, agriculture, energy and tourism. Supporting factsheets were also produced to facilitate effective deliberation during the GDD. The EOC highlighted technical, policy, and institutional issues to address risks of climate change. This activity allowed WGE and EOC to sensitize high-level GMS officials, relevant ADB staff and private sector to risks climate change poses to sustainable development and environment in general. It highlighted the relevance and importance of CEP-BCI in designing, developing and delivering environment and livelihood adaptation and safeguarding interventions.

5. **Climate change: Mobilizing knowledge and funding for GMS countries.** EOC is aligning CEP's climate change activities with ADB's existing initiatives such as Climate Change Fund (CCF), Carbon Market Initiative (CMI), Renewable Energy, Energy Efficiency, and Climate Change (REACH) Program, Energy Efficiency Initiative (EEI), Clean Energy Financing Partnership Facility (CEFPF) etc. EOC is closely coordinating with relevant ADB staff on the outcomes of the regional studies on "Economics of Climate Change in Southeast Asia. Outcomes of these studies and deliberations will allow EOC to effectively respond to requests from Lao PDR and Viet Nam on assisting them in integrating climate change risk management into their Socio-Economic Development Plans and Land-Use Development Plans.

6. **Cross-sectoral GMS development planning and management capacity building:** The Phnom Penh Plan for Development Management (PPP) in collaboration with the Greater Mekong Subregion (GMS)-Environment Operations Center (EOC) organized "Issues and Sustainable Options for the Mekong", an Environment Seminar for GMS officials & executives in 26-29 February 2008 at the Asian Development Bank-Thailand Resident Mission in Bangkok.

7. The environment seminar was designed to cater to the non-environment sector officials in the GMS to make them more aware of and be sensitive to the environmental implications of actions in their respective sectors and spheres of influence. Its overall objective was to introduce the GMS policy makers to various environmental concepts, frameworks, perspectives and tools that would aid them and strengthen their capacity in the national and/or regional planning and decision-making processes. The seminar included sessions on climate change, transboundary ecosystem and basin management, as well as transport and biofuels, and gave the opportunity to raise the profile of the environment sector and the Core Environment Program with various decision makers in the GMS.

## **B. STRATEGIC LEVEL**

8. **GMS-wide coordination and collaboration:** EOC has provided input to ADB staff responsible for developing the North-South Economic Corridor Development Strategy and Action Plan to integrate ex-ante environmental considerations in development planning. This forms an important part of the Vientiane Plan of Action for GMS Development (2008-2012) with substantial proposed investments in infrastructure, i.e. transport, roads and power generation. The matrix on page 14 and paragraphs 33 to 41 provide additional information on SEA activities aimed at environmental mainstreaming in transport, energy (hydropower), tourism and specific economic corridor segments.

### **9. Mainstreaming with ADB operations, and leveraging pro-CEP/BCI funding:**

- EOC, ADB's Southeast Asia Infrastructure Division (SEID) and Sida funded power sector initiative on sustainable development of electricity infrastructure plan to collaborate on proposed SEA of PDP VII in Viet Nam and proposed ADB funded power generation and transmission projects in GMS.
- BCI pilot site implementation performance is leveraging substantial pro-CEP-BCI investments. These include:
  - i. \$36 million investment in Lao, PDR. BCI experience and EOC experts informed the design of the "Sustainable Natural Resources Management and Productivity Enhancement Project". This project costing over \$36 million (ADB/IFAD providing \$35 million in grant funding) aims at capacity strengthening for sustainable natural resource management. This complements BCI both programmatically and geographically. Project is scheduled for ADB Board consideration by end of 2008.

- ii. Proposed \$130 million BCI scaling-up investment in Cambodia, Lao PDR, and Viet Nam (2010-2015/16 period). In line with GMS Summit of Leaders agreed upon Vientiane Plan of Action (2008-2012), Governments of Cambodia, Lao PDR, and Viet Nam and ADB plan to invest over \$130 million (ADB funding \$65 million) to scale-up successful biodiversity conservation and poverty reduction results of the BCI pilot sites.
- iii. Sustainable rural infrastructure development in northern mountain provinces in Viet Nam with a total investment cost of \$110 million (\$70 million as ADB loan).
- vi. CEP-BCI is planning to plug into and support subregional investments, including 3-S Regional Technical Assistance overlapping with BCI landscapes in Cambodia, Lao PDR and Viet Nam with a focus on integrated water resource management (IWRM). It also includes the proposed \$130 million GMS Drought and Flood Management Projects, the \$58 million Rural Renewable Energy Projects and the \$42,5 million GMS Communicable diseases projects.

### **C. KNOWLEDGE MOBILIZATION**

10. In March 2007, Mae Fah Luang University, through its Natural Resources and Environmental Management Center (NREM), fully formed the Greater Mekong Sub-region University Network on Natural Resources and Environmental Management (GMS/UniNet on NREM) with eleven (11) member universities, who formally signed the MOU by their presidents/rectors, and agreed to proactively respond to the urgent research and training needs for NREM in the GMS. The Center hosts the network secretariat with an aim to contribute to capacity building in NREM for the GMS and to conduct research collaboration in regional and transboundary issues of NREM in close cooperation with and support from ADB through the GMS CEP/BCI. The link created between the UniNet has allowed the CEP to arrange access to its body of work to graduate students and professors at universities in the GMS countries.

11. Similarly, working together with the Asian Institute of Technology allowed the CEP to make use of research capabilities available in the subregion for the furthering of gender issues at the BCI pilot sites as well as bringing in AIT research capabilities to bear on waste management at BCI sites in Yunnan Province, China..

12. The CEP continues to work closely with UNEP in implementing Component 3 – EPA and are exploring opportunities to collaborate with UNDP, UNESCAP and The World Bank in the areas of (i) pro-poor environmental and fiscal policies, (ii) climate change; (iii) harmonized environmental sustainability and performance indicators, (iv) harmonizing MDG 1 and 7 reporting; and (v) environmental capacity development in the GMS.

13. RECOFTC has conducted three (3) capacity building training courses in Dong Phrayayen – Khao Yai BCI feasibility site, Thailand. The capacity building activities focused on i) awareness raising on BCI, ii) training needs assessment and iii) participatory natural resource management. RECOFTC is also preparing to carry out capacity building activities for the relevant government officers and target village communities on natural resources management and village revolving fund in Tenasserim BCI pilot site, Thailand.

14. The Netherlands Environmental Assessment Agency (MNP) has collaborated with the CEP in application of computer models (CLUE and GLOBIO) in the area of land use trends assessments, impacts and future projections. (CLUE model). Based on the outputs of the CLUE model, present and future state of biodiversity (present and future mean species abundance in relation to potential biodiversity) is calculated using the GLOBIO model.

15. The CEP continued collaborating with the United States Environmental Protection Agency (US EPA) on environmental performance related issues, including expanded application of spatial land use planning tools to assess terrestrial natural resource utilization patterns and guide planning responses, and development of aggregated indicators.

#### D. ISSUES REQUIRING ATTENTION

16. **Risk management:** As implementation of activities have picked up speed in the BCI pilot sites, establishment of corridors are also faced with challenges from infrastructure and other developments and private sector investments (agricultural and mining concessions, which could ultimately have a negative impact on the overall objectives of CEP/BCI. In this context, it is important to embark on risk management. In most cases, ADB is seeking ways and means maintain a dialogue with GMS countries on the nature and impact of such developmental challenges, and is actively seeking common ground and approach with other development partners, such as the World Bank. The development partners currently supporting CEP/BCI are requested to also consider ways and means of discussing this agenda with the concerned GMS countries through their own channels and programming dialogue. Concerted efforts are required in this matter.

17. **Reporting format:** The reporting template being used here follows the ADB Design and Monitoring Framework and may need adjustment. The EOC seeks guidance on this matter.

18. **Synchronizing co-financing agreements:** There may be a need to synchronize co-financing agreements among the various development partners (Netherlands, Sida). This may require further discussion and resolution.

## II. RESULTS IN BRIEF

19. In order to ensure that the activities and achievements covered in these progress reports are in clear alignment with the expected outputs, outcomes and impact of the program, the Design and Monitoring Framework as defined by the ADB approved RETA 6289 report is used to report on results. Going by each of the expected outputs and the agreed performance indicators, the following table provides a quick summary of the status of targets achieved against each of the five outputs planned for in the Design and Monitoring Framework.

**Targets, Indicators and Current Status based on the RETA 6289 Design and Monitoring Framework**

Design Summary	Performance Targets/Indicators	Current Status
<b>Outputs</b> 1. Economic corridors and sector environmental assessments	<ul style="list-style-type: none"> <li>• By 2008, valuation of natural resource assets in at least two GMS economic Corridor sections (north–south and east–west) completed.</li> <li>• By 2007, assessment reports on hydropower, road, and tourism development</li> </ul>	<ul style="list-style-type: none"> <li>• The Strategic Environmental Assessment of the North South Economic Corridor was initiated in early 2008. Valuation of natural resources assets is an integral part of this SEA. Details are noted in the report on Component 1 under this report. A cumulative assessment of the Southern Economic Corridor, including valuation of natural resources assets, will be undertaken starting end 2008. Due to funding delays and need for effective involvement of relevant line agency staff and stakeholders, phase one of the CEP has been extended until 2009. New date for all activities in this component to be completed by 2008</li> </ul>

Design Summary	Performance Targets/Indicators	Current Status
<p>2. Biodiversity conservation</p> <p>3. Environmental performance assessments (EPAs) institutionalized and integrated, and sustainable development planning initiated</p> <p>4. Regional environmental management capacity development and institutionalization</p> <p>5. Program development, delivery, and sustainable financing</p>	<p>strategies, and cumulative impact assessment of at least two selected sections of the GMS economic corridors, completed</p> <ul style="list-style-type: none"> <li>• By 2008, at least five biodiversity corridor sites established, poverty reduction measures and ecosystem restoration undertaken, and ecosystem service payment mechanisms developed</li> <li>• By 2008, all GMS countries produce EPAs to set environmental standards, and at least two countries start using integrated sustainable development planning tools and EPA results</li> <li>• By March 2006, Environment Operations Center operational.</li> <li>• By 2008, report on options for anchoring EOC over medium to long term submitted to GMS countries</li> <li>• By 2008, report on sustainable financing prepared and at least two sustainable financing mechanisms proposed for establishment in selected GMS countries.</li> <li>• By June 2006, program impact monitoring system operational.</li> <li>• By 2008, investment plan for 2009–2015 developed</li> </ul>	<p>now have a deadline of December 2009.</p> <ul style="list-style-type: none"> <li>• Assessments for hydropower and tourism sectors completed, while transport sector assessment is underway, as part of the North South Economic Corridor SEA. For the assessments of corridor segments, see above.</li> <li>• Six biodiversity corridor sites have been established. Poverty reduction measures and ecosystem restoration undertaken with the direct involvement of local communities. Preliminary work on ecosystem services payment mechanisms has been carried out and will be developed further. (These payment mechanisms were presented and discussed subsequently during the biodiversity corridors workshop in September 2008)</li> <li>• Work on development of common environmental indicators is ongoing. Details are noted in the report on Component one under this report. Due to funding delays and need for effective participation and capacity building among the partnering agencies, phase one of the CEP has been extended until 2009 in line with request from relevant line agencies. New date for all activities to be completed by 2008 now have a deadline of December 2009.</li> <li>• The Environment Operations Center was inaugurated in April 2006 and has been in full operation since.</li> <li>• Report on options for anchoring the EOC over the medium to long term has been submitted to the GMS countries. The responses to this report have been taken further with brainstorming among GMS countries and partners participating. Further developments will be based on directives and guidance provided by the WGE.</li> <li>• This report will be based on the institutional option selected by the WGE. Outline financing options for the institutional option proposed by the EOC to the WGE were included in the institutional paper presented to the WGE in July 2008. A draft paper on sustainable financing for the EOC will be put up to the WGE by the end of 2008. Commune Development Funds are operational and include testing of sustainable financing of BCI/livelihood activities including through Payment for Environmental Services (PES, currently mainly from water and carbon.). Program wide sustainable financing is being initiated with leveraging of ADB investment portfolio for 2008-2012.</li> <li>• Program impact currently being monitored and reported on to the WGE through biannual meetings and progress reports. Progress and impact (conservation and poverty reduction) is being monitored at BCI site, landscape, national and GMS level.</li> <li>• Investment plan preparation has been initiated in line with the directives of the GMS Summit of Leaders and</li> </ul>

Design Summary	Performance Targets/Indicators	Current Status
		<p>the 2<sup>nd</sup> EMM that call for investment plan to cover 2011-2015. This is to be presented to 3<sup>rd</sup> GMS EMM scheduled for 2011. Accordingly, new deadline for the investment plan is 2011 and delivery deadline is December 2010..</p>

20. Under **Component 1 on Environmental Assessment of Sectors and Corridors**, the pilot Strategic Environment Assessment (SEA) undertakings are proving to be an effective and cost-efficient means to enhance the technical and environmental quality of sector plans and their implementation. The SEA of Viet Nam's Power Development Plan (PDP) VI, by taking account of social and environmental issues in a policy-oriented way, is providing inputs into the hydropower planning system. In particular, the approach of preparing scenarios and undertaking a risk and mitigation assessment, based where possible on economic valuation, have proved to be valuable for the Ministry of Industry and Trade, as well as the significance given to empirical evidence to support the assessment. The SEA of Cambodia's tourism sector plans contributed to the enhancement of integrated development planning of the tourism sector and to the fine tuning of tourism related laws. Strong engagement with regional policy frameworks including the Draft Strategy and Action Plan for the North South Economic Corridor (NSEC), the GMS Energy Sector Strategy and the Regional Power Trade Coordination Committee, and the GMS Tourism Sector Strategy are ensuring longer-term uptake of the recommendations of the SEA at the regional level. The SEAs are also helping craft and institutionalize methodology for integrated planning across the region. The spatial planning and eco-regional approach adopted within the SEA of the GMS North South Economic Corridor (NSEC) is helping identify suitable development trajectories and zoning plans through appropriate clustering, phasing and/or sequencing of proposed investments in the corridor. Capacity Building: Through direct engagement with plan owners (in Viet Nam and in Cambodia) and by bringing together a wide range of stakeholders involved in area-based planning (as in the North-South Corridor) the processes are focused on building capacity and raising awareness within key decision nodes (technical and managerial) in the core sectors.

21. Under **Component 2 on Biodiversity Conservation Corridors Initiative (BCI)**, establishment of Commune Development Funds (CDF) or Village Development Funds (VDFs) that provide critical access to finance on a self help basis are progressing well in PRC, Lao PDR, and VIE. On the ground, there is a strong demand for BCI related activities, especially Commune/Village development fund, which villagers see as an integral part of overall village development and a good incentive for biodiversity protection. The acceptance of BCI is indicated by the good participation of local villagers in forest restoration activities, for example, in Lao PDR. Discussion on regulatory instruments to establish Biodiversity Corridors at provincial level with national legal backing have started; in PRC, the corridor design and demarcation has been approved by Prefecture government but legal steps need to be undertaken to make this decision official. Similarly, Thailand cabinet has recently acknowledged Tenasserim corridor and has directed cooperation among relevant governmental agencies to facilitate BCI implementation. Ministry of Natural Resources and Environment in Viet Nam is currently revising draft of the Biodiversity Corridor decree to be submitted to National Assembly for approval. This will be followed by Provincial level decrees/decisions. Legal and land management institutionalization of biodiversity corridors as sustainable use connecting corridors between large patches of fragmented and isolated nature reserves and national parks provides additional potential for carbon sequestration, climate change adaptation opportunities for flora and fauna to adjust to higher altitudes due to temperature and micro climate changes, and enhancement of watershed maintenance providing for sustenance of ecosystem services, such as water, food, pollination, medicinal and aromatic products.

22. Under **Component 3 on Environmental Performance Assessments**, programmed activities were ongoing and proceeded as scheduled. Overall good progress is being achieved in EPA implementation, with the EOC and our implementing partners continuing to work closely with GMS governments in support of national EPA institutionalization and reporting efforts. Country feedback has stressed the need to extend participation in the EPA activity beyond core environment agencies to ensure mainstreaming of EPA into national planning processes. The EOC responded by encouraging involvement by country sector and line agencies in training and consultative workshops. Concept notes were prepared for 2009-

11 detailing additional proposed technical support for national EPA mainstreaming and provision of funding to National Support Units (NSU) in support of incrementally expanded EPA reporting. In January 2008, the EOC published a set of seven documents on the first round national and subregional EPA reports in the GMS, accompanied by a synthesis document titled *Environmental Performance Assessment*. These documents were widely disseminated, with very positive feedback received from country counterparts and implementing partners. Publications informed discussions during subsequent country inception and consultation workshops and local training activities. Responding to country requests, substantial effort was devoted to the development of training modules covering EPA assessment methods, data analysis, data quality and standardization, and data/information management. Guidance on the modalities for undertaking sustainable development planning (SDP) in the GMS was also prepared with both subjects being covered in detail during a subregional training workshop held from May 26-30, 2008. Training modules are to be expanded upon and published as technical guidelines in support of future local, national and subregional capacity development activities. The EOC in collaboration with our EPA implementing partners continued to work closely with national EPA teams on the next round of EPA reporting. Particular attention was given to identification of country priority concerns through a consultative process and selection of indicators corresponding to the driver-pressure-state-impact-response (DPSIR) framework. Excellent progress was achieved, with countries now embarking on the next tasks of data identification and acquisition, and database development. Broad participation of planning and sector agencies in country EPA reporting processes has been encouraging and is recognized as being essential in terms of enhanced data sharing and support for routine EPA reporting.

23. Under **Component 4 on GMS Capacity Building for Sustainable Environmental Management**, detailed questionnaire was circulated to all WGE members focusing on the key elements of institutional arrangements to be established for the future. Responses from the countries were collated in the form of a matrix and circulated to all WGE members for consideration. Discussions regarding the institutional future of the EOC took place in May 2008 during the brainstorming workshop and later during the WGE 14th Annual Meeting in July 2008. A final draft on subregional institutionalization has been delayed as the choice of option will emerge once the WGE members are in agreement over the option to be followed. Currently, the representation of the GMS countries in the WGE believe that any discussions on institutional arrangements in the future would need to be discussed in greater detail within their respective governments before any firm agreement or decision can be reached.

24. To date 7 officials have been deputed to the EOC from PRC, Cambodia and Viet Nam ranging from weeks to up to six months. A total of 8 interns (representing all GMS countries) underwent training ranging from a few months to a full year at the EOC covering accounting and GIS skills, SEA, EPA and BCI exposure.

25. As part of the successful efforts to promote the integration of environmental concerns into planning under other sectors of the economies of the GMS countries, the close collaboration between the Core Environment Program and the ADB's Phnom Penh Plan was further enhanced by the holding of a jointly organized training program on environmental management and climate change. This was a major training program organized for the benefit of senior officials from various ministries and departments of the GMS countries. It was held in Bangkok in February 2008 and included field visits as well as seminars and talks by international experts on climate change and environmental issues.

26. Mae Fah Luang (an LoA) and its UNINET has currently 8 students registered for postgraduate degrees out of a target of 12. By January 2008, staff complement of professionals at EOC was completed with recruitment of the Social Development Specialist (SDS) by September 2007; but she recently resigned her position in March 2008. The new

SDS candidate has been identified and recruitment process initiated. A Land Use planner is also expected to be on board by September 2008.

27. An Environmental Forum and Eco-Exhibition was successfully organized and held in Vientiane, Lao PDR in parallel with the Environment Ministers' Meeting January 20th -30th 2008. Several dozen organizations participated with stalls representing private sector companies, government departments and NGOs active in environmental technology propagation in the GMS and elsewhere. Biodiesel manufacturing (oil extraction unit and refining unit) equipment were formally handed over to WREA of Lao PDR at the Eco Exhibition.

28. Accounting/Budget: To date a total of \$4.5 million invoices have been received at the EOC for processing and of this \$2.8 million worth of claims have been endorsed with an additional \$1.7 million of claims to be processed. There have been some delays in processing as the required time for scrutiny of documentation was underestimated at the start of the program. Steps have been taken to bring the backlog at the EOC down to zero by the end of 2008. In addition, discussions are ongoing with the finance department at ADB to identify ways to resolve any remaining issues.

29. Under **Component 5 on Program Development, Delivery and Sustainable Financing**, concept notes covering implementation of activities under the Supplemental to the RETA based on the GMS EMM directives and under the oversight of WGE have been developed and consultations initiated with WGE members and other state and non-state partners seeking their inputs. Activities relating to sustainable financing options have been delayed / postponed to 2009 due to the delay in getting a consensus on the institutional framework for the future. Contact with national media in the GMS countries has been further developed. Media interviews have been arranged and stories suggested and picked up in national media in relation to different topics and activities within the program, e.g. Forestry Week in Viet Nam, World Environment Day 2008, the finalization of the SEA on Tourism in Cambodia, the workshop on biodiversity and tourism in the GMS countries. In Spring 2008, two documentaries were produced - one featuring a presentation of the Core Environment Program and one about the forests of the Mekong Region. The documentaries feature local communities as well as national key stakeholders, and have been distributed widely to policy makers in all countries as well as to national media and civil society. The launch of the documentary: "Forests for our Future" was organized on the occasion of the World Environment Day, which included the broadcasting of the EOC/ADB-produced documentary in Cambodia, Lao PDR and Thailand. Finally, during June or the last part of the period under reporting, the EOC has played host to a mid term review carried out by the ADB along with the co-financiers to the Core Environment Program.

30. The EOC is seen as a center for information on environmental issues in the GMS and as a result of this and as a part of the propagation of environmental thinking at a strategic level in development planning in the various sectors, the task leader for the SEA component was invited to and gave a series of lectures to graduate students at the Mahidol University in Bangkok on the application of Strategic Environment Assessments in the GMS based on the experiences to date under the Core Environment Program.

31. As outlined above, the **GMS Environment Ministers' Meeting (EMM)** was a major event organized by the WGE with the EOC's support. It was held from the 28<sup>th</sup> to the 30<sup>th</sup> of January 2008 in the city of Vientiane in Lao PDR. It was attended by environment ministers' of Cambodia, Lao PDR, Peoples Republic of China (PRC) Thailand and Vietnam. The secretary of the environment from Myanmar led their delegation. The EMM included the Senior Officials Meeting that preceded the meeting of the Environment Ministers. A three day Eco-Exhibition was also organized for the benefit of the attendants as well as being open to the general public. Further the three days of focus on environmental issues in the GMS was completed with the holding of an Eco-Forum where a major multinational with

business interests in the region presented the private sector views on environmental concerns and their response to them. The main message that was highlighted at this Eco-Forum was that actions that are good for the environment can also be good for business and the bottom line.

32. Details of implementation status within each of the five components are given in the component sections below. In addition to following through activities and outputs against each of the five components, it is necessary to report that the process of cross sectoral integration has been taking place steadily over the past two years.

33. Consequent to the completion of an SEA on Viet Nam's Power Development Plan VI working closely with the Ministry of Industry and Trade, (MOIT) the EOC has received a formal written request from the MOIT to work with them in carrying out an SEA of the upcoming PDPVII. This is a major signal that the results of the CEP's work are being mainstreamed into the country development plans. This is a key indicator of the success of the CEP's efforts cross sectoral integration in the GMS.

### III. COMPONENT PROGRESS IN DETAIL

#### A. COMPONENT 1: ENVIRONMENTAL ASSESSMENT OF ECONOMIC CORRIDORS AND SECTOR STRATEGIES

34. *Objective: To ensure that critical ecosystem services and environmental quality are maintained throughout the GMS economic corridors and that economic development in all sectors proceeds in a sustainable manner, with equity and benefits to the poor and disadvantaged.*

35. The two subcomponents listed in the ADB Regional Technical Assistance (RETA) 6289 paper include:

- a) Achieving sustainable use and conservation of natural systems in GMS economic corridors, and
- b) Maintaining ecosystem services and environmental protection in energy (hydropower) and tourism sectors in the GMS.

36. The performance indicators/targets listed under the Design and Monitoring (D&M) Framework of the RETA 6289 paper for Phase I (2006-2008) of the CEP include: (1) assessment reports on hydropower, road, and tourism development strategies, and cumulative impact assessment of at least two selected sections of the GMS economic corridors; and (2) valuation of natural resources in two corridor segments.

37. Three Strategic Environmental Assessments (SEAs) have been piloted in line with the D&M framework of the RETA Paper covering two pilot sectoral assessments and one spatial planning/cumulative impact assessment involving a strong valuation module of an economic corridor (North South Economic Corridor) covering the initial Phase I time-frame of 2006-2009. A second area based assessment for the Southern economic corridor will be initiated as part of the Supplemental to RETA 6289 extending unto 2011.

38. In the period following the submission of the Implementation Status Report to the Environment Ministers Meeting in January 2008, two sectoral SEAs of the hydropower master plan in Viet Nam and tourism plans in Cambodia are being finalized with the draft final reports currently being reviewed by the Ministry of Industry and Trade, Viet Nam, and Ministry of Tourism, Cambodia, respectively. Scoping, baseline assessment and spatial modeling activities for the GMS North South Economic Corridor are almost complete. All three pilots are on schedule for completion by December 2008. Planned activities for the Supplemental to RETA 6289 are building upon and augmenting the results from these SEAs and consolidating them along spatial corridor clusters to facilitate greater synergies in planning and efficiencies in implementation.

39. Several regional SEA capacity building activities have also been undertaken as planned during this period as part of the implementation process, with the aim of strengthening institutional capacity for integrated planning in the environment and sectoral agencies, identifying technical and knowledge hubs within the GMS, and developing an internal resource pool of SEA experts for implementation of future activities by the EOC.

## 1. Key Impacts/Benefits

40. Two of the pilot SEAs in Viet Nam and Cambodia are on the verge of completion, and a third SEA for the NSEC is more than half-way into the process. In this context, it may be useful to examine the major benefits and beneficiaries from these pilot initiatives:

- a) **Policy Impacts:** The SEA pilots are proving to be an effective and cost-efficient means to enhance the quality of sectoral planning and implementation:
  - The SEA of Viet Nam's Power Development Plan (PDP) VI, by taking account of social and environmental issues in a policy-oriented way is providing inputs into the hydropower planning system. In particular, the approach of preparing scenarios and undertaking a risk and mitigation assessment, based where possible on economic valuation, have proved to be valuable for the Ministry of Industry and Trade, as well as the significance given to empirical evidence to support the assessment. The SEA of Cambodia's tourism sector plans is helping streamline the institutional processes for tourism planning in the country. The SEA is proposing specific amendments as part of the finalization of the draft tourism law, including, coordination of Ministry of Tourism, Ministry of Environment and Ministry of Agriculture, Forests and Fisheries, and legislative amendments so the laws reinforce each other. The role of the private sector, including Small and Medium sized Enterprises (SMEs) in tourism planning and development has also been scoped out in full detail through the SEA. Mitigation measures in the southern coastal belt and along the north-eastern eco-tourism zones (the two focal regions for the SEA) are also being developed with a view to strengthen the policy-project interface for future tourism investments and plans.
- b) **Programmatic Developments:** The positive feedback generated from the sectoral SEAs has created collaboration opportunities for a regional hydropower SEA workshop with the World Bank Institute to be conducted in December 2008; strengthened cooperation with research institutes in China and Thailand; and across various international (OECD DAC's SEA Task Team network), regional (e.g., the Mekong River Commission and the Mekong Tourism Coordinating Office), national and ADB programs. The third SEA of the GMS North South Corridor is already benefiting from strong cooperation and feedback forged with national and provincial planning agencies and collaboration with the GMS working group structures (such as the Working Group on Energy and the Transport Sector Forum).
- c) **Regional Dimension:** Strong engagement with regional policy frameworks including the Draft Strategy and Action Plan for the North South Economic Corridor (NSEC), the GMS Energy Sector Strategy and the Regional Power Trade Coordination Committee, and the GMS Tourism Sector Strategy are ensuring longer-term uptake of the recommendations of the SEA at the regional level.
  - The SEA of Viet Nam's PDP VI is strengthening linkages to the regional GMS Energy Sector Strategy and the Regional Power Trade framework. The Energy Sector Strategy<sup>1</sup> posited strong arguments for regional integration indicating cost savings of 19% of total energy costs, reduced reliance on imports and diminished Global warming potential as generating options move away from polluting thermal power. The SEA has illustrated the potential of regional power trade to offset the social and environmental costs associated with spiraling energy demand. It has further demonstrated that the inclusion of full mitigation measures for both social and environmental impacts will not compromise the economic feasibility of the different hydropower schemes in the plan.

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<sup>1</sup> The EOC also provided technical inputs (environmental cost estimates and reviews of three drafts) into the GMS Energy sector Strategy.

- The SEAs are helping craft and institutionalize methodology for integrated planning across the region. The spatial planning and eco-regional approach adopted within the SEA of the GMS North South Economic Corridor (NSEC) is helping identify suitable development trajectories and zoning plans through appropriate clustering, phasing and/or sequencing of proposed investments in the corridor.
- d) **Capacity and Knowledge Development:** Integrated sectoral and spatial planning requires capacity development in the agencies involved if it is to be fully effective. This is particularly true with relation to both professional capabilities in areas such as social and environmental analysis and in investments to collect and process the wider range of data and data management tools (for example, GIS) needed to undertake an effective SEA.
- Through direct engagement with plan owners (in Viet Nam and in Cambodia) and by bringing together a wide range of stakeholders involved in area-based planning (as in the North-South Corridor) the processes are focused on building capacity and raising awareness within key decision nodes (technical and managerial) in the core sectors.
  - Two separate training exercises were conducted in Viet Nam, with a working group comprising the Ministry of Industry and Trade, Ministry of Natural Resources and Environment, Ministry of Agriculture and Rural Development, Electricity Viet Nam and the Institute of Energy covering aspects of scenario development, weighting and trade off analysis as part of the SEA of PDP VI. A detailed training exercise was undertaken in Cambodia exposing provincial and national planners (Ministries of Tourism, Environment and Planning) to SEA applications in tourism planning. A round table exercise involving senior decision makers was also organized exploring various alternate scenarios in tourism development.
  - To support and enhance the spatial planning process in the SEA for the NSEC, Spatial Multi-criteria Analysis (SMCA) is being applied for ongoing and proposed transport, trade and tourism developments, interactively and in collaboration with local stakeholders. To assess land use trends and project future land use changes spatial and non-spatial data are also being consolidated through the “Conversion of Land Use and its Effects” (CLUE model).
- e) **Cross-sectoral linkages:** There are opportunities in areas such as water management, agricultural development, service provision and poverty reduction for positive synergies from hydropower development, but these positive benefits are not yet fully recognized or realized. There are opportunities emerging from the current work to consolidate these gains. For example in Viet Nam, following a direct request from the Ministry of Industry and Trade, additional strands will be explored in a proposed SEA of Viet Nam’s PDP VII in light of strategic priorities along the interface of rural energy-biofuels-food security and the impacts of climate change on water use/allocation levels and climate change impacts on power investments
- f) **Civil Society Involvement:** The SEA implementation process is defining frameworks of public participation and engagement with civil society in the GMS countries. The SEA in Viet Nam, in particular, has benefited from strong involvement and technical inputs from local and international Non-Governmental Organizations, including the NGO Resource Center, World Wildlife Fund and the International Union for Conservation of Nature. To support and enhance the spatial planning process in the SEA of the PDP 6, a spatially explicit, cost-distance based impact assessment was developed to identify Zones of Influence (ZOI) around each individual dam, i.e. areas that are expected to undergo changes in their environmental and social structure due to dam development. These ZOIs were used as masks to derive GIS-based statistics,

summarizing key environmental assets within these ZOIs (forest cover, agricultural land, protected area, etc.). Additionally, GIS modeling was used to calculate inundation zones for the dams, and statistically summarize the environmental assets that will be lost due to inundation.

- To support and enhance the spatial planning process in the SEA for the NSEC, Spatial Multi-criteria Analysis (SMCA) is being applied for ongoing and proposed transport, trade and tourism developments, interactively and in collaboration with local stakeholders. To assess land use trends and project future land use changes spatial and non-spatial data are also being consolidated through the “Conversion of Land Use and its Effects” model (CLUE model). Based on the outputs of the CLUE model, present and future state of biodiversity (present and future mean species abundance in relation to potential biodiversity) is calculated using the GLOBIO model. The application of the CLUE and GLOBIO model is done in cooperation with the Netherlands Environmental Assessment Agency (MNP)

- g) **Programmatic Developments:** The positive feedback generated from the sectoral SEAs has created collaboration opportunities for a regional hydropower workshop with the World Bank to be conducted in December 2008; strengthened cooperation with research Institutes in China and Thailand; and across various international (OECD SEA Task team network), regional (e.g., the Mekong River Commission and the Mekong Tourism Coordinating Office), national and ADB programs. The third SEA of the GMS North South Corridor is already benefiting from strong cooperation and feedback forged with national and provincial planning agencies and collaboration with the GMS working group structures (such as the Working Group on Energy and the Transport Sector Forum).

## 2. Items completed and detailed in previous progress report

41. SEA of Tourism Sector in Cambodia: Scoping report and Baseline assessment reports completed in August 2007. September 2007, Baseline environment and tourism planning framework assessment; Sections consolidated within the draft SEA report; October 2007: Alternate development scenarios for integrating critical aspects of the Proposed National Tourism Development Plans and the National Ecotourism Strategy finalized. An SEA training workshop was conducted on October 2<sup>nd</sup> and 3<sup>rd</sup> in Phnom Penh involving Ministry of Environment (MoE), Ministry of Tourism (MoT), Ministry of Land Use Planning (MLuP) and provincial representatives exploring various alternate tourism development scenarios.

42. SEAs of National Hydropower Master Plan (as part of the Power Development Plan VI) in Viet Nam: June 2007, Project inception workshop; September 2007: Methodology for assessment, institutional arrangements including the composition of the national task force, and broad thematic coverage for the study; Scoping report developed. The inception workshop was organized on June 2007 in Hanoi and an inception report was submitted in September. The scoping report was submitted in its final version after two rounds of revision in November 2007. A round table working meeting was held on October 23<sup>rd</sup>, 2007 among key national task force to discuss and finalize the scoping report.

### 3. Status of Component 1 as of 30 June 2008

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
<b>1</b>	<b>Institutional Arrangements</b>		
1.1	Establish an SEA technical discussion group for SEA planning, information dissemination and for regional coordination of activities.	<b>June 2008:</b> Stronger linkages established with regional and international SEA networks; network of SEA experts identified in the region; Second issue of SEA newsletter to be circulated	<p>EOC coordinated a concurrent session on “SEA in the GMS” at the International Association for Impact Assessment” conference in Perth, Australia in May 2008. The session involved presentations from four GMS participants and was attended by delegates from across the world. An extended roster of regional and international SEA experts is being consolidated.</p> <p>The EOC participated in the OECD SEA task force meeting also held in Perth and specific areas of collaboration have been identified, including collaboration on the next regional SEA event to be held in Hanoi In December 2008.</p> <p>EOC has participated in a set of training programs with Mahidol University and the Office of Natural Resources Environmental Planning for public and private sector officials in Thailand in June-July 2008. Specific areas of cooperation in capacity development/training for integrated planning and spatial were explored in subsequent discussions. A candidate/resource pool of PhD and Masters students from Mahidol University and associated research set-ups is being consolidated.</p> <p>The second issue of the newsletter reflecting updates from all three pilot SEAs and other capacity building activities coordinated by EOC is delayed to September 2008 in order to incorporate final SEA report findings from the SEAs in Viet Nam and Cambodia and to include findings from the scoping report of the NSEC SEA.</p>
<b>2</b>	<b>Capacity development on SEA through training and pilot study of the GMS North South Economic Corridor</b>		
2.1	Fact Finding and Scoping	<b>April 2008:</b> Objectives and priority concerns within the SEA identified; analysis of various development scenarios within the target area/s and identification of synergies and linkages with BCI pilot area in Mekong Headwaters. At least one critical corridor segment identified within the report for detailed assessment.	Project kick off meetings conducted in January, 2008 with relevant environment agencies and sector agencies (transport, trade and tourism) in each of the three focal countries (PRC, Thailand and Lao PDR). Within the Kunming to Bangkok section of the corridor– the Golden Quadrangle zone – that takes in North-east Lao PDR- the central East of Myanmar-North-west Thailand and Xishuangbanna in southern Yunnan Province of China was identified as the focus for the assessment. This area also subsumes the BCI

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
			<p>pilot site corridor in Xishuangbanna, PRC.</p> <p>Specific entry points identified in January within the Draft Strategy and Action Plan (SAP) for the GMS North South Economic Corridor through discussions with the GMS secretariat at ADB. Consultations ongoing to present the SEA at the next GMS Economic Corridor Forum technical session that will be convened at the end of 2008.</p> <p>The fact-finding mission to the Golden Quadrangle zone of three countries (Lao PDR, Thailand and Yunnan, PRC) was rescheduled due to delays in starting up the project/recruiting the consultants. It was conducted in April 2008 resulting in detailed consultations at national and provincial level and the completion of field surveys. Regional Scoping workshop conducted at the culmination of the field mission in Kunming between April 24<sup>th</sup> -26<sup>th</sup>, involving participants from environmental agencies (MONRE in Thailand, YEPB in Yunnan and WREA in Lao PDR); relevant sectoral agencies (transport, trade and tourism agencies from all three countries), and academic and research centers in Yunnan. The workshop discussed the methodology for the SEA and identified key priorities concerns (social, environmental and economic), indicators and specific spatial data requirements for the SEA.</p>
2.2	SEA Framework development and baseline assessment	<b>June 2008:</b> Development of the scoping report containing: (1) the main objectives and priority sustainability concerns ; (2) the SEA framework including methodology for the assessment,	<p>An <b>interim</b> scoping report has been prepared for limited distribution in June primarily to keep the NSEC SAP writing team informed of the SEA approach and to present a first orientation on key issues and sustainability objectives. In August 2008 a <b>full</b> scoping report will be distributed more widely in draft form to the regional SEA stakeholders for comment and input.</p> <p>An SEA framework has been developed defining the SEA stages and how these will be integrated with the SAP process including (1); the key issues to be addressed by the SEA (2); SEA sustainability objectives to be used to assess the potential impacts of the SAP and alternatives (3); the approach to gathering the evidence base (4); the geographic extent of the SEA (5); option development scenarios for the NSEC (6), the methods detailing the spatial multi- criteria models and other modeling tools including the CLUE land allocation model; the GLOBIO global land use model for analyzing the evidence, and (7) and valuation and trade-off analysis approaches for assessing the impacts within the corridor.</p>

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
			<p>Forty-eight templates for gathering of baseline information on the NSEC in the three countries are being completed and analyzed. These sections will include the policy framework (1) the EIA systems and their application to NSEC development; (2) a synthesis of key issues; (3) a synthesis of sustainability objectives against the key issues; (4) indicators and targets and (5) trend analysis. These will be included as part of the full scoping report that will be submitted in August.</p>
<b>3</b>	<b>SEA of Tourism Sector in Cambodia</b>		
<b>3.1</b>	Impact Assessment	<p><b>January 2008:</b> In addition to the scenario development report, an impact assessment report prepared covering the draft tourism law, draft ecotourism policy and national strategy, tourism developments in northeastern and southern coastal zones in Cambodia.</p>	<p>A high level round-table meeting to discuss the scenario report was held in January 2008 in Phnom Penh. Three scenarios representing alternative development strategies and growth rates were considered. These scenarios range from a “do nothing” high growth approach, through a lower (although by global standards, still high) balanced growth approach, to a tightly controlled ecotourism development strategy with deliberately limited growth. Each of these scenarios and their associated environmental and economic impacts were considered.</p> <p>The impact assessment report was developed in December 2007 detailing a range of impacts for the proposed tourism developments in Northeast and Southwest Cambodia; and the longer-term sustainability threats to the National tourism law and the National Ecotourism Strategies. A package of specific mitigation measures were identified for the two focal geographic areas within the national tourism sector planning framework.</p>
<b>3.2</b>	SEA report with policy recommendations and implementation options	<p><b>December 2007:</b> Detailed discussions with policy officials regarding recommendations, plan of action for integrating recommendations drawn.</p> <p><b>February 2008:</b> Full SEA report for the tourism sector in Cambodia developed and presented to focal agencies at national level (Tourism, Environment, Planning and Investment).</p> <p><b>June 2008:</b> Regional forum organized to present findings.</p>	<p>The first draft of the SEA report was prepared in February 2008. The report provides specific recommendations for bolstering the institutional capacity and policy environment for tourism development in Cambodia. Specific measures for cross-sectoral management of the tourism sector were also outlined including (1) establishing rules for revenue generation and disposition from tourism activities in or near protected areas; (2) agreement on the terms of reference for EIAs for tourism projects; and (3) coordinating monitoring programs and data collection for feedback into future tourism plans. External environmental risks and opportunities to the tourism sector were also reviewed and recommendations put forward relating to impacts of climate change, potential impacts on hydrology of the Mekong; cumulative impacts of built structures on the Ton Le sap basin and impacts of off-shore oil</p>

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
			<p>and gas developments.</p> <p>A major regional workshop is planned for end July 2008 to finalize the main outcomes of the report; discuss the regional implications of the SEA process for tourism development in the GMS and to explore potential linkages and follow-up measures with regional investment frameworks such as the Mekong Tourism development Project and planned investments within the GMS Tourism Development Strategy.</p>
<b>4</b>	<b>SEAs of National Hydropower Master Plan (as part of the Power Development Plan VI) in Viet Nam</b>		
<b>4.1</b>	Impact Analysis	<b>February 2008:</b> A comprehensive impact account for hydropower sector in Viet Nam by February 2008	The impact analysis section was consolidated into the final report developed in May 2008. The impact assessment was based on an assessment of (1) reservoir area, including the land areas lost in different categories and an assessment of impacts on displaced people. A social impact coefficient for each scheme was calculated and an amended social mitigation cost for each scheme was calculated, deriving from the calculations within the hydropower master plan; (2) a GIS based “zone of influence” approach was used for each scheme to assess impacts in the vicinity of the hydropower schemes; and (3) wider impacts beyond the zone of influence including assessment of air pollution impacts from reservoirs and changes to hydrology.
<b>4.2</b>	Weighting and Trade Off Analysis	<b>February 2008:</b> Economic calculations on the Power Development Plan strategy under different scenarios	The weighting and trade-off analysis was integrated into the draft SEA report prepared by May 2008.
<b>4.3</b>	Elaboration of recommendations	<b>February 2008:</b> Consultations with policy officials regarding recommendations, submitted as consultation memorandum - Policy officials aware and susceptible to suggested mitigation and other actions to enhance the sustainability of the strategy	A major national workshop was organized in January 2008 during which a wide range of stakeholders participated in detailed discussions on the overall SEA approach, the methodologies of the different components of the SEA and the initial inputs of the scenario analysis. Over 50 participants from different Government of Viet Nam ministries and agencies, the NGO community, the donor community and academia attended. The consensus outcome of the workshop was a strong endorsement of the approach being taken within to the SEA and a high level of interest in being informed about the future progress. A policy brief on the SEA was prepared and incorporated into the Implementation Status Report for the GMS Environmental Ministers Meeting in January 2008.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
4.6	Final Report Development	<b>March 2008:</b> Draft SEA report prepared and presented at national level and shared with regional representatives.	The draft SEA report including policy recommendations, environmental and social impact sections and a mitigation plan for the final report was developed in May 2008 (please see <a href="http://www.gms-eoc.org/CEP/Comp1/SEA_Vietnam_Hydro_Final.aspx">www.gms-eoc.org/CEP/Comp1/SEA_Vietnam_Hydro_Final.aspx</a> ) for full details). The delay was caused by the necessity to perform the weighting exercise before the policy recommendations and mitigation plan is developed, but after the impact analysis was concluded. A regional workshop was organized on July 17, 2008 in Hanoi, involving government participants from Viet Nam but also from Lao PDR and Thailand and international agencies such as the Mekong River Commission, World Bank, USAID and the Netherlands Assessment Agency to discuss the regional dimensions of the SEA, including linkages with broader frameworks of Integrated River Basin Planning, Regional Power Trade and the GMS Energy Sector Strategy, and Benefit Transfer Mechanisms.
5	<b>SEA Capacity Building Activities</b>		
5.1	Please see details from Item 1.1 that covers training and capacity development activities that were executed in addition to those conducted during the implementation of the pilot SEAs		
6	<b>Engaging with other regional Forums/GMS Working Groups</b>		
6.1	Coordination with the GMS Energy Sector Strategy	<b>June 2008:</b> Specific areas identified for regional engagement based on collaboration on the finalization of the GMS Energy Sector Strategy.	EOC provided detailed technical comments and input in the preparation of the final GMS Energy Sector Strategy draft in April – May 2008 and participated in the final GMS energy sector final regional workshop that was held on June 5 <sup>th</sup> -6 <sup>th</sup> in Bangkok.  The findings from the strategy were integrated into the Viet Nam hydropower SEA final report. Future areas of involvement with the Regional Power Trade process in the GMS will build on the specific recommendations from the Energy Sector Strategy. A specific plan to collaborate on the institutionalization of the energy supply least cost optimization model (MESSAGE) used within the strategy is also being explored.

## B. COMPONENT 2: BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE

43. Following the Status Report update published in January 2008 for submission to the Environment Ministers' Meeting (Second EMM) in Vientiane, Lao PDR, monitoring and evaluation (M&E) visits were undertaken to three BCI sites in May and June, (Xishuangbanna in Yunnan province, PRC, Quang Nam and Quang Tri provinces in Viet Nam, and Champasak province in Lao PDR), while a national meeting on progress reporting was held in Cambodia (BCI task leader attended), and forest restoration was launched at a public event in Thailand. BCI activities were also reported to the ADB Mid term Review Mission (June 2008). The following gives a brief highlight of BCI achievements and status until the end of June 2008.

### 1. Poverty Reduction

44. Under this sub- component, establishment of Commune Development Funds (CDF) or Village Development Funds (VDFs) are progressing well in PRC, Lao PDR, and VIE. In *PR China*, 6 pilot villages have established village revolving funds; funds have been transferred to village accounts; villagers have set up management committees and funds have already been disbursed to applicants from the villages based on criteria and conditions agreed to by the villagers. The disbursements are micro-size loans with short duration and low interest rate to assist poor households in supplementing their income, or overcoming an emergency. The model will soon be replicated in 12 additional villages.

#### Beneficiaries of VDF, PRC

Name of the village	Number of recipient households	Amount (CNY) <sup>2</sup>
Huilang	2	40,000
Dalongha	65	40,000
Manpai	-	-
Mangunshangzhai	-	-
Nanpenghe	7	29,000
Batangjiuzhai	8	20,000

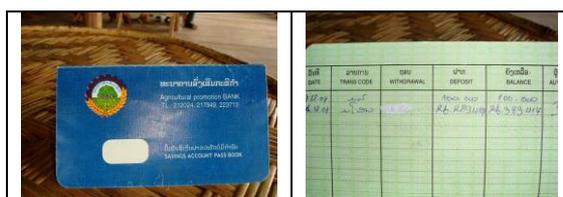


<sup>2</sup> US\$1=CNY6.8634 as of July 10, 2008



Village Revolving Fund activities in Hui Lang village, PRC

45. In *Lao PDR*, at least five villages have received start up capital/seed money in their village development fund accounts. The BCI management has been working with the villagers to put in regulations for requesting the funds, approval, and disbursement. Villagers have put in applications to be scrutinized by the management committee and approval. Disbursements are expected shortly. Villages without VDF have approached the local BCI management to set up similar funds in their villages.



Village Development Fund, Ban Kiet Ngong, Lao PDR

46. Small scale infrastructure support (e.g. school toilet, village library, NTFP drying oven etc.) has been completed and other projects such as access road improvement, water wells, and nurseries is also being planned. In addition, agriculture improvement and NTFP promotion activities are also under way in selective villages. Some of the ongoing livelihood diversification activities are as follows:

**Livelihood activities in Lao PDR**

<b>Activities</b>	<b>Beneficiaries</b>
Demonstration of fruit tree garden	6 families
Small scale livestock (chicken raising)	13 families
Rice Improvement	2 pilot villages (total 440 m <sup>2</sup> )
Promotion of bee keeping and honey	150 households

harvesting management	
Promotion of vegetable home garden and composting	14 households
Promotion of mushroom cultivation	4 households



BCI funded small village infrastructures (school toilet) in Ban Thahou, Lao PDR

47. In Viet Nam, preparations to establish a CDF account in Ta Bhing commune, Quang Nam province with seed money of US\$16,000 are in full swing. At least additional 5 communes in Quang Nam and 4 in Quang Tri are in process of establishing revolving funds. In Quang Nam and Quang Tri province of Viet Nam, BCI is testing co-management of corridor area. 161 households in Quang Tri province and 40 households in Quang Nam provinces have been allocated one hectare of land each for livelihood forest plantation. It is envisaged that user rights will be transferred to the households through issuance of a Red Book certificate.

<b>Livelihood plantation in Quang Nam and Quang Tri province, Viet Nam</b>			
<b>Location</b>	<b>Plantation Model</b>	<b>Area (ha)</b>	<b>Number of Households</b>
<b>Quang Tri province</b>			
Huong Lap Commune (Huong Hoa district)	Hybrid <i>Acacia</i>	27	25
Huong Son commune (Huong Hoa district)	Hybrid <i>Acacia</i>	22.5	45
Huong Hiep commune (Dak Rong district)	<i>Acacia mangium</i>	14.1	91
	<i>Acacia mangium</i>	45.3	
	<i>Chukrasia tubaliarius</i> and <i>Acacia mangium</i>	3	
	<i>Acacia mangium</i>	49.3	
		161	161
<b>Quang Nam province</b>			
La Dee commune (district)	<i>Hopea odorata</i> / <i>Dipterocarpus alatus</i> and <i>Acacia mangium</i>	20	20
Phuc My commune (district)	<i>Hopea odorata</i> / <i>Dipterocarpus alatus</i> and <i>Acacia mangium</i>	20	20
		40	40



Member of Blup Duy household, beneficiary of BCI land allocation activity, La Dee commune, Viet Nam

48. In the Cardamom Mountains in *Cambodia*, ecotourism is being explored as an alternative livelihood and committees have been established to promote ecotourism actions. Community based ecotourism (CBET) committee is established in Chi Phat and has identified potential ecotourism sites (e.g. The Jar Trail). The CBET committee has identified through a participatory process, a potential of 90 job opportunities for villagers that will be created by ecotourism activities.

49. Also in the Cardamom Mountains, incentive schemes have been set up with five communes, which also provide agricultural and social services, as well as providing employment in conservation actions.

**Beneficiaries of incentive schemes in Cardamom Mountains, Cambodia**

<b>Commune</b>	<b>Total amount transferred (US\$)</b>
Russei Churm	10,500
Prolay	21,540
Tatey Leu	9,000
Chum Noab (1 <sup>st</sup> incentive agreement)	17,623
Chum Noab (2 <sup>nd</sup> incentive agreement)	12,500
Thmar Doun Poav (1 <sup>st</sup> incentive agreement)	10,480
Thmar Doun Poav (2 <sup>nd</sup> incentive agreement)	16,030

50. In addition, Commune Natural Resource Management Committees (CNRMCs) established in Cardamoms Mountains are implementing activities such as Buffalo bank and commune school program in addition to patrolling, participatory landuse planning (PLUP), and forest restoration activities.

**Livelihood improvement relevant activities undertaken through CNRMCs in Cardamoms Mountains, Cambodia**

<b>Commune</b>	<b>Buffalo Bank</b>	<b>Grant to school</b>
Chum Noab	8 buffaloes (1 calf born)	US\$25 per month for teacher US\$500 for small school construction
Thma Doun Pov	9 buffalo	US\$75 per month for three teachers
Prolay	18 buffalo (after birth of 11 calf there are 28 buffalo now)	US\$ 75 per month for three teachers
Tetai Leu	7 buffaloes and 11 calves	US\$25 per month for teacher
Russei Chrum		US\$50 per month for 2 teachers

51. Besides, a set of incentives are offered to individuals and community to participate in community ranger activities, which include a \$5 USD per day per diem covering the period while individuals are on patrol (typically involving 15-20 days of patrolling per commune). An incentive payment linked to the number of snares removal by the patrol and the payment of an administrative fee to the commune council equivalent to US\$30 is also in place. As a result, 9,349 snares placed to capture wildlife have been removed in the past one year.

52. Other livelihood diversification activities (e.g. rice intensification, low cost poultry raising, introduction of cash crops, tree crops, soil fertility maintenance, home gardening techniques, marketing, and savings scheme) are also being piloted in selective communes and initial results are encouraging.

53. In Mondulkiri province, activities to secure market access for honey, mushrooms, vegetable, fish etc have been carried out. Some selected small scale infrastructure has been carried (wells, community house). Ecotourism feasibility was also studied targeting market amongst international bird watching tourists. The ecotourism project is in the process of being initiated in O Roan and Sre Lvi villages or Sre Khtum commune.

54. In Thailand, socio-economic updates of the clusters and villages have been completed and a study will be started soon on reviewing possibilities of village revolving funds. Village nurseries have been identified as alternatives for local livelihood. Village nurseries were established in one village under Sai Yok Cluster (Ban Ton Ma Muang), one village under Queen Sirikit Cluster (Ban Huay Muang) and two villages under Thai Prachan NP Cluster (Ban Pu Nam Ron and Ban Pong Kra Ting). Other livelihood activities such as herbal toilet articles production, herb farming and fast growing tree plantation have been identified for 3 clusters (Thai Prachan NP, Princess Sirindorn Project and Sai Yok NP). The training on herbal toilet articles production will be provided to 5 villages in Sai Yok NP cluster in near future.

55. During Jan 2007 – April 2008, remuneration was paid to villagers involved in 525 check dam construction, and land preparation / planting activities at the rate of Baht 300/person day. In addition, villagers also gained income from seedling production and maintenance. The cost of seedling production is Baht 2/seedling and cost of seedling maintenance, for 12-month-old seedling, is Baht 1.33/seedling.

56. Benefit streams and quantification of livelihood improvement measures are being worked out in all the BCI sites.

## **2. Land use planning and land management**

57. Corridor demarcation has been completed in Xishuangbanna, PRC; and a Prefecture Government approval was secured on 15 May 2008. The corridor covers a total area of 17,918 ha including 48 villages.

58. Potential corridor area has been identified in *Quang Nam* and *Quang Tri* provinces in *Viet Nam*. Also in Viet Nam, land allocation for livelihood improvement is under process and as noted above under poverty reduction, forest land has been provided (1ha to each household) for livelihood plantations. MONRE in Viet Nam has also come up with a draft Biodiversity Corridor decree, which is under review and will be submitted to the National Assembly together with the Biodiversity Law.

59. Zoning has been done in selected communes in *Cambodia* and a zoning map has been prepared for parts of the Cardamom Mountains corridor. Demarcation activities placing cement posts have been carried out in selective areas.

### Demarcation activities in Cardamom Mountains corridor

Area	km	Number of post
Chi Phat commune	41.5	211
SWEC protected forest	49	283
Botum Sakor	50	56

60. Under participatory landuse planning (PLUP)/community protected areas (CPA) activities, 18,964 ha of area have been delineated in Phnom Samkos and Phnom Aural wildlife sanctuaries. To date, 15 CPAs have been officially endorsed by the Provincial Governor and Senior Minister of Environment. A further 7 CPAs have received approval at various stages (2 at District and 5 at Department of Nature Conservation - DNCP levels). These have now been submitted to DNCP and provincial governor respectively for approval.

61. In Mondulkiri province, collaboration with provincial authorities on landscape conservation has resulted in cancellation of a 1000 ha rubber concession license located inside Mondulkiri Protected area. Natural resources management (NRM) and biodiversity conservation activities were integrated and mainstreamed into the 5-year Commune Development Plans (CDPs) and the 2008 commune investment plans (CIP) process of 11 communes of 4 target districts in Mondulkiri province.

62. In *Thailand*, land cover assessment will be undertaken to mark out areas of forest and those of other land uses; village and cluster land use maps have been developed.

63. In *Lao PDR*, village demarcations are under review. At present BCI is implementing its activities in 11 villages. The EOC will assist the BCI sites in discussing and coming up with regulatory instruments for countries similar to Viet Nam, while the ultimate aim is to produce a subregional (GMS wide) transboundary protocol on managing shared natural resources.

### 3. Ecosystem connectivity

64. In *Cambodia*, major funding is going towards ecosystem protection as large swathes of forest in the Cardamom Mountains need effective protection. BCI is assisting ranger stations, remote sensing support and ranger patrolling and monitoring. In the southern Cardamoms forest cover is monitored through aerial flights and exact UTM location of forest fires and illegal logging are listed. Significant achievements have been made over last one year in controlling forest crimes.

65. In PR China, planning is ongoing to identify restoration areas, the area for nursery establishment, conversions (200mu<sup>3</sup>), human induced regeneration (75 mu), and natural regeneration (200mu); some seedlings of native species for plantation are ready. The EOC is planning to undertake an ecosystems valuation study in 2008 and 2009.

66. In *Thailand* forest restoration of 160 ha has begun with a public mobilization of political levels, schools, army etc to launch the event on 9 June 2008.

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<sup>3</sup> 15 mu = 1 ha



School children participated in forest restoration activities in Thai Prachan, Thailand

67. Construction of check dams were undertaken to increase water retention in the head watershed areas and provide the water supply to the downstream watershed, and also to minimize risks of forest fire. So far, communities have participated in the construction of 525 check dams in Queen Sirikit Cluster, Princess Sirindhorn Cluster and Sai Yok NP Cluster. On June 9, 2008, forest restoration and check dam activities were commenced amid official ceremony in Thai Prachan cluster of Tenasserim corridor. In addition to distinguished officials and village representatives, over one thousand students participated in tree planting covering one thousand rai of the degraded forest.

68. In *Lao PDR*, restoration has started by implementing enrichment planting in gaps and clearing undergrowth to enable saplings to grow unhindered in areas with natural restoration. Work is being carried out by villagers on a cash and voluntary basis. At present, 85 households are participating in weeding and clearing areas for assisting natural re-growth as well as undertaking enrichment planting with native species in forest gaps. So far, 9,517 saplings have been planted under gap filling and enrichment, of which 3,795 are in Ban Thongpha, 1,369 in Thahou, 3,810 in Ban Thopsok, and 543 plants have been contributed for planting in school areas. Community nursery has been established in Ban Houyko with a capacity of 50,000 seedlings.



Participatory forest restoration in Ban Thongpha, Lao PDR



Village nursery, In Ban Houyko, Lao PDR

69. In Viet Nam 20 ha have been enriched in poor and degraded forests in Quang Nam Province.

#### 4. Capacity Building

70. All the BCI sites have carried out various training courses and provided support and materials towards capacity strengthening of partner agencies (see Table below).

<b>Capacity building activities under BCI</b>		
<b>Training</b>	<b>Beneficiaries</b>	<b>Number of Participants</b>
<b>Cardamoms - Cambodia</b>		
Daily on the ground training	Rangers	60
Training course on Siamese Crocodiles	Community rangers	4
National meeting on CPA network annual achievements	CPA communities and authorities	13
Workshops on internal CPA network management	Key committees and authorities	83
Training on patrolling equipment use and CPA management	CPA community management committee members	21
Monthly tutoring on patrolling and dealing with illegal operation	Community wardens	20
Information on integrating conservation into the education program	Teachers	6
<b>Eastern Plains - Cambodia</b>		
Study visit: Sustainable community forestry management in Siam Reap province Community eco-tourism management in Preah Vihear province	Representatives from government departments and district governors	8
Awareness training on land management issues	Commune officials and village chiefs in Sen Monorom and Sre Khtum communes	
1.5 day training relating to management of SBCA	Commune councilors from six commune and PA management staff	63
Training on boundary mapping and environment education	CPA committees in Sre Khtum and Khnheng villages	
Training on MRM regulations and consultations process	Pu Tang village	
Training on PLUP, the Forestry and land Laws and human rights to PLUP and CPA committees	Pu Chrey, Chong Plah and Sok San communes	
Awareness on indigenous land management rights	Sre Khtum and Sen Monorom communes	
Awareness raising activities on waste management, the importance of forest, on basic concepts of biodiversity, and on land laws and land use planning	Pu Chrey, Sre Huy and 4 villages of Kaoh Neaek and Kei Seima districts	145
<b>Xishuangbanna PRC</b>		
PRA training workshop	Staff member of participating agencies	20
Consultation workshop on corridor boundaries	Vice governor, vice secretary general of Xishuangbanna	90

<b>Training</b>	<b>Beneficiaries</b>	<b>Number of Participants</b>
	prefecture and other agencies	
<b>Xe Pian-Dong Hua Sao- Lao PDR</b>		
Training on several topics	Government officials	51
	Villagers	251
<b>Thailand</b>		
Introduction and gain understanding for Biodiversity Conservation Corridors Initiative (BCI) pilot site: Khao Yai-Taplan NP and training needs assessment for the people involved in the project	DNP staffs, community leaders, Tambon administration office and teachers	180
Participatory Natural Resource management and Participatory Working Process with Community in Natural Resource management and Biodiversity Conservation		
Participatory Planning Process for Sustainable Nature Resource management and Biodiversity Conservation		
Participatory Ecosystem Monitoring and Assessment		
<b>Ngoc Linh-Xe Sap - Viet Nam</b>		
Basic GIS, GPS and Mapinfo (4 courses)	QN and QT	80
Project management	QN, QT, Lam Dong, Binh Phuoc and Dong Nai	
Advanced GIS, GPS and Mapinfo	QN	25
Forestation technique- 6 courses	QT	161 households

## 5. Sustainable financing

71. The EOC is undertaking planning of potential BCI scaling up activities and formulating an investment framework. Progress to date shows positive signs of which models and frameworks may be ready for upscaling and what kind of packages can be planned for investments. In particular, in Cambodia, Lao PDR, and Viet Nam, the investment framework aims at mainstreaming investments in phase II into the country partnership strategies of the ADB.

## 6. Summary Conclusions of BCI implementation

72. BCI is a demand driven component of the CEP implemented at the request of the participating countries. The national acceptance of the component is evident by the strong participation of implementing government agencies in each country. As a result, significant achievement has been made in the recent past, including discussion on regulatory instruments to establish Biodiversity Corridors at provincial level with national legal backing. In PRC, the corridor design and demarcation has been approved by Prefecture government. Similarly, Thailand cabinet has recently acknowledged Tenasserim corridor and has directed cooperation among relevant governmental agencies to facilitate BCI implementation. Ministry of Natural Resources and Environment in Viet Nam is currently revising draft of the Biodiversity Corridor decree to be submitted to National Assembly for approval. This will be followed by Provincial level decrees/decisions.

73. On the ground, there is a strong demand for BCI related activities, especially Commune/Village development fund, which villagers see as an integral part of overall village

development and a good incentive for biodiversity protection. The acceptance of BCI is indicated by the good participation of local villagers in forest restoration activities, for example, in Lao PDR.



Elderly village woman, Ban Thahou expressing demand for village development fund in her village

### **C. COMPONENT 3: ENVIRONMENTAL PERFORMANCE ASSESSMENT (EPA)**

74. *Objective: To enable government institutions to assess their performance in achieving national environmental targets, critically review development and planning processes which threaten the process, and mitigate negative impact of development activities with relevant policy tools.*

75. During the period of January - June 2008, programmed activities under Component 3 – EPA were continuously implemented and remained on track with good progress being achieved. The EOC and our implementing partners are working closely with GMS governments to determine how best to support country-specific institutionalization and routine EPA reporting. Country feedback has highlighted the need to extend participation in the EPA activity beyond core environment agencies. The EOC has responded by encouraging involvement by sector and line agencies in training and consultative workshops. GMS countries have also stressed the desirability of increasing funding support for EPA-related NSU functions. Currently available budget is only sufficient to retain a single 2/3 time EPA consultant in each country, whose contracts expire in December 2008. In response to country guidance, concept notes were prepared for 2009-11 detailing additional proposed funding and technical support for national EPA mainstreaming and NSU operations necessary to incrementally expand EPA reporting.

76. Technical papers on the conduct of national EPA were prepared, disseminated to GMS countries and presented during national and subregional training workshops. Guidance on the modalities for undertaking SDP in GMS countries was also developed and discussed with GMS countries. Country feedback was that the more-complex DPSIR framework should be adopted but concerns were raised regarding the difficulty of selecting indicators, acquiring necessary data and preparing reports. The EOC has recommended that countries adopt the DPSIR framework progressively in line with scheduling and human resource considerations. Substantial effort has been devoted since January 2008 to the development of training modules covering EPA assessment methods, data analysis, data quality and standardization, and data/information management, and integration into national SDP processes. Training modules were presented and a draft resource manual disseminated

during a subregional training workshop on EPA and SDP held from May 26-30, 2008. Very positive feedback has been received from participants. Additional effort is to be devoted to refining the training materials for broader dissemination.

77. Data acquisition and sharing has been a key theme discussed during EPA workshops held to date, with participating sector and line agencies indicating their intent to support national EPA reporting. Pending finalization of country selection of priority concerns, technical support is to be provided to EPA implementing nodes, encompassing data identification and acquisition & database development. Additional data-related support has been proposed in a concept note.

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
1	<b>Institutionalization</b>		
1.1	Advise target ministries in each GMS country on the institutional nature of EPA mainstreaming, with special focus on the role of EPA national consultants lodged within CEP National Support Units (NSU).	<b>January 2008 - December 2009:</b> Ongoing consultations with country NSU on EPA institutionalization arrangements.	<b>December 2007 - February 2008:</b> Expected output of national inception workshops was elaborated strategy for EPA institutionalization. Follow up discussions planned with national focal points during next reporting period on how the EOC can provide ongoing assistance and guidance on institutionalization. <b>March - June 2008:</b> Consultative workshops held in Guangxi and Yunnan, PRC and Thailand involved broad sectoral and planning and investment participation. Concept note prepared for 2009-11 detailing additional support proposed for GMS countries to ensure EPA mainstreaming. Half of subregional training workshop on EPA and SDP held from May 26-30, 2008 in Khon Kaen, Thailand devoted to EPA mainstreaming and institutionalization.
1.2	Facilitate the creation of country EPA implementing nodes <sup>4</sup> responsible for undertaking national EPA reporting, data mining & database development efforts. Technical & financial support for ongoing operations.	<b>December 2007 - February 2008:</b> National inception workshops completed. <b>Ongoing through December 2009:</b> Support NSU operations.	<b>December 2007:</b> Provided guidance to countries in preparation for national inception workshops held from December 2007 to February 2008. Mechanisms for data and information acquisition are to be defined during planned consultations between national coordinators, UNEP and the EOC during the next reporting period. <b>January - May 2008:</b> Still awaiting signing of memorandum of understanding between UNEP and SEPA/FECO; delay attributable to FECO view that EPA funding allocated to PRC is insufficient to ensure high quality reporting. MoU between UNEP and Myanmar has not yet been finalized pending clarification on modalities for

<sup>4</sup> EPA implementing nodes lodged within CEP NSUs have been established in five GMS countries and two provinces in PRC, comprising a national focal point, coordinator, and consultant.

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
			working in Myanmar. <b>July 2008:</b> During the Mid-Term Review discussion, Myanmar reported that the MoU could potentially be signed by the next reporting period.
1.3	Discussion on nature, scope and form of subregional EPA.	<b>October 2007 - August 2008:</b> Consultations with GMS governments and partner organizations to conceptualize and scope subregional EPA.	<b>October 2007 - February 2008:</b> GMS governments and implementing partners were consulted on the desired scope and form of subregional EPA. Follow up discussions will be held with EPA national teams, implementing and collaborative partners during the next reporting period concerning the nature of subregional EPA and timeframe for completion. It is tentatively proposed that a synthesis subregional EPA report be completed that summarizes national EPA findings and additionally considers priority concerns of a transboundary nature. Alternately a GMS environmental performance, sustainability, vulnerability index exercise could be undertaken. <b>April 2008:</b> Concept note prepared proposing that an additional environmental performance/sustainability index (EPSI) exercise be undertaken to provide a means for GMS countries to self evaluate their performance and for comparison of country performance across common priority concerns at the subregional level. A second concept note proposes including environmental performance review (EPR) as another means of benchmarking country performance.
1.4	Review of the application of Sustainable Development Planning (SDP) in the GMS, and discussion with donors and partners on implementing a GMS-tailored SDP concept under the CEP.	<b>October 2007 - February 2008:</b> Discussion on the nature and scope of SDP work in the GMS and linkages to EPA.	<b>February – May 2008:</b> Guidance on the modalities for undertaking SDP in GMS countries developed. Selected content presented during subregional training workshop on EPA and SDP held from May 26-30, 2008.

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
1.5	Review applicability of sub-national level EPA in GMS countries and select priority locations for capacity building.	<b>April - August 2008:</b> Priority locations for sub-national level EPA identified and work plans developed.	<b>December 2007 - February 2008:</b> Feedback provided by GMS countries during national inception workshops was that training for sub-national EPA practitioners and preparation of case studies should be scheduled for later in 2008 once national EPA preparation is well underway. Follow up consultations are planned with national focal points during the next reporting period concerning options for undertaking EPA at different sub-national levels and/or priority locations. <b>May - June 2008:</b> Work initiated on delivery of EPA training to sub-national target audiences; first and second sub-national training workshops completed from June 9-10, 2008 in Siem Reap, Cambodia and June 26-27, 2008 in Vientiane, Lao PDR.
2	<b>Material support and capacity building to operationalize EPA at the national and local levels</b>		
2.1	Material assistance in operationalizing EPA implementing nodes within the NSU in each of the GMS countries.	<b>June 2007 - March 2008:</b> CEP provincial support units in Guangxi and Yunnan, PRC suitably equipped to function effectively.	<b>January - June 2008:</b> Follow up discussions ongoing during the reporting period to finalize Provincial support (coordination) units (PSU) and NSU arrangements in PRC and Myanmar, respectively. PSU are now functioning in Guangxi and Yunnan but activity has been slowed pending signing of MoU by SEPA/FECO. Myanmar indicated in March their readiness to sign a MoU but finalization is on hold pending clarification of cooperation modalities. Funds continue to be dispersed to other country focal points for ongoing NSU operations.
2.2	Design and conduct EPA training for NSU and contributing national level institutions. Training topics to encompass guidance on gradual replacement of the existing PSR framework with the DPSIR variation.	<b>December 2007 - May 2008:</b> Development of technical guidelines and training modules focusing on indicator selection. <b>May - June 2008:</b> NSU and other national EPA practitioners trained on conduct of EPA & application of the DPSIR framework. <b>July - December 2008:</b> Support country efforts to undertake EPA reporting.	<b>December 2007 - July 2008:</b> Work ongoing on development of training modules covering EPA assessment methods, data analysis, data quality and standardization, and data/information management. Training modules were presented and draft resource manual disseminated during a subregional training workshop on EPA and SDP held from May 26-30, 2008. EPA training modules are to be refined and disseminated during the next reporting period. <b>December 2007 - April 2008:</b> Priority concerns were identified during national inception workshops. Guidance on EPA and SDP has been provided in a series of three technical discussion documents

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
			<p>prepared by IGES and the EOC. Additional guidance on the adoption of the DPSIR framework has been provided during ongoing in-country technical assistance and the topic was covered in detail during the aforementioned subregional workshop.</p> <p><b>June 2008:</b> Special training on EPA planned for GMS postgraduate students of UNINET and faculty members of the Center of Natural Resources and Environment Management on July 28, 2008 at Mae Fah Luang University, Chiang Rai, Thailand.</p>
2.3	Organize & conduct EPA training for sub-national audiences.	<p><b>July - August 2008:</b> Development of a sub-national training strategy. <b>September - October 2008:</b> Sub-national government staff and EPA practitioners trained on concept and conduct of EPA.</p>	<p><b>October 2007 - June 2008:</b> Consultations with national EPA teams concerning appropriate timing of training to sub-national target audiences. The implementation schedule may be revised to reflect country feedback that the initial focus should be on developing EPA capacity at the national levels. Follow-up consultations are planned during the next reporting period to identify locations and focus for sub-national EPA in each country, concerning training strategy, and the implementation of local-level EPA. Preparation of EPA training materials for sub-national target audiences was completed in advance of the first sub-national training workshop held June 9-10, 2008 in Siem Reap, Cambodia, followed by a second sub-national training workshop in Vientiane, Lao PDR from June 26-27, 2008.</p>
2.4	Design and conduct training in SDP for GMS government staff, NSU and partner organizations.	<p><b>January - April 2008:</b> Development of training materials; <b>May 2008:</b> Government staff, NSU and partners trained on concept, methodology and execution of SDP.</p>	<p><b>December 2007 - May 2008:</b> Development of SDP training materials undertaken by IGES with inputs from the International Institute for Sustainable Development (IISD). Essentials of SDP covered during subregional training workshop held from May 26-30, 2008. SDP training modules are to be refined and disseminated during the next reporting period.</p>
3	<b>Data Needs Assessment, Definition of Data Standards, Strengthening of Database and Indicator Development</b>		
3.1	Assessment and review of EPA database gaps and the potential for implementing, collaborative and country NSU network partners to	<p><b>March - April 2008:</b> Discussions with partners on existing databases, data acquisition &amp; definition of data gaps. <b>April</b></p>	<p><b>January - May 2008:</b> Preliminary identification of data availability undertaken during country consultation workshops to select national priority concerns. Detailed review of data issues provided during subregional</p>

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
	contribute data. Establish data reporting framework and responsibilities. Adopt standard format for data inputs to NSU and the EOC.	<b>2008:</b> Joint meeting with selected partners to define data network responsibilities and procedures for data sharing. <b>May - December 2008:</b> Tracking data submissions and effectiveness of data sharing protocol.	training workshop held from May 26-30, 2008.
3.2	Identification of donors with ongoing activities relevant to EPA and development of a mode of cooperation with country NSU.	<b>October 2007 - September 2008:</b> Coordination with donor organizations active in GMS on a common program of EPA-related activities, emphasizing indicator selection and data sharing.	<b>February - May 2008:</b> Consultations with donors and implementing partners to continue during next reporting period, focusing on alignment of environmental and social indicators in current use, opportunities for data sharing, and possible collaborative support to national EPA teams.
3.3	Development of data capture and database management technical guidelines for EPA encompassing data acquisition and management, data quality benchmarks, harmonizing definitions, and interpretation and reporting. Conduct data acquisition & database management training for country NSU and data contributing institutions.	<b>April - May 2008:</b> Data & database needs assessment completed. <b>June - August 2008:</b> Development of training modules focusing on data generation and analysis, and database management. <b>September - December 2008:</b> Conduct in-country training & provide ongoing technical support.	<b>May 2008:</b> Data needs assessment to be completed during next reporting period to assess data gaps & database status. Activity has been rescheduled to match country EPA activity timeframes. The assessment will be undertaken once GMS countries have completed priority concern identification and indicator selection. Preparation of training materials will be initiated early in the next reporting period, with in-country training in data acquisition, management & analysis and interpretation scheduled during September & October 2008.
3.4	Documentation of bilateral and multilateral environmental agreements.	<b>March 2007 - February 2008:</b> Review and document BEA and MEA to which Thailand is a signatory, has acceded to or ratified, and those actively under consideration. Analyze and describe current status, effectiveness and gaps in enabling legislation, document MDGs and other global environmental targets, and national compliance & performance. Identify emerging issues and environmental concerns not currently	<b>February - June 2008:</b> Following revisions and finalization final (draft) Thai language report, pending comments from MONRE. English translation of the report is scheduled to be completed during next reporting period.

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
		covered by BEA and MEA and future coverage.	
<b>3.5</b>	<b>Development of EPA indicators</b>		
<b>3.5.1</b>	Initiating a local-stakeholder-based monitoring programme for the BCI priority sites.	<b>December 2008:</b> Site-level monitoring framework developed and adopted by subregional civil society partners. Piloting of basic site-level monitoring within the GMS economic corridors. Preparatory work for piloting of detailed BCI site-level monitoring; Collation, analysis and dissemination of annual monitoring data.	<b>April 2008:</b> 3 <sup>rd</sup> progress report submitted containing country baseline biodiversity values. Revisions to the report in response to feedback from the EOC are being completed.
<b>3.5.2</b>	Strengthening capacity on and use of modeling approaches under the CEP. Development of an open-source GIS-based modular biodiversity model and provision of training to utilize the model in national biodiversity assessment and monitoring.	<b>March 2007 - December 2008:</b> Ongoing consultations on biodiversity modeling approaches and their applicability in the GMS. Development of national biodiversity model and subregional indicators. Technical training and preparation of guidelines on geospatial modeling of biodiversity change, future states and policy responses.	<b>April - May 2008:</b> Preparations for a subregional training workshop in Phuket, Thailand during June 2008 were completed.
<b>3.5.3</b>	GMS/ASEAN Forest Sector Outlook Study with GMS Focus.	<b>April 2008:</b> Overview report on the outlook for forests and biodiversity and the implications on societal welfare. <b>October 2008:</b> Policy briefs outlining key areas of action at different levels prepared and widely disseminated.	<b>February - April 2008:</b> Preparation of country outlook papers and thematic studies ongoing. <b>May 2008:</b> 1 <sup>st</sup> progress report submitted to the EOC; report was approved following provision of clarifications and additional information by FAO. Activity has been delayed in Lao PDR due to difficulties experienced in retaining a national consultant and obtaining data from government counterparts. A regional consultant has now been retained and work is progressing satisfactorily.
<b>3.5.5</b>	Risks and Adaptation from Climate Change and Regional Air Pollution in BCI Pilot Sites in PRC, Thailand and Viet Nam.	<b>October 2007 - January 2009:</b> Completion of needs assessment & conduct of training. Data	<b>December 2007:</b> Inception report received by EOC and revised in response to comments provided. <b>May 2008:</b> Submission of 1 <sup>st</sup> progress report is pending. EOC determined that work

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
		<p>collection and monitoring of selective crops, water, forest, ambient air, and rainfall at specific field sites. Preparation of assessments based on local datasets and comparison to regional assessments of climate change impact applicable to BCI pilot sites. Dissemination and discussion of research results at regional level concerning implications for biodiversity, food security, water resources and livelihoods. Regional meeting of policy makers to discuss results and implications for policy change.</p>	<p>is progressing satisfactorily.</p>
<p><b>3.5.6</b></p>	<p>Reduce, Recycle, Re-use: 3R Promotion in Viet Nam and Application to other GMS Countries.</p>	<p><b>July 2007 - July 2008:</b> National 3R strategy developed through participatory, consultative process.  <b>May 2009:</b> National 3R strategy officially endorsed and adopted. Training of line ministries/agencies to improve coordination in 3R strategy implementation. Influence national and local governments, private and business sectors, NGOs, research institutions, and other relevant stakeholders to mainstream and institutionalize 3R in the overall national policy framework, and in economic and developmental activities in the GMS region.</p>	<p><b>May 2008:</b> 1<sup>st</sup> progress report received by EOC and currently being revised in response to review comments. Determined that activity is proceeding slower than anticipated but is progressing satisfactorily.</p>
<p><b>4</b></p>	<p>Consolidation of EPA: Analysis and dissemination of results</p>		

No.	Activity	Key Output & Milestones	Status as of 30 June 2008
4.1	Priority SDP activities consistent with national development planning cycles.	<b>December 2008:</b> Priority SDP activities completed, including revision of national targets and benchmarks where necessary.	<b>November - December 2007:</b> Discussions with national focal points and consultants on national targets and benchmarks. <b>January - May 2008:</b> Work proceeded on selection of country priority concerns consistent with national SDP priorities & targets. Guidance on priority concern selection, setting of targets and monitoring performance provided during subregional training workshop on EPA and SDP held from May 26-30, 2008.
4.2	Conduct second round of national EPA reporting.	<b>October 2007 - December 2008:</b> Preparation of new or updated national EPA reports in each GMS country. <b>December 2008:</b> Current EPA reports or detailed country EPA progress reports finalized and submitted.	<b>October 2007:</b> All GMS countries indicated their intention to produce an updated EPA output by December 2008. <b>November 2007 – January 2008:</b> Preparation for publishing of the first round national and subregional EPA reports as a main output of SEF-II. <b>December 2007 – March 2008:</b> An EPA Synthesis Report was written up, published, and disseminated at EMM (January 2008) and during EPA national inception and consultation workshops. <b>December 2007 - May 2008:</b> Confirmation was provided during country inception workshops on outputs and intended reporting timeframes (Cambodia, Vietnam to produce updates of SEF-II reports; Lao PDR, Thailand, Guangxi & Yunnan to produce new reports; Myanmar still to be determined). Anticipate that timeframe for EPA reporting will be adjusted to reflect actual country progress; mid-2009 is projected date for completion of national reports except for Guangxi & Yunnan which plan to complete draft reports by December 2008. Myanmar will consolidate and/or streamline the environmental priority concerns further to meet the reporting timeframe of 2009. Country efforts in preparing EPA reports continued during the reporting period with good progress being achieved.
4.3	Conduct preliminary EPA for Guangxi.	<b>October 2007 - December 2008:</b> Ongoing technical support to Guangxi PSU on the conduct of EPA at the provincial level. Preparation of preliminary EPA report.	<b>January - March 2008:</b> EPA consultant replaced at national coordinators request and transition strategy devised to limit loss of time and ensure knowledge transfer. <b>April 2008:</b> Consultation workshop involving participants from sector and line agencies completed successfully.

#### **D. COMPONENT 4: GMS CAPACITY BUILDING FOR SUSTAINABLE ENVIRONMENTAL MANAGEMENT**

78. *Objective: To build effective regional institutional arrangements, policy frameworks and human resource capacity for transboundary environmental management and sustainable natural resource use in the GMS.*

79. During the period covered under this report, several key activities have been undertaken and major milestones reached. On the question of an institutional future for the Environment Operations Center, an elaboration of the draft discussion paper presented to the WGE at the 13<sup>th</sup> annual meeting in May 2007 had been distributed to the members in preparation for further discussions in November 2007. However, it was held in abeyance and in order to provide sufficient time to discuss the issue in some detail, a detailed questionnaire was developed raising the several key questions regarding this issue. This was sent out to all the WGE members from the GMS countries and responses were received from each of the six countries. These were collated onto a matrix for easy reference and sent out to the members in preparation for a two-day brainstorming workshop that was held on the issue of the future role and structure of the EOC. This was held in May 2008 and some key stakeholders were invited to present their own proposals for the EOC's future to the WGE members. A total of five options were presented and deliberated upon along with the responses to the questionnaire. It was agreed that the EOC would prepare a second matrix reflecting the five options presented and their relative pros and cons and circulate to the WGE members. This was done and the resulting matrix was again discussed at the 14<sup>th</sup> annual meeting of the WGE in July 2008. It is clear that in order to come to a common agreement on the future directions for the EOC that the WGE members would have to review the options more carefully within their own decision making structures before accepting any formal recommendations. As a result, the further development of this stream and activity may be somewhat delayed until a resolution takes place.

80. An Environmental Forum and Eco-Exhibition was successfully organized and held in Vientiane, Lao PDR in parallel with the Environment Ministers' Meeting January 20<sup>th</sup> -30<sup>th</sup> 2008. Several dozen organizations participated with stalls representing private sector companies, government departments and NGOs active in environmental technology propagation in the GMS and elsewhere. Biodiesel manufacturing (oil extraction unit and refining unit) equipment were formally handed over to WREA of Lao PDR at the Eco Exhibition.

81. To date 7 officials have been deputed to the EOC from PRC, Cambodia and Viet Nam ranging from weeks to up to six months. A total of 8 interns (representing all GMS countries) underwent training ranging from a few months to a full year at the EOC covering accounting and GIS skills, SEA, EPA and BCI exposure.

82. A training program on environmental management and climate change in the GMS was successfully organized in February 2008.

83. Mae Fah Luang (an LoA) and its UNINET has currently 8 students registered for postgraduate degrees out of a target of 12.

84. By January 2008, staff complement of professionals at EOC was completed with recruitment of the Social Development Specialist (SDS) by September 2007; however she has since resigned her position as of March 2008 and the search for a replacement is ongoing. A Land Use planner is also expected to be on board by September 2008.

85. To date a total of 4.5 million \$ invoices have been received at the EOC for processing and of this 2.8 million \$ worth of claims have been endorsed with an additional

1.7 million \$ of claims to be processed. There have been some delays in processing as the required time for scrutiny of documentation was underestimated at the start of the program. Steps have been taken to bring the backlog at the EOC down to zero by the end of 2008. In addition, discussions are ongoing with the finance department at ADB to identify ways to resolve any remaining issues.

86. In cooperation with the Netherlands Environmental Assessment Agency (PBL), EOC organized the international workshop on „Biodiversity Modelling – Results and Policy Embedding“, held from 23-25 June in Phuket, Thailand. This workshop was the concluding workshop for three years of PBL engagement in the development and application of biodiversity modelling approaches worldwide. Participating countries included Thailand, Viet Nam, Brazil, Peru, Nicaragua, Honduras, Ukraine, Venezuela, Zambia, Mozambique, The Netherlands. EOC reported on their experience from capacity building on spatial modelling (March 2007, November 2007) and the application of Land Use Change and Biodiversity models under the SEA of the NSEC.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
<b>1</b>	<b>EOC Establishment and Staffing</b>		
1.1	Recruitment for new position of Social Development Specialist	SDS to be recruited by mid 2007	SDS recruited by September 2007 but has resigned her position in March 2008. New SDS candidate identified and recruitment process initiated. Expected to be on board by August 2008.
1.2	Facilitate secondment of Land Use Planning Specialist by Finland	Land Use Planner seconded and to be in place by September 2008	Land Use planner interviews concluded in Helsinki and person identified. Expected to be on board by September 2008
1.3	Procure office and IT equipment and software for EOC	EOC office ready and established by 2006. Server and required software purchased, installed and effectively running by December 2006. Other office equipment to be purchased as required through 2007 and 2008.	ongoing purchase of office equipment as per requirement
<b>2</b>	<b>GMS Institutionalization of environmental management capacity</b>		
2.1	Prepare and circulate detailed questionnaire on future institutional options for the EOC in the GMS.	Questionnaire circulated and responses collated in a matrix for further discussion by WGE members	In order to move forward on the brainstorming workshop, a detailed questionnaire was circulated to all WGE members. The questions focused on the key elements of any institutional arrangements to be established for the future. The responses from the countries were collated in the form of a matrix and circulated to all WGE members for consideration and further discussion at the planned brainstorming workshop scheduled

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
			for May 2008
2.2	Establish Technical Discussion Group consisting of WGE focal persons and key decision makers in GMS governments to deliberate upon reports and options for the GMS	By October 2007, minutes of Group Meetings suggest preferred options for interim and long term solutions and financial arrangements	A brainstorming workshop was organized over 2 days in May 2008 with representation from all GMS countries and TAP with all implementing partners invited to participate. Five distinct options from five different organizations were presented to the group and detailed discussions held on these options. It was agreed that the five options would be summarized along with an identification of the pros and cons of each of these options in a matrix format and circulated to all the WGE members for their further deliberation and subsequent discussion and input at the WGE AM 14 on 1st -2nd July 2008.
2.3	Review of financial implications of various institutionalization options	Options study with financial implications, scenarios and phasing will be taken up subsequent to the workshop on institutional options for the EOC to be held after February 2008 as the financial implications will depend on the institutional options to be considered feasible and acceptable to the WGE. Options to include assessment of organizational and legal structure, scope of activities, funding arrangements and financial implications	Discussions regarding the institutional future of the EOC took place in May 2008 during the brainstorming workshop and later during the WGE 14th Annual Meeting in July 2008. Some tentative financial arrangements and funding sources were discussed. However, the GMS WGE members generally believed that the ADB should continue to be the conduit and source of funding the program under the RETA for the foreseeable future and that to discuss arranging any financing from GMS national government budgets may be premature. These will now be discussed further at the next WGE Meeting in November 2008 before the financial implications are fleshed out. This has caused a delay in finalizing this and it would be completed within six to nine months after agreement on the institutional option to be taken up.
2.4	Brainstorming Workshop on presentation of GMS institutionalization options for subregional environmental management capacity held immediately prior to the WGE Annual Meeting	Workshop to be held after February 2008 and report ready by May 2008 for discussion among WGE Focal Points at the next WGE Annual Meeting.	Brainstorming workshop was organized on the 7th -8th May 2008 and results from this workshop have been put down in a matrix format and distributed to the WGE members for further discussion at the upcoming WGE AM 14 on July 1st -2nd

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
2.5	Final Draft Report on Subregional Institutionalization with preferred Option and Phasing	Submission to WGE Focal Points by May 2008	This has been delayed as described above. A final picture and choice of option will emerge once the WGE members are in agreement over the choice to be followed. Currently, the representation of the GMS countries in the WGE believe that any discussions on institutional arrangements in the future would need to be discussed in greater detail within their respective governments before any agreement can be discussed.
2.6	Organize Eco - exposition to be held in 2008 prior to the GMS meeting in Lao PDR	Eco exhibition arranged and held in February-March 2008 in Vientiane, Lao PDR	Environmental Forum and Eco-Exhibition successfully organized and held in Vientiane, Lao PDR in parallel with the Environment Ministers' Meeting January 20th -30th 2008. Several dozen organizations participated with stalls representing private sector companies, government departments and NGOs active in environmental technology propagation in the GMS and elsewhere. Biodiesel manufacturing (oil extraction unit and refining unit) equipment were formally handed over to WREA of Lao PDR at the Eco Exhibition.
<b>3 Capacity Building</b>			
3.1	Launching of CEP "Trainee" Program at EOC	By end Jun 2007, at least additional 2 trainees recruited from GMS national applicants covering a period of 3-6 months (26 months) participants@ \$3,000x6 months)	Total of eight interns underwent training ranging from a few months to a full year at the EOC. Training varied from accounting to GIS to SEA and EPA and BCI. Interns have come from all of the six GMS countries.
3.2	Enhance CEP and Phnom Penh Plan linkages	Organize full 4 day environmental management course for senior government officials from the GMS in collaboration with the PPP Secretariat during 2007-2008	Training program on environmental management and climate change in the GMS successfully organized in February 2008
3.3	GMS Deputation	By September 2006, a draft list of deputation officials ready.	Draft list was produced by designation but due to difficulties for government officials in leaving their posts for periods of 6 months or more, the deputation program was amended to make the period flexible depending on the task and the availability of time with the relevant official. To date 7 officials have been posted to the EOC from China, Cambodia

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
			and Viet Nam ranging from weeks to up to six months of deputation. Deputed officials worked on GIS, BCI and SEA activities at the EOC.
3.4	Study visit among GMS countries	At least 1 study visit undertaken by GMS officials and beneficiaries during 2008	While 3 study visits were successfully organized up 'til end 2007, an additional 2 have been planned for later during 2008 (September -October). The current status is that these were put up as concepts to the 14th WGE Annual Meeting and their endorsement has been delayed until the next WGE Meeting scheduled for November 2008. As a result, these may be delayed beyond 2008.
3.5	Capacity Building for Natural Resources Management and Conservation and Socioeconomic Benchmarking in the GMS	At least 12 postgraduate students (2 from each GMS country) receive masters degree from affiliated universities of GMS-UNINET by Dec 2008	LoA with MFU as implementing partner and lead of GMS-UNINET was signed on 13 Feb 2007. However, the target of 12 postgraduate students completing their master's degrees based on work carried out on BCI sites may not be achieved by December 2008. This target will need to be delayed by up to one year or more.
<b>4</b>	<b>Administrative/General Support</b>		
4.1	Organizing WGE Technical and Annual Meetings regularly twice a year, additional telephonic and/or video conferences when required	Two WGE meetings arranged each during 2007 and 2008 in PRC and Lao PDR	To date since the inception of the EOC in April 2006, the EOC has organized 2 WGE meetings in 2006, two WGE meetings in 2007 including one meeting by video link and one WGE meeting in 2008 with a second WGE meeting scheduled for July 2008. A third WGE Meeting is also tentatively scheduled for November 2008. This is as per agreed program of at least two WGE meetings per year.
4.2	Letter of Agreement with Implementing Partners	Additional LOAs to be signed with other partners for programmed activities to be implemented through partnership arrangements.	By end 2007, a total of 20 LOAs had been signed with various implementing partners and GMS government departments covering activities under the SEA, BCI and EPA components as well as under institutional capacity building. The total amount so allocated was around 16.3 million \$. An additional 3 LOAs and one LOI have been signed over the past six months bringing the total to 16.46 million \$.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
4.3	Liquidation of funds disbursed	First liquidation requests from partners processed by Dec 2006	liquidation requests being processed as they are received. To date a total of 4.5 million \$ invoices have been received at the EOC for processing and of this 2.8 million \$ worth of claims have been endorsed with an additional 1.7 million \$ of claims to be processed. There are some delays in this as the required time for scrutiny of documentation was underestimated at the start of the program. The reasons for these delays have been thoroughly analyzed and discussed and steps have been taken to bring the backlog at the EOC down to zero by the end of 2008. In addition, discussions are ongoing with the finance department at ADB to identify ways to resolve any remaining issues.
4.4	Organize and manage the Second Environment Ministers' Meeting	Environment Ministers' Meeting held in January 2008	Organized the Second EMM in Lao PDR for the GMS countries as per advice from the ADB in January 2008 where key resolutions passed were put to the GMS Summit Meeting of March 2008. Additionally, an Eco-Exhibition and a Speaker's Forum featuring the Private Sector and its involvement with environmental issues were organized as part of the EMM for the benefit of all the participants.

## **E. COMPONENT 5: PROGRAM DEVELOPMENT, DELIVERY AND SUSTAINABLE FINANCING**

87. *Objective: To set in place strategies and mechanisms to design interventions, monitor implementation and achieve financial sustainability for conserving GMS natural systems and environmental quality.*

88. Over the six month period covered by this report, consultations have taken place with the WGE GMS representatives as well as with other related departments and ministry representatives as well as other non-state partners in order to come to a clear understanding of the specific activities and outputs that should be targeted under the supplementary RETA 6289 that has brought in an additional 7.2 million USD to the Core Environmental Program. Based on these inputs, on the directives of the 2<sup>nd</sup> Environment Ministers' Meeting and on the broad framework outlined in the Supplementary RETA 6289 document, concepts were developed to be presented at the 14<sup>th</sup> Annual Meeting of the WGE.

89. The EOC and the Core Environment Program were reviewed by the ADB during the period covered in this report as part of a mid term review of the program. This included visits to each of the five countries where the program is active and detailed discussions with WGE members as the client for this program as well as with all key stakeholders and non-state partners.

90. Activities relating to sustainable financing options have been delayed to 2009 due to the delay in getting a consensus on the institutional framework for the future. As soon as some clarity is achieved regarding the institutional future of the EOC as a GMS institution, the issue of its sustainability in financial terms will be undertaken aggressively.

91. In February 2008 the EOC launched a new public information tool, the "Interactive Map of Sector Projects in the GMS", based on the Google Maps API (Application Programming Interface). It provides an interactive, spatially explicit overview of ongoing and planned projects in the key development sectors in the GMS. For each project, key information such as sector, implementation status, project start and end can be displayed in a call out box. Linked to this interactive map is an easy-to-use feedback form that allows users to add or update projects – including information on climate change related activities - quickly and efficiently.

92. Contact with national media in the GMS countries has been further established. Media interviews have been arranged and stories have been suggested and picked up by national news papers in relation to different topics and activities within the program, e.g., biodiversity, Forestry Week in Viet Nam, World Environment Day, WGE-AM 14. In Spring 2008, two documentaries were produced - one featuring a presentation of the Core Environment Program and one about the forests of the Mekong Region. The documentaries feature local communities as well as national key stakeholders, and have been distributed widely to policy makers in all countries as well as to national media and civil society. The launch of the documentary: "Forests for our Future", was organized on the occasion of the World Environment Day, and included the broadcasting of the EOC/ADB-produced documentary on national TV in Cambodia, Lao PDR and Thailand.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
<b>1</b>	<b>Program Development</b>		
1.1	Progress on Program Development under components 1,2,3 are covered under the respective components	See Progress Reports for Components 1,2 and 3	See Progress Reports for Components 1, 2 and 3.
<b>2</b>	<b>Outreach and Documentation</b>		
2.1	GMS CEP E-Newsletter	Every quarter (May 2006 onward)	This E-Newsletter did not start until 2007 as the Outreach Specialist was not on board until late 2006. After initial delays, the newsletter is being issued fairly regularly. The fourth issue came out in April 2008 and the next one is due to come out in August 2008.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
2.2	EOC Website	First version of website up and running by July 2006; updated version (with mapview and search function) ready by November 2006	After initial delays due to lack of capacity to develop web site in-house, the web site was established and has been up and running since mid early 2007 and being updated regularly. Based on regular monitoring reports, the web site will be assessed and redesigned to enhance interactivity with CEP's target groups as well as invite new target groups such as youth from the region to use the web site.
2.3	Regional Workshop for Journalists / Biodiversity Reporting Award	Finalize competition detail by September 2006; Conduct workshop by November 2006; Key outputs of this activity include workshops, press releases, press conferences, and feature stories in national and regional newspapers and magazines.	To be completed after the new Outreach Specialist settles down as the previous Outreach Specialist resigned mid 2007. The new Outreach Specialist started work in April 2008 and will take up these outreach plans during 2008. Possible partnerships with media organizations are currently being sought for a regional media workshop combined with field visits. As part of the communications strategy, GMS-EOC now routinely submits a press release for all major events, seminars and meetings and so far, the response has included good coverage in national newspapers following World Environment Day 2008 and the WGE AM-14.
2.4	Participatory Photography	By end of 2007, provide at least 25 disposable cameras to residents of at least two sites; Local partners to determine the theme for their participatory photography activity (forest, wildlife, etc.), and teach selected residents the rudiments of using the disposable camera. After one month, developed photos will be displayed and selected ones to be used for exhibits and possibly, other educational materials. Depending on the success of this project at the first two selected sites, the same activity will be initiated at the other pilot sites.	An intensive 2-week participatory photography course was conducted in Thma Bang, Cambodia in cooperation with Conservation International. Ten youths, ages 15-19 were trained in basic photography and storytelling through photos. CI organized an exhibition of these photographs during June 2007 in conjunction with an environmental film festival. Additional photography workshops to be organized early 2009.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
2.5	Media relations and other press-related activities	Database of media contacts from the GMS to be updated as needed; Development of year-long editorial calendar on relevant topics and for submission to local newspapers to be completed by July 2006. Costs of commissioning freelance writers from the GMS also to be explored. Opportunities for media interviews and publicity to be explored.	Contact with national media in the GMS countries has been further established. Media interviews have been arranged and stories have been suggested and picked up by national news papers in relation to different topics and activities within the program, e.g., biodiversity, Forestry Week in Viet Nam, World Environment Day, WGE-AM 14. In Spring 2008, two documentaries were produced - one featuring a presentation of the Core Environment Program and one about the forests of the Mekong Region. The documentaries feature local communities as well as national key stakeholders, and have been distributed widely to policy makers in all countries as well as to national media and civil society. The launch of the documentary: "Forests for our Future", was organized on the occasion of the World Environment Day, and included the broadcasting of the EOC/ADB-produced documentary on national TV in Cambodia, Lao PDR and Thailand, events held at four resident missions as well as press releases that went out to national media in each country. This coordinated launch in the GMS was well received by the media and other members of the launch event with some resulting good press coverage.
2.6	Development of educational brochures, posters, etc.	Posters and/or brochures on GMS flora and fauna to be developed by third quarter of 2006; possible poster campaign and other educational materials for Khao Yai (Thailand) to be explored with focal points by August	To date 13 posters on GMS flora and fauna, project location maps and explanatory posters on CEP developed and distributed among WGE members and partner organizations for display. Brochure on Environment Operations Center as the project office for the CEP also developed and being distributed at various venues.
2.7	Publication of Progress Reports for CEP Components	Progress Reports for all components to be produced and published annually.	To date 16 documents have been published. Stand alone Progress Reports on components 1,2 and 3 and overall progress report on the CEP including components 4 and 5 published and distributed at the Environment Ministers' Meeting in January 2008. These progress reports cover the period from April 2006 through to December 2007 and will now be produced on an annual basis with the next

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
			ones to be issued in January-February 2009
2.8	Expansion of EOC Library collection of materials	Organize EOC library by June 2006; establish and maintain a wide range of book and magazine collection by December 2006; Compile and organize GMS sector strategies and other documents by mid-August 2006	EOC library has been organized and materials categorized. EOC has started to receive reports and publications from various international and regional institutions. Networking with other information hubs and publishers is ongoing. Knowledge Management Specialist on board and managing the EOC server and our database of information available on our intranet.
2.9	Empowerment and Education through Video	By September 2006 (or after the last orientation has been conducted) identify which sites are suitable to adopt the video project. By October 2006, identify possible corporate sponsor, by December 2006 start video documentation at selected sites; additional output from this activity are feature stories in local newspapers and TV stations.	In Spring 2008, two documentaries were produced - one featuring a presentation of the Core Environment Program and one about the forests of the Mekong Region. The documentaries feature local communities as well as national key stakeholders, and have been distributed widely to policy makers in all countries as well as to national media and civil society. The Forests documentary has been broadcasted on national television in Lao PDR, Thailand and Cambodia. A follow-up to the documentary is planned for early 2009, where a series of focus group interviews will be carried out at selected sites with local communities as well as with selected representatives for national policy makers and parliamentarians, and youth.
2.10	Radio Tie-ups	By September 2006 (or after the last orientation has been conducted) identify which sites are suitable to adopt the video project. By October 2006, identify target radio stations, key contacts; by November 2006, determine which options are viable for each selected area (i.e. short announcements, short segments within existing programs or	In early 2009, as a follow-up to the documentary about forests in the GMS, contact with at least two local radio stations will be established and pilot radio material will be developed.

No.	Activity	Milestones/Key Outputs	Status of 30 June 2008
		short soap operas) By December 2006 at least one radio tie up initiated; key outputs are regular educational radio segments aired at selected sites.	
2.11	Photo Essay Competition	Announce photo essay competition by September 2006 (or when the final EOC website is launched); Key outputs from this activity include photo collection, photo essay publication, and photo exhibit.	A photo competition is planned as part of the re-launch of the EOC web site, to supplement and strengthen young people's involvement and contributions to the web site. The entries from the photo competition will be published both online and as a publication, and can also form part of a friendship school exchange program.
<b>3</b>	<b>Sustainable Financing</b>		
3.1	Draft Concept Paper on Sustainable Financing Options	Draft paper delayed awaiting results of the workshop on EOC institutional future and now expected to be ready by March 2008.	This has been delayed due to the delay in finalizing and agreeing to an Institutional Framework for the EOC in discussions within the WGE. Draft paper expected to be ready for discussion by December 2008
3.2	Discussion of draft paper by GMS Focal Points and relevant Government Agencies	By May 2008, at least one workshop held at national level in 5 GMS countries and feedback on draft concept paper recorded and distributed to decision makers	Workshops will be organized by May 2009
3.3	Discussions with funding agencies, development partners and GMS Finance Ministries initiated on implementing sustainable financing options	By October 2008, discussions initiated in at least 2 GMS countries regarding implementation of appropriate and suitable mechanisms to achieve sustainable financing of initiatives relating to environmental and BCI interventions	To be carried out in January 2009. Delay due to additional preparations required for the endorsement of new concepts that are to be put to the WGE Meeting in November 2008.

**IV. RESOURCE MOBILIZATION, DISBURSEMENTS, AND FORECASTS**  
**FINANCIAL REPORT AS OF 30<sup>th</sup> JUNE 2008**

93. This section has been revised in line with clarifications sought by some co-financiers (e.g. RNE). The overall picture of the total planned budget for the Core Environment Program from ADB and co-financiers is given in Table 1 below. It also provides a breakdown of actual amounts received up to 30<sup>th</sup> June 2008 from these sources against the total amounts committed. The amounts are given in terms of US dollars as well as a percentage of the overall totals budgeted and transferred.

**Table 1. Planned Budgets and Fund Flows from all Sources as of 30<sup>th</sup> June 2008**

Donor	Planned Budget <sup>5</sup>	Percentage of total CEP-BCI budget	Total Funds Transferred as of 30/06/08	Percentage of total funds transferred
Netherlands	14,000,000	45.40	5,583,398	39.88
Sweden	10,000,000	32.43	5,887,830	42.06
ADB	1,620,000	5.25	1,220,000	8.71
PRF (DFID)	550,000	1.78	550,000	3.93
Finland	4,165,000	13.51	758,410	5.42
PRC Fund	500,000	1.62	-	-
Total	30,835,000	100.00	13,999,638	100.00

94. The planned request for 2008 was originally projected at \$5.675 million (see Table 2 below) reflect contribution figures to be provided by the Royal Netherlands Embassy, Sida and the Government of Finland to CEP. Subsequently, the Netherlands Government has informed the EOC that they would only be providing a reduced amount of USD 1.0 million during January –December 2008. However, the total commitment of USD 14.0 million remains. This will need to be reflected in future planning and programming.

95. Fund utilization by the CEP in 2006, 2007 and 2008 is given below in Table 3. The amounts showing planned utilization in 2008 (\$4.860 million) reflect amounts to be disbursed under five (5) CEP components. The cumulative utilization of funds by CEP at 30<sup>th</sup> June 2008 stands at \$10.871 million as summarized below in Table 3 including advance disbursements to the tune of \$6.115 million made to LOA implementers/partners.

96. There have also been some minor advance disbursements made under the RETA Supplementary activities amounting to \$ 10,670/- only which are not reflected in Table 3 below.

97. Based on the information on contribution received (Table 2) and actual disbursements (Table 3), the CEP fund balance at the beginning of 2008 was at \$3,033,808 which will be reduced to \$ 2,648,948 after adjustment for ADB's administrative fee. The cash flow for the period from 2006 to the end of June 2008 can be summarized as follows in Table 4 below.

98. During the period from January to June 2008, a total of \$5.918 million was made available to the Core Environment Program for utilization. The amount represents the beginning balance of \$2,648,948 (Table 4) and the actual contribution of \$3,268,620 received from Sida and the Government of Finland during this reporting period.

**Table 2. Fund Flow from CEP Financing Sources 2006 – 2008 as originally planned  
(see report July – December 2007)**

Donor	Planned Budget	2006		2007		2008		Total Funds Transferred as of 30/06/08
		Planned	Actual	Planned	Actual	Planned	Actual	
Netherlands	14,000,000	3,600,000	3,600,000	3,368,000	1,983,398	3,000,000	0 <sup>5</sup>	5,583,398
Sweden	10,000,000	-	-	3,593,750	3,377,620	2,062,500	2,510,210 <sup>6</sup>	5,887,830
ADB	1,620,000	1,220,000	1,220,000	-	-	-	-	1,220,000
PRF (DFID)	550,000	550,000	550,000	-	-	-	-	550,000
Finland	4,165,000	-	-	-	-	612,500	758,410 <sup>7</sup>	758,410
PRC Fund	500,000	-	-	-	-	-	-	-
<b>Total</b>	<b>30,835,000</b>	<b>5,370,000</b>	<b>5,370,000</b>	<b>6,961,750</b>	<b>5,361,018</b>	<b>5,675,000</b>	<b>3,268,620</b>	<b>13,999,638</b>

**Table 3. Fund Utilization 2006 – 2008 (Up to 30<sup>th</sup> June 2008)**

Component	2006-09 Planned Budget	2006		2007		2008		Total Disbursed as of 30/06/08
		Planned	Disbursed	Planned	Disbursed	Planned	Disbursed <sup>8</sup>	
1	1,399,000	1,010,000	156,190	107,827	375,154	139,430	222,859	754,203
2	14,200,000	2,580,000	3,223,780	3,683,304	1,144,656	2,861,000	1,172,969	5,541,405
3	2,085,000	1,001,000	36,923	231,425	451,062	316,195	329,032	817,017
4	5,566,643	910,000	772,858	1,806,707	783,791	1,265,792	1,255,709	2,812,358
5	1,376,500	511,000	184,195	524,870	568,601	277,399	193,008	945,804
Sub-Total	24,627,143	6,012,000	4,373,946	6,354,133	3,323,264	4,859,816	3,173,577	10,870,787

<sup>5</sup> ADB request for third remittance of \$3.0 million submitted on 9 July 2008.

<sup>6</sup> The difference in amount planned and actual draw down is due to fluctuating exchange rate (appreciation of SEK)

<sup>7</sup> The difference in amount planned and actual draw down is due to fluctuating exchange rate (appreciation of EURO)

**Table 4. Actual Cash Flow 2006 – 2008 (as at 30 June 2008)**

	<b>Description</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
	Beginning balance	-	777,357	2,648,948
Add:	Contribution drawdown	5,370,000	5,361,018	3,268,620
	Fund available	5,370,000	6,138,375	5,917,568
Less:	Actual Project disbursement	(4,373,946)	(3,323,264)	(3,184,248) <sup>8</sup>
	Estimated ADB administrative fee	(218,697)	(166,163)	(159,212)
	Ending balance - c/f	777,357	2,648,948	2,574,108

99. During this reporting period, three Letters of Agreement were signed with participating partners, i.e. the Asian Institute of Technology (2 LoAs) and the National Science and Technology Development Agency, Thailand. The total of LoA commitments as at 30<sup>th</sup> June 2008 was at \$16.460 million. Advance for the total of \$6.115 million was made to partners for their project implementation. Liquidation of advance during this reporting period was remarkable compared with the previous period as summarized below:

June 2006 to June 2007	\$ 731,900.72
July 2007 to December 2007	\$1,432,565.66
January 2008 to June 2008	\$2,090,407.37
Total Advance Liquidation	\$4,254,873.75

100. This pattern of liquidation submission has indicated that BCI implementing partners accelerated their project implementation and submitted timely liquidation claims to EOC in 2008. As a consequence, this created an unavoidable backlog of pending claims for review, which accumulated in the EOC towards the second quarter of 2008. Appropriate measures have been taken by EOC to clear up the backlog by January 2009 or sooner.

101. From a total amount of \$6,115,175 advanced to LoA partners over 2006, 2007 and 2008, the total expenditure amount of \$4,254,873.35 was submitted to the EOC for liquidation review as detailed in the table 5 below.

<sup>8</sup> This includes \$10,670 advanced against supplementary activities.

**Table 5. Disbursements to LoA partners (as of 30<sup>th</sup> June 2008)**

	LOA Signed	Advance Made To	Comp	2006-2009 Amount Committed	Actual Disbursement	Liquidation Submitted	Forwarded to ADB for Liquidation
1	12-Oct-06	Cambodia - MOE	2/4	500,000	145,175	97,814.54	66,429.12
2	12-Dec-06	PRC YEPB	2	700,000	350,000	137,665.92	10,140.80
3	12-Dec-06	PRC SEPA	2	700,000	250,000	65,029.20	-
4	10-Oct-06	Lao WREA	2/4	362,000	100,000	89,527.10	82,670.44
5	10-Oct-06	Thailand - DNP	2/4	1,170,173	460,000	175,327.54	136,005.31
6	15-Sep-06	Viet Nam - MONRE	2/4	914,000	500,000	368,823.92	311,263.63
7	12-Jun-06	IUCN - SBPRP	2	550,000	300,000	555,186.45	555,186.45
8	8-Aug-06	IUCN - TAP	4	400,000	220,000	194,411.54	194,411.54
9	10-Oct-06	WCS Thailand	2	81,000	50,000	37,492.10	25,461.08
10	10-Oct-06	WildAid	2	1,500,000	620,000	714,898.07	300,845.91
11	21-Sep-06	WWF CAM	2	1,000,000	510,000	420,822.47	165,677.00
12	21-Sep-06	WWF LAO	2	980,047	450,000	353,915.27	134,513.47
13	17-Oct-06	WWF VIE	2	5,000,000	1,170,000	523,397.62	241,734.26
14	1-Feb-07	Birdlife	2	533,103	200,000	170,210.25	66,543.39
15	13-Feb-07	Mae Fah Luang	4	405,000	160,000	96,488.96	29,163.51
16	20-Feb-07	IGES	3	135,000	50,000	19,431.94	19,431.94
17	7-Mar-07	UNEP	3	593,000	200,000	-	-
18	15-Feb-07	FAO	3	250,000	200,000	51,823.74	51,823.74
19	14-Jun-07	SEI	1	315,000	100,000	158,242.14	-
20	4-Oct-07	Murdoch University	3	200,000	30,000	24,364.58	-
21	3-Apr-08	NSTDA	S1	45,000	10,000	-	-
22	12-May-08	AIT - WM	2	27,000	10,000	-	-
23	28-Jun-08	AIT - Gender...	2	100,000	30,000	-	-
		<b>Total</b>		<b>16,460,323</b>	<b>6,115,175</b>	<b>4,254,873.35</b>	<b>2,391,301.59</b>

102. It is envisaged that the liquidation submission in the second half of 2008 will be at the same pace. In view of this, it is projected that the 2008 liquidation will be at the level of over \$4 million. Hence, disbursement for original RETA 6289 would be at \$4.86 million as planned. Most LoAs have a project physical closure in December 2009 and financial closure by March 2010. Only the LoA with WWF VIE provides for rolling over funds beyond end of Phase I, i.e. into 2010, which is reflected below.

**Table 6. Budget Forecasts 2008 – 2010 (without supplemental activities)**

Component	2006-09 Planned Budget	2006-2007 Actual Disbursements	2008 Planned	2009 Planned	2010 Planned
1	1,399,000	531,344	139,430	141,743	586,483
2	14,200,000	4,368,436	2,861,000	2,475,696	4,494,868
3	2,085,000	487,985	316,195	536,380	744,440
4	5,566,643	1,556,649	1,265,792	1,584,144	1,160,058
5	1,376,500	752,796	277,399	63,231	283,074
<b>Total</b>	<b>24,627,143</b>	<b>7,697,210</b>	<b>4,859,816</b>	<b>4,801,194</b>	<b>7,268,923</b>

103. Adding the supplemental activities that have been planned under CEP will require an increased budget forecast as shown in Table 7 below.

**Table 7. Supplementary Activities Budget Forecasts 2008 – 2011**

	2008-2011 Planned Budget	2008	2009	2010	2011
RETA Supplementary Budget	5,572,000	750,000	2,000,000	1,600,000	1,222,000
<b>Grand Total (original plus supplementary)</b>	<b>30,199,143</b>	<b>5,609,816</b>	<b>6,801,194</b>	<b>8,868,923</b>	<b>1,222,000</b>

104. Additionally, based on current spending patterns, it is envisaged that actual spending in 2008 as well as 2009 will be higher than planned while it would taper off in 2010. Therefore, planned figures will be re-evaluated at the end of 2008 in order to put down more accurate spending forecasts for the remaining period of the program up to 2010 for the original funds and up to 2011 for the Supplementary funds.

105. The projected budget forecast for 2008 with supplemental activities stands at just about \$5.61 million as shown in Table 7 above.

106. It should be noted that in the previous progress report of July – December 2007, the projected budget forecast for January –December 2008 was set at the higher figure of \$7.810 million. This has been reduced in this report after discussions with the Netherlands who have reduced their transfer for this current year (January-December 2008) to a maximum of \$1.0 million. Consequently the expansion of the BCI activities with the addition of health programs in some of the BCI pilot sites has had to be shelved pending identification of new funding to cover these activities. Some Climate change activities originally planned will also require postponement pending identification of new funds sourcing.

**Table 8. Fund flow projected for period 2008 – 2011 (with supplemental activities)**

	Donor	2006-2011 Planned Budget	2006 Actual	2007 Actual	2008 Planned	2009 Planned	2010 Planned	2011 Planned
1	Netherlands	14,000,000	3,600,000	1,983,398	1,000,000	4,000,000	3,416,602	
2	Sweden	10,000,000	-	3,377,590	2,062,500	2,343,750	2,216,160	
3	ADB	1,620,000	1,220,000	-	-	400,000	-	-
4	PRF	550,000	550,000	-	-	-	-	-
5	Finland	4,165,000	-	-	612,500	1,225,000	1,225,000	1,102,500
6	PRC Fund	500,000				500,000		-
	<b>Grand Total</b>	<b>30,835,000</b>	<b>5,370,000</b>	<b>5,360,988</b>	<b>3,675,000</b>	<b>8,468,750</b>	<b>6,857,762</b>	<b>1,102,500</b>

107. There was no fund receipt from RNE as planned in the first half of 2008. However, the Government of Finland has provided \$758,410 (as shown in Table 2) after signing of Letter of Agreement in February 2008. In addition, Sida contribution of SEK16.0 million (equiv. \$2,510,249.82) was received on 1<sup>st</sup> February 2008.

108. Finally, the revised planned drawdown of funds during July –December 2008 from all sources is given below in Table 9 with the resulting projected cash flow over the period 2008-2011 highlighted in Table 10.

**Table 9. Planned fund drawdown during 2008**

	Donor	2008 Planned Drawdown	Jan-Jun 08	Jul-Dec 08
1	Netherlands	1,000,000	500,000	500,000
2	Sweden	2,062,500	1,031,250	1,031,250
3	ADB	-	-	-
4	PRF	-	-	-
5	Finland	612,500	612,500	-
6	PRC Fund	-	-	-
	<b>Total</b>	<b>3,675,000</b>	<b>2,143,750</b>	<b>1,531,250</b>

**Table10: Projected Cash Flow 2008 – 2011**

	Description	2008	2009	2010	2011
	Beginning balance	2,648,948	533,382	1,822,499	(531,550)
Add:	Contribution drawdown	3,675,000	8,468,750	6,857,762	1,102,500
	Fund available	6,323,948	9,002,132	8,680,261	570,950
Less:	Projected disbursement	(5,609,816)	(6,801,195)	(8,868,923)	(1,222,000)
	Reserved for ADB administrative fee <sup>9</sup>	(183,750)	(378,438)	(342,888)	(55,125)
	Ending balance - c/f	533,382	1,822,499	(531,550)	(645,075)

<sup>9</sup> ADB Administrative Fee is calculated on contribution drawdown from cofinancing partners only.

**List of all publications and posters produced  
2006 – June 2008  
GMS Environment Operations Center  
Core Environment Program**

Titles of Posters	
1	Biodiversity Conservation Landscapes: Greater Mekong Subregion
2	Vegetation of the Upper Mekong Watershed:Deqin County, Yunnan Province
3	Biodiversity Conservation Corridors Initiative: Frangmentation & Connectivity through corridors
4	Biodiversity Conservation Corridors Initiative: Protecting Biodiversity for Future Generations
5	Biodiversity Conservation Corridors Initiative: Poverty Assessments & Socioeconomic Benchmarking
6	Biodiversity Conservation Corridors Initiative: Improving Livelihoods, Health and Household Assets
7	Environmental Performance Assessments and Sustainable Development Planning
8	Tools fo Geospatial Information in the Greater Mekong Subregion
9	Projects in Key Development Sectors in the Greater Mekong Subregion
10	Five Major Basins in the Greater Mekong Subregion
11	Strategic Environmental Assessments (SEA) of Greater Mekong Subregion Development
12	Innovative Geospatial Modelling Tools for Environmentally Sound Planning in the GMS
13	Providing Geospatial Information for the Greater Mekong Subregion (GMS)

	<b>Titles of Publications</b>
1	Greater Mekong Subregion: Core Environment Program 2006-2007 Progress Report
2	Biodiversity Conservation Corridors Initiative
3	BCI GMS BCI Strategic Framework and Technical Assessment (EPA)
4	CEP and BCI: Environmental Performance Assessment
5	BCI Pilot Site Implementation Status Report 2007
6	Environmental Assessment of Economic Corridors and Sectors: Implementation Status Report January 2008
7	Pilot Project profile: Xishuangbanna
8	Pilot Project profile: Ngoc Linh-Xe Sap
9	Pilot Project profile: Cardamon Mountains
10	Subregional Environment Performance Assessment (EPA) Report
11	Cambodia Environment Performance Assessment (EPA) Report
12	Lao PDR National Environment Performance Assessment (EPA) Report
13	Myanmar National Environment Performance Assessment (EPA) Report
14	Thailand National Environment Performance Assessment (EPA) Report
15	Vietnam National Environment performance Assessment (EPA) Report
16	Yunnan Province, People's Republic of China, national Environment Performance Assessment (EPA) Report

**List of all Training Workshops held for WGE and other GMS partners  
April 2006 – June 2008  
GMS Environment Operations Center  
Core Environment Program**

No.	Date	Workshops/Conference	Venue
1	Aug-06	Regional Planning Workshop for Component 1	Bangkok, Thailand
2	4-6 Oct 06	International Workshop "Biodiversity and Socioeconomic Assessment – Harmonization of Approaches in the GMS"	Bangkok, Thailand
3	11-Oct-06	Workshop on Finance Guidelines for BCI Implementation	Vientiane, Lao PDR
4	13-Oct-06	Workshop on Finance Guidelines for BCI Implementation	Phnom Penh, Cambodia
5	17-Oct-06	Workshop on Finance Guidelines for BCI Implementation	Hanoi, Vietnam
6	6-24 Nov 06	Training course on Regional and National Biodiversity Modeling and Analysis	Enschede, Holland
7	13-17 Nov 06	Training "Remote Sensing and GIS – A beginners course"	Bangkok, Thailand
8	26-28 March 07	Orientation workshop for staff of BCI project	Kunming, PRC
9	26 Mar – 6 April 07	Training "GIS-based Present-State Biodiversity Modelling and Analysis in the GMS"	Hanoi, Vietnam
10	Apr-07	SEA Training	Bangkok, Thailand
11	24-27 April 07	Workshop on Learning Movement on Strategic Environmental Assessment: A Tool for Public Policy Development	Bangkok, Thailand
12	16-May-07	Workshop on Alignment of Thailand's Policies on Biotechnology and Biosafety	Bangkok, Thailand
13	29-30 May 07	1 <sup>st</sup> Inception Workshop on Component 3 – Environmental Performance Assessment	Bangkok, Thailand
14	29-31 May 07	EPA Inception Workshop to discuss the sub-regional implementation of EPA, NSU work plans	Chiang Mai, Thailand
15	6-7 June 07	Inception workshop of the SEA of PDP IV, Hanoi, Vietnam	Hanoi, Vietnam
16	10-17 June 07	Orientation workshop	Guilin, Quangxi, PRC
17	11-12 June 07	1 <sup>st</sup> Inception Workshop on Component 3- Environmental Performance Assessment	Chiang Mai, Thailand
18	11-29 June 07	Advanced training course on Regional and National Biodiversity Modeling and Analysis	Enschede, Holland
19	23-25 July 07	Technical Workshop on Allocating Land Use Change with the CLUE Model	Hanoi, Vietnam
20	30-31 July 07	National Sustainable Development Strategy	Siem Reap
21	2-3 October 07	SEA Training for Provincial and National officials	Phnom Penh, Cambodia

No.	Date	Workshops/Conference	Venue
22	Oct-07	Round table workshop with senior decision maker	Cambodia
23	23-25 October 07	1st EPA Technical Workshop	Bangkok, Thailand
24	9-21 Nov 07	Training "GIS'based Future-State Biodiversity Modelling and Analysis in the GMS	Hanoi, Vietnam
25	10-11 Nov 07	Pre-training course on CLUE Model	Hanoi, Vietnam
26	12-23 Nov 07	Training on Future Scenario BD Modelling Using CLUE and GLOBIO Models in GIS	Hanoi, Vietnam
27	18-Dec-07	Guangxi Inception Workshop	Beijing, PRC
28	Jan-08	<b>Multi-stakeholder Training Workshop to explore alternate impact scenarios within PDP VI</b>	<b>Hanoi, Vietnam</b>
29	6-8 Jan 08	<b>Lao PDR Inception and Orientation Workshop on EPA</b>	<b>Lao, PDR</b>
30	21-Jan-08	<b>Inception workshop on EPA</b>	<b>Hanoi, Vietnam</b>
31	4-Feb-08	<b>National Inception Workshop on EPA</b>	<b>Bangkok, Thailand</b>
32	18-19 Feb 08	<b>EPA Cambodia Inception Workshop</b>	<b>Phnom Penh, Cambodia</b>
33	25-27 Feb 08	<b>GMS Environment Seminar</b>	<b>TRM, Thailand</b>
34	18-21 March 08	<b>BCI Workshop</b>	<b>Chiang Rai</b>
35	9-Apr-08	<b>Yunan Inception Workshop</b>	<b>Kunming, PRC</b>
36	10-11 April 08	<b>1st Consultation Workshop on EPA</b>	<b>Guangxi, PRC</b>
37	Apr-08	<b>Valuation and Weighting Training</b>	<b>Vietnam</b>
38	May-08	<b>International Association for Impact Assessment (Session on SEA within the GMS organized by EOC)</b>	
39	22-23 May 08	<b>1st Consultation Workshop on EPA</b>	<b>Cha-am, Thailand</b>
40	26-30 May 08	<b>Subregional Training Workshop on EPA and SDP</b>	<b>Khon Kaen, Thailand</b>
41	9-10 June 08	<b>Cambodia Local Training Workshop</b>	<b>Siem Reap, Cambodia</b>

**List of all WGE Meetings, Workshops and Conferences organized  
2006 - June 2008  
GMS Environment Operations Center  
Core Environment Program**

No.	Date	Workshops/Conferences	Venue
1	27-28 April 06	Biodiversity Conservation Corridors Initiative International Symposium	Bangkok, Thailand
2	12-13 Dec 06	Working Group on Environment First Technical Meeting (WGE-TM-1)	Bangkok, Thailand
3	7-Jun-07	Scoping Workshop for SEA of the tourism sector	Sihanoukville, Cambodia
4	13-15 June 07	Working Group on Environment 13th Annual Meeting	PR, China
5	8-Nov-07	Hydropower SEA Scoping Workshop	Hanoi, Vietnam
6	28-Nov-07	2nd WGE Semi-Annual Meeting	Videoconference
7	28-30 Jan 08	<b>2nd GMS Environment Ministers' Meeting</b>	<b>Vientiane, Lao PDR</b>
8	Apr-08	<b>NSEC SEA Scoping Workshop</b>	<b>Kunming, China</b>
9	6-9 May 08	<b>Working Group on Environment Brainstorming Workshop</b>	<b>Bangkok, Thailand</b>
10	1-2 July 08	<b>Working Group on Environment 14th Annual Meeting</b>	<b>Luang Prabang, Lao PDR</b>

**List of all Study Visits organized for WGE and other officials  
April 2006-June 2008  
GMS Environment Operations Center  
Core Environment Program**

No.	Date	Visits	Venue	Partners/Staff involved
1	5-12 May 07	Baltic Sea Study Visit	European Countries	Laos, Myanmar, PR China, Thailand, Vietnam, SENSEA, ADB EOC, IUCN (TAP), SIWI
2	17-25 August 07	US Environmental Protection Agency visit	Washington D.C., USA	14 Thai delegates from MONRE
3	23-30 Sept 07	2nd GMS Study Visit: Biofuels Development and Environmental Management	Bangkok, Thailand & Yunan, PR China	WGE, MONRE (Thailand), YEPB/SEPA (China)

**Appendix 5**

**GMS Officials on Deputation at EOC  
April 2006 – June 2008  
Environment Operations Center, Core Environment Program**

<b>No.</b>	<b>Name</b>	<b>Country</b>	<b>Assignment</b>	<b>From</b>	<b>To</b>
1	Mr. Virak Sou	Cambodia	GIS	28-May-07	27-Aug-07
2	Mr. Wang Xin	China	GMS Capacity Building	20-Nov-07	7-Dec-07
3	Mr. Xiong Ruiyang	China	GMS Capacity Building	25-Nov-07	8-Dec-07
4	Mr. Wu Jun	China	GMS Capacity Building	27-Nov-07	2-Dec-07
5	Ms. Huang Miao	China	GMS Capacity Building	10-Dec-07	21-Dec-07
6	Ms. Nguyen Hoang Yen	Viet Nam	BCI	8-Apr-08	7-Jul-08

**GMS Internships at EOC  
April 2006 – June 2008  
Environment Operations Center, Core Environment Program**

<b>No.</b>	<b>Name</b>	<b>Country</b>	<b>Assignment</b>	<b>From</b>	<b>To</b>
1	Ms. Ei Cho Zin	Myanmar	to assist the Financial and Sustainable Tourism Support	1-Jun-06	31-May-07
2	Ms. Kritsana Kityuttachai	Thailand	to assist the GIS Specialist	1-Apr-07	30-Sep-07
3	Mr. Anysay Keola	Lao PDR	to assist the Outreach Specialist	25-Apr-07	30-Apr-08
4	Ms. Wang Mei	China	to assist in BCI and EPA projects	1-Jun-07	9-Jul-07
5	Ms. Nguyen Thanh Phuong	Viet Nam	to assist the Financial Accounting & Management Specialist and Finance Assistant	16-Jul-07	15-Jul-08
6	Ms. Jiao Xi	China	to assist in SEA and EPA projects	22-Aug-07	31-Jul-08
7	Ms. Wu Jian	China	to assist in the GMS Capacity for Environment Management	19-Feb-08	18-May-08
8	Mr. Chuon Chankarona	Cambodia	to assist the Financial Accounting & Management Specialist and Finance Assistant	28-Feb-08	27-Feb-09