



## **Greater Mekong Subregion Environment Operations Center**

### **Greater Mekong Subregion (GMS) Working Group on Environment 14<sup>th</sup> Annual Meeting (WGE AM14)**

**2 July, 2008  
Luang Prabang, Lao PDR**

#### **MEETING PROCEEDINGS**

##### **I. INTRODUCTION**

1. The GMS Working Group on Environment 14<sup>th</sup> Annual Meeting, WGE AM14, was held on 2<sup>nd</sup> July 2008 in Luang Prabang, Lao PDR. The meeting was hosted by the Water Resources and Environment Administration (WREA) of Lao PDR in cooperation with the GMS Environment Operations Center and the Asian Development Bank. The meeting participants included delegations from Cambodia, the People's Republic of China, Lao PDR, Myanmar, Thailand and Viet Nam. Observers included representatives from the Governments of the Netherlands, Sweden, Finland, ADB, AIT, Birdlife, FAO, IGES, IUCN, MFU, MRC, SEI, UNEP, WWF, XTBG, EOC and three members of the Technical Advisory Panel. Invitees included START, Wageningen University & Asia Strategy Forum representatives. The participants list is attached as Appendix 1. A draft agenda and meeting documentation had been forwarded to all participants prior to the meeting. Meeting Agenda is attached as Appendix 2.

##### **II. OPENING SESSION**

2. The meeting was co-chaired by Madame Keobang A. Keola, Acting Permanent Secretary, WREA, Lao PDR and Mr. Urooj Malik, Director, Agriculture, Environment and Natural Resources Division, Southeast Asia Department, ADB. H.E. Mr. Saysamone Khomthavong, Vice-Governor of Luang Prabang, inaugurated the meeting. In his opening address, he welcomed all meeting participants to Luang Prabang and thanked ADB, EOC and the National GMS Secretariat for their support in organizing the meeting. Mr. Saysamone affirmed that good environment is essential for sustainable development and that poverty eradication is a main concern. He further noted that the declining natural resource base poses risks to rural livelihoods, health and welfare, and that it is important to assess and address these risks. He further noted that national, provincial and local capacity building is needed, particularly for Lao PDR. Mr. Saysamone expressed his appreciation for the WGE and the EOC for developing new ideas and proposals that will strengthen the GMS' capacity to cope with the environmental challenges. In conclusion, he remarked that cooperation and coordination between environment and economic sectors is necessary for maintaining the shared resources for generations to come.

3. Mr. Mahesh Pradhan, UNEP, addressed the meeting on behalf of Mr. Surendra Shrestha, noting that UNEP as co-chair of the WGE meetings and implementing partner continues to be deeply engaged in the CEP. Mr. Pradhan informed the meeting about UNEP's medium term strategy (2010-2014) which covers

six priority areas, including climate change, ecosystem services, disaster and conflicts, environmental governance, harmful substances and hazardous wastes, and resource efficiency / sustainable consumption and production. He further highlighted that Thailand will host an ASEAN+3 youth forum on 14-20 July, which might be of interest to the WGE and EOC. Mr. Pradhan also mentioned that the issue of climate change presents an opportunity to mainstream environment and will likely figure prominently at the upcoming G8 meeting in Japan. He concluded by expressing his deepest sympathies for Myanmar and the devastation that the cyclone Nargis caused. He affirmed that UNEP stands ready to undertake an environmental assessment of the catastrophe.

4. Mr. Urooj Malik, ADB, welcomed all participants to the WGE AM14 meeting. Mr. Malik noted that the meeting agenda was packed, and is intended to prompt action in a number of areas responding both to the pressing issues of the times and the directions given by the 2<sup>nd</sup> Environment Ministers' Meeting and the 3<sup>rd</sup> GMS Summit. Mr. Malik particularly focused on the current food crisis and the effects it will have on poor people and on the environment. He noted that this crisis highlights the critical value of agriculture. Mr. Malik also brought up climate change as a key concern for the GMS, which will affect agriculture, fisheries, forestry and other sectors that are the backbone of development. Changes in temperatures will also cause unwanted weather extremes. Mr. Malik extended his deepest sympathies to Myanmar for the recent cyclone Nargis and noted that this event highlighted the devastating potential weather extremes can have on human lives and livelihoods.

5. Mr. Urooj Malik further stressed the importance of environment for development, in responding to the challenges and noted that without appropriate measures to manage the environment, agriculture and natural resources, development will be undermined. Mr. Malik reported that the recently endorsed ADB's Strategy 2020 therefore includes environment both as a key pillar of the strategy for environmentally-sound economic growth as well as a core area of intervention by the ADB. Climate change and sustainable resource development, especially water resources management, are also considered in the strategy to be major areas requiring the ADB's attention and scaling up of activities and investments. He further briefly summarized the CEP key accomplishments to date, noting that the meeting can be proud of the work being performed by the EOC. In conclusion, Mr. Malik confirmed that the CEP is generating much interest and is being recognized also beyond the GMS as he noted during a recent visit to Europe.

6. Mme. Keobang A Keola, on behalf of the Lao PDR government, welcomed all participants to Luang Prabang. She stressed that climate change is an issue that needs to be addressed by the WGE and that the GMS countries need to work together to overcome environmental challenges. Mrs. Keola also noted that the WGE cooperation has a strong foundation based on solidarity, ensuring a successful meeting.

### **III. TECHNICAL PRESENTATIONS**

7. Mr. Anond Snidvongs, START Regional Center, delivered a presentation on *Climate Change: Challenges for the GMS*. The presentation gave an overview of the combined effects of changes in the climate, with a particular focus on implications for Thailand. Mr. Snidvongs also described the results from several climate scenario simulations and climate projections for mainland Southeast Asia. The results gave a picture of what could be the future climate in mainland Southeast Asia. In concluding his presentation, Mr. Snidvongs outlined possible impacts on agriculture in the GMS, under various CO<sub>2</sub> concentration levels.

8. Mr. Arend Kolhoff, TAP, gave a presentation of how the CEP may respond to climate change. First, Mr. Kolhoff noted that many of the GMS countries are very vulnerable to the impacts of climate change, particularly to flooding, sea level rise and storms. He further described potential impacts on biodiversity. He outlined various options for the CEP to act on the risks posed by climate change. In particular, he recommended that the CEP focus on climate proofing of national and sectoral development plans, using Strategic Environmental Assessments as the methodology. In addition, he recommended that the CEP implement relevant adaptation strategies for the BCI program.

9. Ms. Mingsarn Kaosa-ard, TAP, commented that the issue of climate change is very important and gives the WGE an entry point into the other GMS Working Groups. There was general agreement from TAP and the START presenter that the CEP should take the opportunity to engage in agricultural related activities, as part of responses to climate change as well as highlight the position and commitment of the WGE in the GMS and not simply relegate it to another working group.

10. TAP delegate requested clarifications on the START presentation regarding changes to the monsoons and on the crops modeling undertaken in the different parts of the GMS. Myanmar delegate asked what made the recent, devastating, cyclone Nargis follow its unusual course. Cambodian delegate commented that the hows of climate change adaptation is still a big question, especially in relation to existing infrastructure and the poor communities in the GMS. Mr. Snidvongs shared that for the main part of Southeast Asia in general, recent studies and modeling show Southwest monsoons are stronger but in the Southern insular and peninsular regions (South Viet Nam and Southern seas), the Northeast monsoons are stronger. As for the crop models, there are different networks for crop modeling in all GMS countries, particularly for rice. In response to Myanmar's query, Mr. Snidvongs explained that unusually warm weather in South China and North Thailand created a "vacuum" area that drew the cyclone into Myanmar. He further pointed out that this occurrence was perhaps not directly related to climate change but due to the cold front from China and the very warm air from the oceans at the end of the winter season which developed into a very big atmospheric structure / turbulence. On the comment from Cambodia, Mr. Snidvongs cited that SEA is one pragmatic mechanism to integrate climate change into the planning process and new infrastructure development; EIA is more short term and may not be relevant in terms of space and time.

11. Referring to TAP's presentation, Lao PDR commented that the country is one of the countries in the region whose natural forest cover is under threat. Of what is left, much of the forests are degraded. They hope that TAP could have included some recommendations to address deforestation and land degradation issues as well as recommendations for studying the opportunities for carbon credit trading. This will greatly assist the country in coming up with a plan of action for carbon credit trading scheme. Thailand delegate requested for more information regarding translocation of species as an adaptation strategy in the BCI sites. In response to Laos, Mr. Kolhoff explained that healthy ecosystems are a requisite to address climate change, and that primary forests are much more resilient than secondary forests. TAP recommends that whatever pristine forests are left should be conserved. For Thailand, from a biological perspective, protected areas should be considered gene pools for the future and therefore serve as insurance for species movement as the present gene composition is secured. If the system is healthy, it can readily adapt to climate change. European examples show that fragmentation by major linear infrastructure (as the NSEC in the GMS) can become a major barrier for

translocation of species if not designed and implemented according to good standards.

12. EOC staff expressed appreciation on the wealth of information presented by Mr. Snidvongs and recommended that the Mekong River Commission make use of this work in its current drafting of the Basin Development Plan. China delegate commented that as there are numerous global responses on climate change already in motion such as the UNFCCC, regional responses therefore are not appropriate. Moreover, since there are geographical differences among the GMS countries, a common framework for responses is not possible to achieve. China therefore recommended that the CEP focus on its flagship component, the BCI. Thailand delegate supported the proposed CEP activity to assess climate change impacts at the BCI level with recommendations that some activity be undertaken to raise the awareness of adaptation to climate change among the poorest people in the GMS.

13. Mr. Urooj Malik introduced Mr. Morita Noritada, Chairman of the Asia Strategy Forum, citing that Mr. Morita has had a very long and dedicated engagement with the GMS. Mr. Morita delivered a speech outlining the GMS history, its importance today and its future. He presented a success story about the Lao PDR hydropower project he was involved with in 1984. Despite the political situation that time and development banks' hesitation to finance the project, Thailand and Lao PDR signed an agreement which enabled Thailand to purchase electricity from Lao PDR thereby rendering benefits for both parties. Mr. Morita stressed the importance of these early steps of regional cooperation leading towards the creation of the GMS Economic Cooperation Program. Mr. Morita also praised the flexible cooperation model already adopted at the start of the GMS ECP in 1992, which allows two countries to pursue joint activities despite other GMS countries' preference to wait before joining the activity. He noted that this cooperation model is important for maintaining national sovereignty.

14. Mr. Morita also highlighted the unique aspects of natural resources in the GMS, such as the Mekong River, its forests and its biodiversity. He stressed the importance of protecting these assets and the importance of responding to global warming. Mr. Morita further referred to the recent food crisis and inquired whether the GMS countries intend to be net suppliers in the international market. He noted that food shortage is on the agenda in the GMS but that there is a lack of proposals of what the GMS can do to alleviate the problem. Mr. Morita concluded by emphasizing that even though there is rapid economic progress in the GMS, there is still a lot of work to do. By joining together, the GMS can form a larger group on the globally competitive arena. To address the environmental challenges in the GMS, even simple things like planting trees is a start and has potential.

15. AIT delegate inquired whether the current levels and forms of the GMS countries are what has been envisioned and expected by the speaker, himself being one of the founding members of the GMS; and what were his expectations on the roles of grassroots organizations in the work for environment. Mr. Morita replied that environmental aspects have been discussed only recently in the GMS, and that environment departments within governments are relatively newly established. Therefore much more technical and financial support is needed. He stressed that environmental education is important and that university networks and students can be tapped into to support the government even through community work for environmental protection. He also stressed that academic groups can establish links and move the media to encourage them to focus more on environment issues.

16. Thailand delegate made a comment in relation to the presenter's statement that GMS which has water and sun, should be the food bag of the world; agricultural practices require a lot of pesticides, causes soil erosion, deforestation, etc. while poverty still remains an important issue. On one hand, GMS as a tourism destination is a possibility as this economic activity has lesser environmental impact in the region. The presenter's opinion was requested. Mr. Morita replied that agriculture does not mean the huge traditional type of agricultural operations but rather the no-chemicals, high-cost high-priced farm produce. Coupled with improved access to the markets thru improved land and air infrastructure and transportation, as well as sharing of the regional markets, farmers will be encouraged to farm using existing lands.

17. Mark Halle, TAP, asked for Mr. Morita's advice to the WGE on how to influence the discussions in the other sectors, the basis from which integration can take place with an environmental footing. Mr. Morita replied that there are a whole range of activities that can be undertaken, and one can only do so much. To make the WGE or the GMS unique, it should embark on activities on a non-political basis and these should be based on partnerships between governments, international organizations and development partners. Activities do not necessarily have to be large as long as they address specific problems and are implementable.

18. Referring to Mr. Morita's speech, Ms. Annelies Donners, Royal Netherlands Embassy commented that one of the key messages is to keep focus on people – in whatever state of service one is, either in government, funding agency, NGO. The other message is to join hands and join efforts. Addressing the ADB, she also stressed the importance of emphasizing the cross-sectoral dimension during the programming consultations process that will be undertaken during the next few months. Ms. Donners further suggested that ADB take the leadership role in undertaking an internal carbon footprint assessment. Mr. Dawood Ghaznavi responded that the country consultation process for CEP programming includes relevant ministries, not only the environment departments. Mr. Urooj Malik informed the meeting that ADB has undertaken an assessment of carbon footprint of its headquarters' operations. He added that there is an in principle agreement also to assess country operations, but there are methodological difficulties for these assessments. Mr. Malik invited TAP to advice on carbon footprint assessment for ADB country operations. Mark Halle, TAP, noted that there are several methods available for "neutralizing" an organization's operations. The main difficulty, he added, is the management commitment. Similarly, for economic/transport corridors to be carbon "neutral", it will require political commitment from the countries.

#### **IV. CEP PROGRAM DESIGN AND DEVELOPMENT FOR 2008-2011**

19. Mr. Dawood Ghaznavi, EOC, presented proposed plans and activities for WGE and EOC institutional strengthening and capacity building. The proposed activities are cross-cutting through the CEP program components. Mr. Ghaznavi further described the options for EOC institutional future, as were presented and discussed at the Brainstorming Workshop, 8-9 May. To enable EOC to develop new concepts in closer cooperation with the WGE, Mr. Ghaznavi also outlined the plan for consultations with the GMS countries over the next months, aiming for a final decision on new CEP activities by the WGE meeting in November.

20. Mr. Chuon Chanrithy, Cambodia, appreciated the EOC's role in coordinating the NSUs, noting that the presentations gave a good understanding of proposed

activities and outputs. It also noted that many concept notes have been drafted and that it will take some time to go through all of them.

21. Xia Yingxian, PR China, agreed with the proposed process and timeline for CEP programming and welcomed EOC to China in September for consultations. They further suggested that: while CEP support for capacity building and institutional strengthening is progressing, EOC should work more closely with the GMS countries to better understand the countries' priorities for the CEP; while programmatic linkages are important, linkages between GMS countries are also important.; the proposed conference be held in 2010 to coincide with the 15<sup>th</sup> anniversary of WGE; a CD-ROM may be compiled with all CEP/EOC documents, progress reports, WGE meeting notes, resolutions, etc.

22. Ms. Htwe Nyo Nyo, Myanmar, pointed out that Myanmar seems to not be involved in any of the proposed new CEP activities but requested for the meeting to consider the country in light of the recent cyclone Nargis, which has caused severe human and physical damage. Myanmar further requested EOC to prepare a proposal and source financing support for undertaking an environmental assessment in the area affected by the cyclone.

23. Regarding the institutional future for EOC, Mr. Kiti Tanhan, Thailand, suggested that external experts should be used for drafting a proposal and that the institutional development of EOC should be seen in three phases; short- (2010-2015), medium- (2015-2020) and long-term (2020-2030). Finally, it was proposed that EU and ASOEN be looked into as models for institutionalization of regional environmental cooperation

24. The draft CEP/BCI Communications Strategy was also presented by Mr. Dawood Ghaznavi on behalf of the EOC Outreach Specialist. The priority target groups for the Strategy are policy makers; media; and youth groups. Three goals have been set forward in the Strategy: to heighten awareness among policy makers; to raise awareness of GMS-EOC's approach on environment and development; and to involve youth and civil society stakeholders.

25. Cambodia inquired how the CEP/BCI Communications Strategy will be linked to the national media. Lao PDR mentioned that the BCI film was shown on Lao TV and was very well received, and requested EOC to continue the work involving the youth and the universities and to come up with program ideas for their continuing future involvement. The communications strategy should also include women and women's groups as target.

26. PR China expressed the importance of working closely together with knowledge centers that are already located in the GMS. Myanmar also mentioned that the ASEAN Environmental Education Action Plan might be of relevance to the CEP/BCI Communication Strategy. Thailand posed the question of how the strategy will address communication with parliamentarians. Viet Nam also expressed difficulty in communicating with policymakers, which hopefully, the strategy would be able to assist the WGE with.

27. In response to comments brought forward by the WGE, Mr. Ghaznavi explained that communication with national media, such as TV productions, will be done in local languages as far as possible, using the English language only where necessary. Regarding the use of GMS-based knowledge centers, Mr. Ghaznavi mentioned that EOC is currently developing its university network that will serve this

purpose. He further noted that communication with parliamentarians will necessary differ among the GMS countries, given the difference in political systems.

28. Ms. Lilita Bacareza-Pacudan, EOC, presented the draft CEP/BCI Capacity Development Plan. The draft CEP/BCI Capacity Development Plan has thematic focus on climate change; WGE and EOC strengthening; new tools and approaches; and knowledge products and youth programs. The primary target groups are WGE/EOC and local communities. Secondary target groups are GMS nationals and university networks.

29. Lao PDR noted that capacity building is very important for the GMS, particularly at the local/district levels of Lao PDR and supports the proposed work of the EOC in this aspect. PR China advised about the critical need to identify capacity gaps. Thailand commented that to undertake a strategic plan for capacity development, it is important to consider the variety in country backgrounds, levels of skills, etc.

30. Viet Nam agreed to the principles, plans and activities outlined in the capacity development plan and stressed that capacity development for responding to climate change is important. They proposed that the draft project for mainstreaming climate change into national development planning also be undertaken in Viet Nam. Training for the introduction of new tools are also very much needed. Referring to the draft Capacity Development Plan, it was suggested that target groups be clearly identified for each activity in the training plan, and for roles of the various target groups and EOC be clarified.

31. Ms. Bacareza-Pacudan noted Viet Nam's request to be included in the proposed activity to undertake mainstreaming of climate change into national socio-economic development planning. Noting the issues raised by the WGE on differing levels of capacity among the GMS countries and the importance of a capacity needs assessment, these issues will also be considered in the CEP/BCI Capacity Development Plan.

32. Mr. Hasan Moinuddin, EOC, presented proposed climate change agenda and proposed investment framework. Mr Moinuddin referred to the Joint Summit Declaration, the 2<sup>nd</sup> Environment Ministers' Meeting and the Supplemental RETA all requesting that WGE/EOC include climate change activities in the CEP. Eight concept notes have been drafted, proposing CEP activities covering vulnerability and livelihoods, mitigation and adaptation.

33. PR China stressed that BCI is the flagship component of the CEP, which needs to be kept in mind during budget allocation. China also cautioned that if too many climate change-related activities are initiated, there is a risk of spreading the program too thinly.

34. Dr. Songtam Suksawang, Thailand, supported the draft proposal on Reducing Emissions from Deforestation and Land Degradation and the draft proposal on Transboundary Eco and Cultural Tourism in Preah Vihear and proposed to also undertake preparatory measures on the Thailand side of the proposed project site for a budget of US\$ 50,000. Thailand further proposed that climate change related activities should focus not only on BCI sites but include the whole GMS.

35. Mr. Moinuddin noted WGE's requests for climate change activities to not only cover BCI sites but a wider geographical scope, as well as an increased climate

change scenario analyses and focus on piloting and replicating mitigation and adaptation measures in the GMS.

36. Mr. Moinuddin further laid out the proposed 2011-2015 investment framework and proposed knowledge and communications products. In response to a WGE query over the need and scope of proposed 2009 Environment and Development conference, Mr Moinuddin highlighted that it could be an important event for benchmarking of achievements and serve as a platform for cross-sectoral discussions. He further stressed that it can serve as a milestone toward developing the \$1.7 billion investment framework.

37. Mr. Pavit Ramachandran, EOC, presented proposed activities for introducing new tools and approaches in the CEP, to meet the demand in the GMS for knowledge and skills in advanced methods and tools. These include spatial decision support tools, resource use efficiency assessment methods, aggregated indices and various economic valuation techniques.

38. Lao PDR noted that capacity and skills at the local level in GMS are not very high and this needs to be considered when applying new tools and approaches. Thailand suggested that SEA and EPA activities in the CEP should focus more on sectoral activities rather than particular geographical areas, and to improve linkages between SEA and EPA activities.

39. Responding to WGE comment requesting the strengthening of both horizontal and vertical linkages across development planning, Mr Ramachandran outlined how this can be achieved in ongoing and planned CEP activities.

40. Mr. Dawood Ghaznavi, EOC, presented an overview of CEP operation budget, including status of funds, Letters of Agreement and disbursements. Mr Ghaznavi also gave a financial summary of all new concept notes that have been drafted for WGE consideration. The summary proposed a sequencing of activities with some proposed projects to be funded by the Supplemental RETA, while financing for other remain to be sourced. Mr Ghaznavi also emphasized that final decision and endorsements of new CEP projects will not be made during the WGE AM14. The proposed process is to consult with all GMS countries during the July-Oct period, aiming for final decision on new CEP projects by November at the WGE SAM3.

## **V. CEP PROGRAM DESIGN AND DEVELOPMENT DISCUSSION**

41. Ms. Helena Ahola, Embassy of Finland, presented comments from developing partners. Ms. Ahola referred to the frequent changing of meeting schedule, which poses problems for participants. She also noted that a large number of concept notes have been presented and that the prioritization among these is not fully clear. Ms. Ahola further stated that it would be interesting to know how much money is allocated to each country. Referring to the concept notes, she also expressed that the development partners would welcome an increase of transboundary initiatives. Ms. Ahola then brought up the issue of external risks to the BCI, specifically from hydropower development and land concessions and recommended EOC to consider these risks very carefully. She further emphasized that the CEP, as a flagship program, should not lose implementation momentum due to administrative rigidity. In addition, Ms. Ahola inquired what steps will be taken to implement any recommendations that may be put forward in ADB's current mid-term review of CEP. In concluding, she requested increased cooperation among

GMS sector groups and mentioned that environment should be integrated into all GMS activities.

42. Ms. Annelies Donners, Royal Netherlands Embassy, asked to be informed about what ADB is planning as a response to the emerging threats to the CEP/BCI program. On the same note, Mark Halle, TAP, asked how ADB will proceed when conflicts do arise between development priorities. Responding to Ms. Donners' concern, Mr. Urooj Malik referred to a similar conflict of interest that recently arose over developments in Kalimantan, Indonesia. Mr. Malik mentioned that planned roads development in Kalimantan threatened an environment and conservation initiative, called the Heart of Borneo. The planned roads development study was eventually withdrawn by ADB but, rhetorically, Mr. Malik asked if the road development in Kalimantan in the end stopped? Given that governments are sovereign and able to make decisions on their own there is a limit to what any development partners or donor agencies can do to influence change, especially if any two countries decide bilaterally to cooperate among themselves with no external financing involved. Such a situation limits the degree of dialogue external agencies can engage in. Mr. Malik pointed out that it is important and in everyone's interest to cooperate closely among WGE members and with support from EOC on any investments that could potentially be a source of conflict between economic sectors and the environment, share information on developments and exercise transparency in decision-making. Such an approach will go a long way in ensuring sustainable development of the GMS, Mr. Malik concluded.

43. Mae Fah Luang University delegate proposed that WGE takes a regional approach to adaptation even though it is not well equipped to address transboundary challenges. He further requested that the WGE focal ministries, i.e. the environment departments approach other line ministries in their countries for funding for capacity building. IUCN delegate inquired whether EOC has any plans to expand the BCI work to encompass the larger landscapes rather than the current BCI sites.

44. Mr. Dawood Ghaznavi, EOC, in responding to the comments from development partners, apologized for the many changes of the meeting schedule. Mr. Ghaznavi further outlined the consultation process that will be undertaken in July-Sep, aiming at prioritizing among proposed concept notes according to WGE input. Mr. Javed Mir, ADB, noted that the ADB mid-term review of CEP will be concluded by mid-July and that results will be circulated among WGE and partners. Mr. Mir further clarified that the developments in the Eastern Plains of Cambodia, posing possible risks to the BCI activities in the area, is not funded by the ADB. The planned hydropower investments in the area come from the private sector, which the CEP can only influence indirectly.

45. Stockholm Environment Institute delegate asked to what extent WGE/EOC has engaged with the GMS Business Forum. In response, Mr. Urooj Malik, ADB, mentioned that WGE/EOC so far has not engaged with the GMS Business Forum. Mr. Malik further questioned if the timing was right to engage with that GMS group. Regarding other GMS groups, he added, WGE/EOC has ongoing cooperation with the Phnom Penh Plan for Development Management. Furthermore, there have also been exchanges between WGE and the Working Group on Agriculture.

46. WWF delegate, added to the Heart of Borneo example that there are lessons to be learned from the experience. He mentioned that putting an economic value on natural resources may convince decision makers in keeping forest standing. Furthermore, in the example of Heart of Borneo, there was an existing agreement of safekeeping the forest that could be used as leverage. Finally, Mr. Chapman added,

there were many ministries behind the environment and conservation proposal. Urooj Malik reflected over these lessons and suggested that EOC strengthen their capacity in environmental economics.

47. China delegate noted that climate change has been prominent in the discussions over the past two days but there has been a lack of focus in the discussions. He stressed that BCI should be the focus of the program so that when in 20 years we look back at the CEP/BCI we should see the BCI as a success. Mme. Keobang A Keola emphasized that capacity building should be at the core of the CEP. At the next 3<sup>rd</sup> Environment Ministers' Meeting, she noted, we must show progress on increased institutional capacity. Mme. Keola added that under the current program international expertise is involved to a large extent. She hoped that through capacity building more local expertise can be utilized for program implementation during CEP Phase II.

48. Myanmar delegate noted that Myanmar is currently not included in any of the proposed new activities. Ms. Nyo Nyo acknowledged that there are political constraints but requested that ADB/EOC consider including Myanmar in CEP activities.

## **VI. WGE AM14 RESOLUTIONS**

49. Mr. Urooj Malik referred to the draft resolutions that had been circulated – Appendix 3. He noted that one GMS country had requested additional time before finalizing the resolutions. Mme. Keobang A Keola concurred that more time may be needed for refining the resolutions. The meeting decided that the draft resolutions in principle are adopted subject to amendment of one item. Mr. Malik requested EOC to work with the WGE in finalizing the remaining point of the resolutions, after which they should be considered agreed and final.

## **VII. CONCLUSION**

50. Mme. Keobang A Keola noted that there currently is a funding gap for CEP activities of about \$17 million. She requested ADB and development partners to assist in sourcing the financing to fill this gap. In concluding, Mme. Keola extended her sincere appreciation to the co-chair Mr. Malik and to the EOC for all the hard work. With that the meeting was concluded.