

Kingdom of Cambodia

Keynote Address By

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On the Tonle Sap Initiative*

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*Excellency Greenwood, Vice President of the ADB,
Your Royal Highnesses,
Excellencies, Distinguished Guests,
Ladies and Gentlemen,*

It gives me great pleasure to attend and address the distinguished National Forum on the Tonle Sap Initiative, jointly organized by the Royal Government of Cambodia and the Asian Development Bank (ADB). I would like to take this opportunity to thank the ADB of supporting the national forum and devoting substantial attention and resources to the development and conservation of the Tonle Sap Lake.

This national forum can become an important platform for regular dialogue between policy makers, development partners, NGOs, international organizations, business sector and the local communities on promoting the sustainable development of the Tonle Sap basin through and natural resource protection and conservation.

The Tonle Sap Great Lake is not just a unique ecosystem of inundate forest, fish habitats and subsistence agriculture, it is also a vital part of our historical and cultural heritage that defines Cambodia's national identity. Tonle Sap has played a crucial role in shaping Cambodia economic, political, cultural destiny over the last several centuries of our history. Recognizing the strategic significance of the lake, the Khmer Kings who reigned over Cambodia from the 9th to the 13th century A.D selected the shores of the Tonle Sap to build the Khmer Empire's capital. Though the capital of Cambodia has shifted to Phnom Penh in recent times, Tonle Sap continues to deeply influence the lives to the Cambodians even today. To help set the tone for the discussions, I would like to share with you some thoughts on the Tonle Sap, as well as outline the policies to address the pressing issues of the Tonle Sap basin.

Excellencies, Ladies and Gentlemen!

Let me begin by noting that the Tonle Sap is the largest freshwater lake in Southeast Asia. The ecosystem is characterized by a unique hydrological phenomenon, in which the Tonle Sap River, the feeder river of the lake and a tributary of the Mekong, is both the inlet and the outlet for the lake's waters. The river functions as an inlet

during the rainy season and reverses its flow during the dry season. The extensive wetlands born of this cycle are home to a rich biodiversity of fish, reptile, bird, mammal, and plant species. The Tonle Sap's biodiversity includes 200 species of fish, 42 of reptiles, 225 of birds, and 46 of mammals. There are more than 200 plant species.

This biological richness underpins the enormous productivity of the Tonle Sap as a fishing resource: the lake supports one of the most productive fisheries in the world, and provides Cambodians with their main source of animal protein, calcium, and vitamin A. Apart of the fishery, the basin is an important supplies timber, firewood and variety of agricultural products. It is a potential source of drinking water and hydropower, and a natural gene bank whose significance spills over Cambodia's borders. Today, the land water, and biotic resources of the Tonle Sap directly benefit 40% of the population of the 6 provinces adjoining the lake and shore up food security and livelihoods in entire Cambodia. The Tonle Sap basin is home to about 4 million people, most of whom derive their livelihoods directly from its natural resources. Around half of those people depend on the lake and its associated wetlands. Farmers grow floating rice at the Tonle Sap Lake's edge, taking advantage of the receding flood during the dry season. After rice, the Tonle Sap freshwater fish are the most important component of the Cambodian diet.

In recognition of the lake's economic and environmental importance to the country a royal Decree designated the Tonle Sap as a Multiple-Use Protected Area in November 1993. Furthermore, the lake was recognized as a Biosphere Reserve in October 1997 under UNESCO's Man and Biosphere Program. Notwithstanding these initiatives, the management of the Tonle Sap Biosphere Reserve is a great challenge for the government. It needs a step by step and support from communities living in the Tonle Sap Basin, and dependent on the products and services of the Tonle Sap. The Water management of the Mekong River inside and outside of Cambodia is also critical for the Tonle Sap. In Cambodia we have proposed the "Water Law" for wise use and management of the water resources. The draft "Water Law" has already been approved by the Council of Ministers, and it is now with the National Assembly for Consideration. All of these are our institutional and political commitments to the Tonle Sap, and we will work toward realizing them for the good of Cambodia, for the benefit of poor people, and for saving our environment.

Excellencies, Ladies and Gentlemen!

Because of its huge economic potential and its exploitation as a major resource base for supporting Likelihoods, the Tonle Sap is a source of growing economic and social tensions. Growing population pressure, inequality of access rights and severe poverty of the population depending on its resources for survival, place the lake's ecosystem at an enormous risk. The lake is facing a serious threat of over-exploitation and its ecosystem has turned quite fragile. If this problem is not addressed decisively and soon, decisively and soon, Cambodia could face an environmental disaster of enormous proportions.

There are several factors contributing to the environment thereat. The continued high population growth in the basin due to the natural growth to the resident population and internal migration of non-resident population from other parts of

Cambodia searching for livelihood, has stressed the sustainable use of the lake's resources. Major threats to the Tonle Sap include overexploitation of fisheries and wildlife resources, conversion of the flood basin to agriculture, encroachment on the flood basin itself, collection of fuel wood from the inundated forest, and illegal fishing. The reduction in the area of the inundated forest, which is critical for the high productivity of fishery, was due to encroachment for agriculture purposes, both large and small scale and collection of firewood due to limited availability of alternative energy source.

The rapid degradation of natural resource in the Tonle Sap basin has resulted in high poverty incidence in the region and reinforced the pressure on the lake's resources. Furthermore, severe income poverty has been aggravated by the absence of clean water and sanitation leading to high morbidity and low life expectancy. Poverty is also the root cause of extended social instability and conflict in the region surrounding the lake. Unlike most of Cambodia which returned to a period of peace and economic growth after 1993, the areas northwest of Tonle Sap basin reverted to normalcy only in 1998. Since then, many internally displaced persons, repatriated refugees, internal migrants, and demobilized soldiers are striving to reestablish their lives in a deeply fractured society. Competition for scarce resources is intense. An increasing proportion of the population of the Tonle Sap basin is landless.

Moreover, the increasing use of fertilizers and pesticides in the basin could create serious environmental problems in the Tonle Sap Lake. Harnessing water of the upper catchments would pose a threat to the natural habitats of several species and introduce potentially conflicting uses of water for hydropower, or clearing forest growth for food and industrial crops, would destroy the ecosystem's sustainability and cause erosion, loss of soil fertility, silting, flooding and turbidity of water bodies, downstream.

The most dangerous threat to environment is posed by the clearing of the flood basin of the lake for large-scale rice farming. I would like to appeal to the provincial and local communities to take immediate action against this disastrous practice and report directly to me so that we can move effectively to save the Tonle Sap Lake.

Furthermore, unauthorized structures, such as dams, roads, and flood-control works, can significantly affect fisheries by blocking migration of fish and spawning areas, altering water quality and quantity, changing the temporal and spatial characteristics of the flood cycle, and degrading or fragmenting aquatic habitats.

It is clear that any disruption to the lake's hydrology would have detrimental effects on fishery. Various studies have established that water levels at peak flood and fish catch in the Tonle Sap are strongly correlated. This means that the development planning of the Tonle Sap must be done through an integrated, basin-wide approach. However, the effort to save the Tonle Sap and preserve it as a national and global asset should extend beyond Cambodia's borders. Outside Cambodia, the main threat to Tonle Sap is the cumulative impact of built structures on the hydrology of the Mekong basin.

Conscious of the environmental problems and the growing conflicts over the use of natural resources, I have initiated wide ranging reform of the fisheries sector. In

2000, the Royal Government of Cambodia decided to transfer the bulk of fishing rights from the commercial sector to the household sector. As a result 56 per cent (500,000 ha) of the former fishing lot areas allocated to the commercial sector was released to the local communities for management. This reform is designed to give the poor communities access, user rights and management responsibility of fisheries and inundated forests in the country including the Tonle Sap Lake in order to improve livelihood opportunities and food security. This reform is a major milestone in empowering the communities in the Tonle Sap basin and providing them with the resources for improving their income and livelihood. As a result of this reform, the local communities have more access to fishery resources. Some 175 fisher communities were formed to promote community base natural resource management. It is our firm conviction that community management with appropriate financial and institutional support can help achieve equitable and sustainable natural resource management and environmental protection.

However, this reform is not the magic bullet to solve the conflict in the region-many more issues and problems need to be addressed in order to help the communities graduate out of poverty, and manage the natural resources for sustainable development. A key issue is to clothe the local communities with the power to govern themselves. This will localize conflicts and speed up their resolution. Since 2001 we have embarked on a process of decentralization and de-concentration to achieve democratization at the grass roots. The reform process culminated in the election of Commune Councils in 2002. This should provide opportunities to embed peace and democracy in the Tonle Sap region as elsewhere in Cambodia, increase accountability and transparency in decision making, and enhance pro-poor, participatory development, especially through investment in social infrastructure, enterprise development, and support for community fisheries.

I am proud of the accomplishments of the Cambodia people living in the Tonle Sap area particularly those involved with the local governments in fisheries management. Notwithstanding their limited exposure to management techniques and technical know they are eager to participate and learn. We have reallocated large fishing areas for community fisheries so that poor communities get more benefit from fishing. Protection and management of fishery, flooded forest and wildlife is now part of communities' responsibilities. I also appreciate our fishery officials who are working hard to organize the fishery communities even though the concepts and practices of local governance and community management of resources are quite new to most of them. Overall, We have achieved considerable progress in getting the local communities involved in natural resources management and environmental protection. Most of them are making a serious fight of protection their community resource. Mainly as a consequence of the empowerment of local communities, fishery yields from the Tonle Sap have been increasing during the last three years.

Excellencies, Ladies and Gentlemen

I would like to reemphasize that in view of the complex problem of coordinating the competing claims for resources by different sections of society, the development of the Tonle Sap must be planned and implemented through an integrated, basin-wide approach. In this regard, I commend the Tonle Sap Initiative (TSI) prepared by ADB and adopted by the government in 2003, which provides a framework for Sector

wide Management of the Tonle Sap basin, in harmony with the Government's Rectangular Strategy for Growth, Employment, Equity, and Efficiency. The TSI forms the basis for setting priorities and planning assistance in the Tonle Sap basin over the next 5-10 years. For that reason, the TSI is one of the best illustrations in Cambodia of a development strategy based on the Sector Wide Approach.

As part of the TSI, the Tonle Sap Basin Strategy has been developed to bring together all development partners through well integrated loan, and technical assistance projects. Apart from the ADB, there are other bilateral and multilateral donors involved in the development of the Tonle Sap basin, such as the AFD, AusAID, Belgium, Danida, Finland, EU, FAO, GEF, GTZ, IFAD, the Netherlands, the World Bank and NUNDP, as well as many NGOs. On behalf of the Cambodian people and government, I would like to thank all these development partners for helping us preserve the unique Tonle Sap ecosystem.

The TSI is designed to reduce poverty among the population in the basin through a pro-poor, and sustainable economic growth strategy, focusing on:

- securing access of local communities to assets (fishing grounds, inundated forests, etc.)
- community management of natural resource and the environment,
- development of institutional, policy, and regulatory frameworks for the management of environmental resources,
- acquisition and dissemination of knowledge to the full spectrum of stakeholders,
- empowerment of various stakeholders to achieve their specific conservation or fund utilization objectives,
- forging partnerships amongst civil society implementation support agencies execution agencies, and financing agencies, and
- provision of social infrastructure in order to open up economic opportunities for the rural poor.

In just over 3 years the TSI has developed a comprehensive, integrated program of loan, grant and technical assistance (TA) projects with over \$130 million in already committed funding from ADB and its co-financing partners. Another \$55 million in planned funds from ADB, along with additional co-financing from development partners will be available for developing and implementing a sector-wide approach for the development and management of the Tonle Sap Basin, and for lifting the Basin's poor people out of poverty. There are 8 major loan/grant infrastructure livelihoods improvement, and environmental conservation projects either being implemented or being designed. These are supported by technical assistance projects that are focused on capacity building of government institution and agencies, skills development and awareness creation at the provincial and commune levels, and the preparation and design of a portfolio of loan and grant projects. These projects represent substantial investments under the TSI over a period of 10-15 years since 2002. This is definitely a good news for the poor people living in the Tonle Sap Basin as these are designed to support them to improve their livelihoods.

Disbursements through the projects in the first 4 years of the TSI are close to \$40 million. These projects have been focusing on the capacity building for sustainable management and conservation of natural resources and biodiversity in the Tonle Sap

Biosphere Reserve, poverty reduction through accelerated rural development by investing in physical and social infrastructure, strengthening agriculture extension services to improve production and yields of rice, livestock and fisheries, the development of irrigate agriculture and the establishment of village-based micro-finance groups.

The results of the coordinated intervention under the TSI at both the national and community levels have been encouraging. For example,

- local communities are now better organized and more active in managing and protecting natural resources,
- there has been a reduction in the illegal harvesting of fish, forest products and wildlife in the Core Areas,
- small-scale community based sustainable ecotourism development is taking shape with a huge potential for linking with national and regional tourism industry;
- there has been substantial improvement in coordination and regulation of resource use with the cooperation of local communities;
- capacity building for biodiversity conservation has taken firm root in the Ministry of Agriculture, Forestry, and Fisheries, the Ministry of Environment, Non-government organizations, and local communities; and,
- livelihood opportunities have emerged in communities that have gained increased access to fishing grounds and received organizational support for activities such as ecotourism and organized marketing.

The gains of the TSI are impressive but the battle is not won yet. Much more remains to be done to ensure sustainable development of the Tonle Sap basin. We must continue to address:

- the acceleration project delivery poverty reduction at the community level by working with the communities to provide them capital, credit, technologies, markets and improved coordination among government agencies,
- enhancing effectiveness of program coordination at the national level among various stakeholders including government ministries, international community and NGOs;
- more forceful enforcement of Regulation on Use and Exploitation by developing a sense of ownership at the community level;
- evolving a Plan of Action for Basin-wide Management and Sector-wide Development, which identifies medium-term and long-term goals and objectives and provides the resources, both financial and human, from all stakeholders; and,
- integrating the TSI with the D & D program on programming and implementation.

Being a large ecoregional and sector-wide intervention TSI will need an effective, proactive, responsible and accountable organization that can mobilize and galvanize support from various sectoral ministries, and from wide-ranging development partners. In this regard I would like you to examine during the Forum debate the feasibility of establishing a "Tonle Sap Authority" or a "Supreme Tonle Sap Council" under the guidance of Council of Ministers and my own office. However, I like to warn you that mere creation of an authority will not make TSI achieve the goals of reducing poverty and protecting the Tonle Sap environment. We need dedicated

people to lead the organization, and we need cooperation from all sectoral agencies to implement a sector-wide approach for helping the poor people living in the Tonle Sap Basin.

The TSI has focused our attention on poverty and environmental issues in the Tonle Sap Basin. The establishment of a basin-wide management scheme will need to be preceded by an extensive consensus-building program among the local communities and other stakeholders for producing long-term, robust and sustainable results. Therefore the TSI projects have initially addressed policy, institutions, and capacity building followed by investment in social and economic infrastructure. However, we need to accelerate the implementation of poverty reduction projects by reducing bureaucratic re-taps, working hard for the benefit of the poor people.

Continuity and sustainability of TSI will be crucial. There are many competing ideas and priorities of development. In order to stay on course with the TSI the RGC with the support of the stakeholders should not become distracted and get off course. The TSI must not evolve as a stand alone initiative but increasingly rely on the country's systems and capacity. This would necessitate strengthened systemic capacity and alignment of financing with national development priorities.

Good coordination should lead to better sharing of information among multilateral and bilateral agencies. Improved decision making on the use of external assistance, greater harmonization and speedier convergence of donor practices and procedures, enhanced development results, and greater public support for the national effort to protect and develop the Tonle Sap Biosphere.

In closing, I would like to thank the international community, especially the ADB, for the assistance to the Tonle Sap basin. We in the Government and the people of Cambodia are committed to engagement in this partnership in the weeks, months and years ahead. We look forward to working with the ADB and other development partners to make the grant and loan assistance more productive and effective for accelerating growth and achieving sustainable development, in the rural areas.

Finally, may I wish successful deliberations during the conference and wish you all good health and successful implementation of the TSI projects and programs.