

GREATER MEKONG SUBREGION ECONOMIC COOPERATION PROGRAM
The GMS Environment Ministers Meeting
24-26 May 2005
Shanghai, PRC

SENIOR OFFICIALS MEETING
24 MAY 2005
HIGHLIGHTS OF DISCUSSIONS

Introduction

1. As part of the first GMS Environment Ministers Meeting (EMM), a Senior Officials Meeting (SOM) was held in Shanghai, PRC on 24 May 2005. The Agenda and Program of the SOM is attached as **Appendix 1**.

2. The SOM discussed the Agenda of EMM, the implementation arrangements for the Core Environment Program (CEP) and the draft Joint Ministerial Statement (JMS) of the EMM.

Participation

3. The SOM participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), Lao People's Democratic Republic (Lao PDR), The Union of Myanmar, Kingdom of Thailand, and the Socialist Republic of Viet Nam. The Meeting was chaired by Mr. Xu Qinghua, Director General, Department of International Cooperation (DIC), State Environmental Protection Administration (SEPA), PRC, and co-chaired by Mr. Urooj Malik, Director, Agriculture, Environment and Natural Resources Division (MKAE), Mekong Department, ADB. Observers/ resource persons from the IUCN (World Conservation Union), Swedish International Development Cooperation Agency (SIDA), Mekong River Commission Secretariat (MRCS), European Union (EU), United Nations Environment Programme (UNEP), World Wide Fund for Nature (WWF), World Bank (WB) and ADB staff and consultants also attended. The list of participants is attached as **Appendix 2**.

Opening Session

4. Mr. Xu Qinghua, Director General, DIC, SEPA, PRC extended his warm welcome to all delegates and expressed his sincere appreciation to the senior officials for their presence. He said that the PRC Government believed in the importance of regional cooperation as a precondition for effective environmental management. He said that the environment sector is one of the major areas under the GMS cooperation program, and that environmental cooperation has emerged as one of the most significant environmental cooperation mechanisms in East Asia. He cited the enhanced communication in environmental management and knowledge among GMS countries, made possible with the strong support of partners like ADB and UNEP. He added that to implement the directives of the First GMS Summit in 2002 and to expand future cooperation in environment, PRC is honored to host the inaugural GMS Environment Ministers Meeting (EMM) to be held on 25 May 2005. He noted that the SOM would have a tight schedule in preparing for the success of the EMM and requested for comments from the floor on the proposed agenda of the SOM, which includes discussion on the agenda of the EMM, the proposed implementation arrangements of the CEP, and the review of the JMS of the EMM. He announced formal adoption of the SOM agenda based on the agreement of the meeting. Mr. Xu's opening statement is attached as **Appendix 3**.

5. Mr. Urooj Malik, Director, MKAE, Mekong Department, ADB, circulated his opening statement (attached as **Appendix 4**), which explained the purpose of the SOM, discussed the current development and environment trends facing GMS and Asia as a whole, highlighted the critical linkages between poverty and the environment, and discussed the role that the private sector and the markets could play in sustainable development. He additionally suggested key areas for collaborative response and action, in response to environmental challenges of the GMS Program. With the aims and expected results from the EMM- he concluded that the SOM would need to agree on the final EMM agenda, discuss the Joint Statement of Environment Ministers and achieve consensus on the Environment Operations Center (EOC).

Session 1: Discussion on Agenda of 1st GMS Environment Ministers Meeting

6. Mr. Xu invited Mr. Mark Kasman, Environment Management Specialist, MKRD, ADB to go through the proposed agenda for the EMM. Mr. Kasman noted that the Ministers Meeting would commence with the holding of the welcome dinner in the evening of May 24. He highlighted the two multi-media presentations: one dealing with the work of the WGE in managing shared natural resources for sustainable development; and the other on the GMS Core Environment Program. There would be powerpoint presentations on the CEP, the Biodiversity Conservation Corridor Initiative (BCI) and environmental performance assessment (EPA) followed by discussions. The Meeting accepted the proposed agenda of the EMM.

Session 2: Discussion on the Implementation Arrangements for the GMS Core Environment Program (CEP)

7. Mr. Javed Hussain Mir, Senior Natural Resources Specialist, Mekong Department, ADB provided an overview of the implementation arrangements for the CEP. He commenced by giving the vision, goals and objectives of the CEP, and followed this with a discussion of the functions of the Environment Operations Center (EOC) for 2005-2008, which includes environmental information and knowledge management, and environmental management and conservation in the GMS, among others. He briefed on the EOC's proposed organizational structure, which will start with a small number of staff for operations. This will be supported by staff from collaborating partners. He proposed the functions of the EOC's personnels. In addition, he informed the Meeting that a Biodiversity Conservation Corridor Initiative (BCI) coordination unit would be based in the EOC. He finally gave an overview of the BCI Regional Program Management structure, and elaborated on the relationships between the WGE, the Regional Consultative Committee (GMS BCI) and the EOC- BCI Program Coordination Unit.

8. Senior officials made the following comments regarding the CEP:
- a) Mr. Tang (PRC): Inquired about the financing mechanism for the EOC.
 - b) U Than Swe (Myanmar): Inquired whether Myanmar is covered by the BCI project.
 - c) Mrs. Keobang-A (Lao PDR): Supported the establishment of the EOC, which is needed to follow up the previous recommendations made in the WGE.
 - d) Mr. Chalerm Sak (Thailand): Requested clarification on whether EOC would cover other sectors of GMS cooperation in the future, and the financial and staffing implications of this move.
 - e) Mr. Tai (Viet Nam): Inquired about the suitable mechanism for information sharing.
 - f) Mr. Chanrithy (Cambodia): Requested elaboration on the EOC and its functions, and the role of WGE focal persons in the implementation of the CEP.

9. *ADB Response:* First on PRC's query, Mr. Mir noted the interest of SIDA in contributing to the start up operations of the EOC. He noted the importance of developing sustainable financing for the EOC and the CEP in general. He said that in the long run, program partners

would see the utility of the CEP, which could lead to additional financial commitments from various partners. The developing partner countries, he noted, could contribute in cash or in-kind to the EOC operations. On Myanmar's query, BCI is a GMS initiative and Myanmar is a natural partner in the initiative. He also stated that two high priority pilot BCI sites involve Myanmar, the Xishuangbanna with PRC, and the Tenasserim Western Forest- Kaeng Krachan Complex with Thailand. On Viet Nam's query, he noted that important information and knowledge will emanate from key environmental initiatives (BCI, CEP), which could be shared using the mechanisms developed from said initiatives. MIS and GIS capacity in the EOC will institute this. On Thailand's query, Mr. Mir said that findings from studies on economic corridors (component 1 of CEP) and sector analysis (component 2 of CEP) would in the meantime be able to address concerns about environmental pressures emanating from key GMS sector activities.

10. Mr. Carstensen (WWF) expressed appreciation for participation in the SOM and expressed WWF's willingness to provide support to the CEP and EOC in terms of in-kind contribution and seconding of a senior technical expert to EOC. WWF stressed that the CEP is an important program that will help to strike the balance between economic development and environment protection. He added that WWF is keen to contribute to the establishment of new partnerships in the environment in the subregion, and pointed to the business sector as providing ample opportunities.

11. Mr. Malik (ADB) informed of WWF's, SIDA's and IUCN's interest to second staff to the EOC. He said that we could therefore expect three or four international experts with one ADB staff to help supervise activities; informal discussions among the parties are expected to take place on this issue. He mentioned that a staged approach was adopted in setting up the EOC, and suggested that for the second stage, the GMS countries consider line ministry staff being seconded to the EOC, to be trained and to go back to their respective line ministries to transfer new technologies.

12. Mr. Chalerm Sak (Thailand) suggested the inclusion of cleaner production/ technology in areas that the CEP would work on. Viet Nam suggested inclusion of environmentally sound technology. Mr. Mir said that in principle, these issues could be addressed by the CEP. Mr. Tang (PRC) noted that the clean production idea was discussed in earlier WGE meetings, and asked for clarification on its name and scope. He further suggested that a detailed proposal would be required outlining its strategy and framework. Mr. Chanrithy (Cambodia) requested ADB for technical assistance in enhancing the understanding of the clean production concept. Mr. Carstensen (WWF) commented that Thailand's proposal is interesting and in line with the Johannesburg Summit decision on a framework of programmes on sustainable production and consumption. He said that it would be important for the GMS to look at different technological solutions to address environmental problems. Mr. Carstensen underlined the need for a basin-wide perspective on energy needs, and to examine alternative solutions for sustainable energy generation in the GMS. Here he highlighted WWF's plans to develop scenarios for hydropower dam development, as an example of an innovative approach. Mr. Malik clarified that the EOC would be financed from the budget of the CEP. He added that there are nine GMS priority sectors of cooperation, with environment as a cross-cutting sector under which cleaner production could be subsumed.

13. Mr. Shrestha (UNEP) expressed pleasure at the opportunity to work with ADB and the GMS countries in the WGE and the forthcoming CEP. He noted UNEP's work with ADB to ensure Myanmar's participation in proposed regional environmental programs. He mentioned that the UNEP supported the establishment of inter-governmental and regional/ subregional cooperation mechanisms under the EOC. He added that while financing of the EOC is important, participation and ownership are probably equally, if not more important, and

expressed UNEP's willingness to work with GMS countries in the process of enhancing these. He said that in the implementation of the CEP, issues such as mechanisms for annual review, cleaner production and urbanization, could be included and expanded. He said that UNEP also supports various regional programs and confirmed continuing partnership with ADB on the GMS Program.

14. Mr. Xu stated that the PRC Government welcomes the expressions of support on the CEP from various development partners such as ADB, UNEP, SIDA, WWF and IUCN.

Session 3: Discussion on Joint Statement (JS) of GMS Environment Ministers

15. The session went through each paragraph of the draft Joint Statement and corresponding changes to the draft were made as the body agreed on the proposed changes.

16. Mr. Turner, Director, Operations Coordination Division, Mekong Department, ADB, advised the meeting on the main outcomes of the recently concluded Summit Task Force Meeting in Lijiang, PRC, which he attended. He reminded those present at the meeting of the strategic opportunity that they have to guide the future direction of environmental management in the GMS and to report on this to their Leaders in the run up to the July GMS Summit. For line 2 of paragraph 11, Mr. Malik suggested replacing "donor countries" with the term "development partners".

17. Mr. Tang suggested that the JS refrain from citing a specific figure on the number of people trained under environment projects supervised by the WGE. Mr. Chalernsak proposed additional biodiversity corridors: one with Myanmar, involving transboundary forests on the western side of Thailand and eastern side of Myanmar; and another linking with Cambodia and Lao PDR. Mr. Mir said that for biodiversity corridors involving Thailand and Myanmar, priority was given to the Western Forest Complex for the pilot phase. Another priority biodiversity corridor involving Myanmar could be found in the Mekong Headwaters bordering Yunnan. Mr. Mir discussed the process of developing the BCI and pilot site selection criteria, and confirmed that implementation details will be further elaborated upon doing the BCI inception phase.

Concluding Session

18. Mr. Urooj Malik said that while he was only recently appointed Director for the Agriculture and Natural Resources Division of the Mekong Department, he has been with ADB for a much longer time and is thus familiar with a number of GMS officials. He noted that this is the tenth year celebration of the WGE. As the environment is a cross cutting theme across sectors, he cited the importance of partnerships in dealing with environment issues- between line ministries within each government, between GMS countries, and between countries and development partners. He said that development partners could contribute the needed intellectual rigor and financing support to the CEP. He said it would be crucial to ensure good outcomes from the GMS Environment Ministers Meeting (EMM), in the run up to the Second GMS Summit of Leaders in Kunming in July 2005. Deliberations of the EMM would ultimately add substance to environmental commitments that will be enshrined in the Joint Summit Declaration. He thanked Mr. Xu for the adept stewardship of the meeting.

19. Mr. Surendra Shrestha, Regional Director and Representative for Asia and Pacific, United Nations Environment Program (UNEP) reiterated the progress made in GMS environmental cooperation, which has moved from projects to programs approach to establishing institutional arrangements for cooperation. He cited regional cooperation in environment as one of the successful partnerships that UNEP was happy to be associated with.

He cited the keynote address of the PRC Vice Premier during the annual UNEP Governing Council Meeting, which highlighted three messages relevant to the WGE: (i) take environment services into consideration in order to sustain economic growth; (ii) PRC's pioneering work on the circular economy and green accounting, which could form the basis for WGE's work; and (iii) the need to focus on capacity building of national environment agencies. One of the key decisions contained in the Bali Strategic Plan was vesting UNEP with the mandate to undertake capacity building and to promote technology transfer, which moved UNEP from a normative to a more operational UN organization and which gave UNEP additional resources to perform its new mandate. Under the GMS framework, UNEP would have additional resources to assist GMS countries in capacity building. Acknowledging PRC as the number 1 engine of global economic growth today, Mr. Shrestha cited the importance of PRC's participation in the GMS. However, he reminded of the threats to the environment of the global economic expansion and hoped that the WGE would act as a conscience as the subregion moves forward in the sectors. He said that the past reactive approach of mandate- regulate- mitigate, would no longer suffice in the future as we need to be more proactive by mainstreaming the environment in development planning at both national and subregional context. He hoped to tap ADB's intellectual assets in tapping the language of the markets for environmental goals and programs. He suggested looking at security issues from the environment perspective- food security, water security and energy security- and what these will mean for future poverty reduction. He proposed strengthening national environment agencies toward more incentives-based management. He also hoped environmental cooperation could gradually move toward subregional agreements on air and water quality, among others.

20. Mr. Xu hoped ADB and UNEP would continue to strongly contribute to environmental cooperation in the GMS. He stated that the meeting completed its objectives for the afternoon SOM session. He announced arrangements for the dinner to be hosted by the Mayor of Shanghai. He thanked the SOM participants for their contributions during the meeting.