

## Major Change in Scope and Amount

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Project Number: 36620  
Technical Assistance Number: 6324  
August 2007

### Expansion of Subregional Cooperation in Agriculture in the Greater Mekong Subregion (Cofinanced by the Government of the People's Republic of China)

1. The regional technical assistance (TA)<sup>1</sup> was approved on 23 June 2006 for \$1,000,000 with financing from the Government of the People's Republic of China for \$600,000 and \$400,000 from ADB on a grant basis for: (i) enhancement of coordination and communication among GMS countries; (ii) facilitation of cross-border agricultural trade and investment; and (iii) establishment of Agriculture Information and Network Service (AINS) under the guidance of the GMS Working Group on Agriculture (WGA).
2. The change in scope and increase in TA amount would support the technical assistance on cross-border agricultural trade and investment. The additional grant resource offered by International Fund for Agricultural Development (IFAD) will allow the TA to undertake special studies in order to: (i) provide an interim strategy on policies, technologies, institutions, markets, social and environmental issues in the biofuel subsector of the GMS; and (ii) develop a medium term strategy and targeted interventions for a follow-up phase to be implemented by the GMS Working Group in Agriculture (WGA) and other relevant agencies, for integrating biofuel and rural renewable energy production and rural agriculture for poverty reduction.
3. The TA supports the coordination of programs and projects being developed and implemented in GMS countries through the WGA Secretariat, organizes annual meetings of the WGA, and conducts dialogue with the development partners for mobilizing resources for the Core Agriculture Support Program (CASP). The First GMS Agriculture Ministers' Meeting held on 10-12 April 2007 in Beijing, China endorsed the GMS Strategic Framework for Subregional Cooperation in Agriculture 2006-2010 under which the CASP had been initiated. The TA is also responsible for undertaking a set of special studies that will generate knowledge and information on advanced agricultural practices, and provide basis for formulating further policy and investment cooperation on agricultural development among the countries involved in collaboration with both public and private sectors.

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<sup>1</sup> ADB.2006 *Technical Assistance for the Expansion of Subregional Cooperation in Agriculture in the Greater Mekong Subregion (cofinanced by the Government of the People's Republic of China) (TA No. 6324-REG)*.

4. To date the TA has completed the following: (i) established the WGA Secretariat; (ii) developed the Strategic Framework (SF) and prioritized key areas for subregional cooperation in agriculture under CASP; (iii) organized a series of meetings, namely WGA-4, GMS Agricultural Ministers' Meeting and biofuel initiatives; and (iv) launched the AINS website. The SF has prioritized biofuels and rural renewable energy as an emerging area of interest with relevance to agricultural development in the subregion, requiring further in-depth study and analysis in order to guide the GMS countries on the strategies and options for policy and investment. In June 2007, the WGA Secretariat launched the GMS Biofuels and Rural Renewable Energy Initiative in Bangkok, Thailand and held a Planning Workshop for the Assessment of Biofuels and Rural Renewable Energy, which was participated in by all GMS countries including private sector organizations, and supported by ADB, IFAD and FAO.

5. IFAD has been an active development partner in the WGA and pledged to support the implementation of CASP. It had earlier agreed to contribute to the TA budget an initial amount of \$200,000 to support a special study on the biofuels and rural renewable energy in the GMS countries. Specifically, the IFAD grant will supplement the efforts under RETA 6324 to conduct a special study on the strategies and options for integrating biofuel and rural renewable energy production into rural agriculture for poverty reduction in the GMS. This study would be the first of a series of projects to be co-financed by IFAD.

6. On 30 August 2007, Management approved a major change in scope and increase in the TA amount by \$200,000 to be provided by IFAD on a grant basis to be administered by ADB. In accordance with Project Administration Instructions 5.11 paras. 32 and 33, the Board is notified of this approval.