

18 October 2006

Mr. Tira Foran

Senior Programme Officer
Asia Water Programme
IUCN – The World Conservation Union
Asia Regional Office
63 Sukhumvit Soi 39, Wattana
Bangkok 10110, Thailand

Dear Mr. Foran,

Thank you for your letter of 25 September 2006 conveying your comments and recommendations on the Greater Mekong Subregion (GMS) Energy Strategy being developed by the GMS countries with assistance of Asian Development Bank.

First, we would like to clarify that the discussion in the second to the last paragraph on page 3 of the Inception Report refers to the technical assistance on the Core Environment Program which IUCN and other civil society organizations are supporting through in-kind contributions (and not the RETA 39002 dealing with GMS Energy Strategy).

Second, the study will use the Model of Energy Supply Systems Alternatives and their General Environmental Impacts (MESSAGE) and this will be able to handle six steps identified in your letter. Both energy efficiency options on the demand side and decentralized energy potential on the supply side will be considered within the MESSAGE model because we recognize the potential for decentralized and renewable energy production in GMS. The GMS Energy Strategy Study is expected to identify several alternative scenarios and the costs and benefits of different feasible options will be assessed for these scenarios. Information from available studies will be used as inputs to the Study. As we had clarified at the Bangkok meeting, data and assumptions will be validated using different approaches by the governments and using global and regional benchmarks. The data and assumptions will be presented in a transparent way during the consultation process with a wider group. There is also very close coordination between the GMS Energy Strategy Study Team and the GMS Environment Operations Centre.

Rajat M. Nag

Director General, Southeast Asia Department and
Special Advisor to the President
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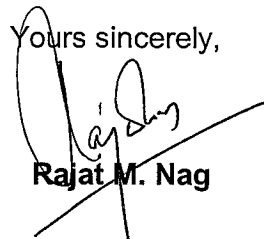
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We look forward to continued engagement with IUCN throughout the course of the Study.

Best wishes.

Yours sincerely,



Rajat M. Nag

cc: Members of the TA Experts' Panel

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Mr. John Dore, International Union for the Conservation of Nature
Mr. Pavit Ramachandran, GMS Environment Operations Center
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