



BIMP-EAGA ROADMAP TO DEVELOPMENT 2006-2010

A. Background and Rationale

The Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)¹ subregional cooperation initiative was formally launched in 1994 as a key strategy of the participating governments to address the social and economic development of their less developed and more remote territories. The immediate objective is to encourage increased trade, investments and tourism in the subregion which covers the island economies of Brunei; North, Central, South and Southeast Sulawesi, Central, East, West and South Kalimantan, Maluku and Irian Jaya in Indonesia; Sabah, Sarawak and Labuan in Malaysia; and Mindanao and Palawan in the Philippines. Its long-term goal is to change the economy of BIMP-EAGA from one based on resource extraction to one based on higher order processing and non-resource based activities. Significantly, development of this subregional grouping rested on the private sector as the engine of growth, with the governments providing the facilitative environment that would allow the promotion of private sector investments.

A subregional institutional framework was devised to operationalize the BIMP-EAGA initiative. The main mechanism for consultation between the participating countries is the Senior Officials and Ministers Meeting (SO/MM). Working Groups (WGs) were also established as the operational mechanism of the cooperation exercise to address a range of issues and demands. Consistent with the agreement to adopt a decentralized structure, a ministry of agency within the participating countries was designated as National Secretariat (NS). The NS provided administrative support and quickly became the focal point for the exchange of information and the coordination of programs related to the growth areas, and carried the task of ensuring that in-country initiatives were maintained. In response to the public sector's initiatives, the private sector created the East ASEAN Business Council (EABC). It subsequently obtained recognition as the official representative of the private sector in BIMP-EAGA and by 1997 was granted a fifth country status that allowed private sector to have its own separate delegation during SO/MMs.

Implemented during a period of economic prosperity for the participating countries, the BIMP-EAGA initiative achieved early gains. Its first three years saw the strengthening of the member countries' bonds through subregional meetings, events, and activities. Joint venture business projects in agribusiness, tourism, transport and trading were initiated. Air and sea transport linkages across EAGA destinations were opened. Cross-border visitor traffic increased. Inter-country business and social linkages and networks expanded; so did the linkages of EAGA organizations with external partners such as Australia, Japan, Palau, Papua New Guinea and other Pacific Island Nations.

Development in the subregion, however, was seriously set back by the 1997 Asian financial crisis and the El Nino weather phenomenon that hit most of the subregion in 1998. By the end

¹ Hereinafter referred to as BIMP-EAGA or simply EAGA.

of the decade, peace and order concerns in some areas of the subregion affected the entire BIMP-EAGA, which suffered by perception and association and resulted in declines in tourism, further displacement of trade, and loss of investor confidence.

As the crisis subsided and the concerned economies moved towards economic recovery, renewed interest in the economic cooperation initiative was revived in 2001. During the 7th ASEAN Leaders Summit in November 2001 in Brunei Darussalam, the BIMP leaders renewed their commitment and support to the economic cooperation initiative in EAGA, paving the way for the revitalization of cross-border development activities.

Together with this renewed interest to revitalize EAGA was a strong sense that changes in the regional and global economic environment now more greatly affect the subregion's own development perspective. While intra-EAGA trade remains an objective, promoting the development of EAGA trade with other regional and global markets has emerged as an equally important, if not more important, goal. EAGA has shifted its current development approach to enhancing its competitive advantage in the world market as a subregion through cross-border consolidation, complementation, industry clustering and value chain management.

The last few years also saw efforts to restructure and improve EAGA institutional mechanisms to better respond to these new directions. The Asian crisis demonstrated the vulnerability of the EAGA initiative to sudden shifts in the national development agenda of the respective participating countries. Although an open regionalism and informal cooperation scheme provide greater flexibility in the adoption of processes and mechanisms, a loose organizational structure is generally expected to result in the slower paced and less focused prioritization and implementation of projects, as has been the case in EAGA. To address this, an EAGA-wide institutional coordination framework has been formulated in 2004. Among the recent structural changes are the creation of the BIMP Facilitation Center (BIMP-FC) which has assumed a central coordinating role among EAGA institutions; the clustering of the subregional working groups; and the restructuring of the EABC into the BIMP-EAGA Business Council (BEBC).

During the 12th SOM/9th MM in Balikpapan in November 2004, it was also agreed to formulate a BIMP-EAGA roadmap to development, which will identify broad targets for the subregion and cluster/sector-specific targets that will guide implementation of EAGA projects and activities. BIMP-FC was tasked to prepare the first draft of the roadmap, with the assistance of the ASEAN Secretariat. With technical assistance support from the Asian Development Bank (ADB) and the German Technical Cooperation Agency (GTZ), and guidance from ASEAN, BIMP-FC has already prepared several versions of the draft roadmap after an iterative process of gathering, validating and consolidating inputs from EAGA stakeholders.

In this ongoing process of roadmap preparation, there arose a need to prepare two separate documents. The first is a broad-based roadmap containing the strategic cooperation measures for EAGA; while the other is a more detailed EAGA action plan that will support the implementation of the strategic measures and achievement of the roadmap objectives (see **Appendix 2**). It is envisioned that the Clusters will also eventually develop their own cluster action plans that will define their work programs for their respective sectors in support of the overall EAGA action plan.

Aside from guiding the EAGA stakeholders, the EAGA roadmap, EAGA action plan, and cluster action plans are expected to facilitate EAGA cooperation with its existing and prospective development partners and partner organizations. For one, they indicate the readiness of the subregional cooperation to pursue its development goal and targets. Secondly, these

documents give its partners a better idea of which areas they can deal with and support EAGA and how they can go about it. This can also contribute to sourcing funds and technical assistance from partner organizations for EAGA development activities.

The following sections discuss the BIMP-EAGA Roadmap to Development.

B. BIMP-EAGA Development Goal

In pursuit of its vision of integrating the economies of its member countries into an ASEAN Community by 2020,² the Association of Southeast Asian Nations (ASEAN) is faced with the challenge of narrowing the development gap across the more advanced ASEAN member countries (ASEAN 6) and its younger and less developed members (CLMV).³ For example, the per capita GDP of Singapore in 2003 was 21 times that of Indonesia and the Philippines, and from 44 to 121 times that of the CLMV countries.⁴ In 2002, Indonesia had a Human Development Index (HDI) rank of 25 compared to Singapore's 111. Even among the ASEAN 6, there is also a wide gap within countries, particularly Indonesia and the Philippines. While the poverty incidence rate in Jakarta and Bali had gone down to single digit levels in 2002, it remained high at 15 per cent in West Kalimantan, 25 percent in Central and Southeast Sulawesi, and 42 percent in Papua. In the Philippines, poverty incidence in Metro Manila in 2000 was at 9 percent, compared to 66 percent in the Autonomous Region of Muslim Mindanao.⁵

The Vientiane Action Programme (VAP) 2004-2010, adopted by ASEAN Leaders at their last Summit, includes regional cooperation measures toward the realization of economic integration and narrowing of the development gap in ASEAN.⁶

In the context of VAP, BIMP-EAGA can help narrow the development gap among ASEAN 6 countries and within Indonesia, Philippines and, to a lesser extent, Malaysia through intensification of cross-border trade, investment and tourism among adjacent provinces that are lagging behind and with Brunei. This, in turn, would facilitate formation of the broader ASEAN Economic Community.

The ultimate goal of BIMP-EAGA is to narrow the development gap across and within the EAGA member countries as well as across the ASEAN-6 countries. Its immediate goal is to increase trade, investments and tourism within EAGA. Towards this end, the following targets shall be achieved within the five-year planning period (2006-2010) of the EAGA Roadmap to Development:

- Increase intra-and extra-trade among EAGA focus areas by 10% by 2010;
- Increase investments in the EAGA subregion by 10% by 2010; and
- Increase tourism movement in the EAGA subregion by 20% by 2010.

² The ASEAN Community is comprised of three pillars, namely: ASEAN Economic Community (AEC), ASEAN Security Community (ASC), and ASEAN Socio-Cultural Community (ASCC).

³ ASEAN 6 is composed of Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand while the CLMV countries are Cambodia, Lao PDR, Myanmar and Viet Nam.

⁴ ASEAN Statistical Yearbook, 2004.

⁵ As cited in the paper presented by Dr. Romeo Reyes of ASEAN/UNDP during the First Meeting/Workshop on the EAGA Roadmap in Kota Kinabalu in March 2005.

⁶ The VAP was adopted during the 10th ASEAN Leaders Summit in Vientiane, Laos on 29 November 2004.

It should be noted that there are current limitations on consolidating subregion-level socioeconomic statistics on BIMP-EAGA. This, however, is part of the priority programs for the subregion and will help validate the feasibility and monitor progress towards achieving EAGA's development targets.

Accelerating intra- and extra-EAGA trade, investments and tourism is expected to contribute to increasing socioeconomic development in the focus areas of EAGA. By achieving relatively higher growth targets in these areas than national targets, it is envisioned that these underdeveloped areas will eventually catch up with the rest of the countries. This would decrease poverty and economic disparity within and across BIMP, thus contributing to the narrowing of the development gap.

C. Strategic Objectives

To achieve the development goal and targets set forth in this roadmap, BIMP-EAGA will pursue the following strategic objectives:

1. Promote intra- and extra-EAGA trade, investments and tourism in selected priority sectors, namely: agro-industry and natural resources, tourism, transport, infrastructure and ICT, with particular emphasis on SME development in these sectors;
2. Coordinate the management of natural resources for sustainable development of the subregion;
3. Coordinate the planning and implementation of infrastructure support to economic integration, with active participation of the private sector; and
4. Strengthen the BIMP-EAGA institutional structures and mechanisms for effective implementation of the EAGA roadmap and action plan.

Blessed with an abundance and diversity of natural resources, BIMP-EAGA's greatest comparative advantage lies in agriculture/agribusiness development and in tourism development. These productive sectors, largely composed of small and medium enterprises (SMEs), are major contributors to GDP in many of the EAGA focus areas. Thus, they have become the focus of priority subregional cooperation measures and resources. Accelerated trade, investment and business activities in these sectors are expected to contribute to a faster growth in the economies of the member countries.

As with any other responsible nation, the member countries of EAGA put sustainable development at the forefront of their economic development goals. Recognizing that its greatest comparative advantage is its resource base, EAGA is taking conscious and deliberate steps towards conservation and sustainable management of these resources in the pursuit of its economic development programs.

One of the biggest challenges of EAGA is how to integrate a geographically disjointed area separated by distance and by sea. The focus areas of the subregion are widely spread apart and, especially those in Indonesia and the Philippines, are composed of many islands. While these areas enjoy vast resources in the agri-based and tourism sectors, efforts to increase business activities in these sectors should combine with effective programs to develop both

hard and soft infrastructure support facilities and services. Of primary importance are the air, sea and land transport logistics, ICT, and human resource development that should promote greater cross-border flow of goods and people to, from and within the subregion.

As a subregional cooperation initiative, EAGA is still very young. From its inception, it has tried to avoid some of the perceived pitfalls of other multilateral development initiatives in order to achieve its objectives in the shortest possible time. For example, it chose to be a less formally structured and loose organization, thinking that having the least bureaucracy will give maximum leeway for the private sector to be the engine of growth in the subregion. Lessons from these and other organizational “birth pains” have moved EAGA to review its institutional structures and mechanisms to meet the changing demands and opportunities presented by an increasingly more complex and rapidly changing world economic order. The improvement of such mechanisms will remain a continuing strategy for the subregion.

D. Subregional Cooperation Measures

Appendix 1 presents a matrix of subregional cooperation measures that will guide BIMP-EAGA stakeholders in pursuing the strategic objectives. Under each objective, specific measures are identified, together with output targets, progress indicators, timetable of activities, and responsible parties.

In summary, the following broad-based subregional cooperation measures will be pursued under the EAGA roadmap:

1. Promote and facilitate intra- and extra-EAGA trade and investments in priority sectors, especially those with high impact on SME development;
2. Facilitate the cross-border flow of goods and people to, from and within EAGA;
3. Improve the flow of trade, investment and tourism information within and outside EAGA;
4. Improve subregional coordination for the sustainable development of natural resources and biodiversity in EAGA;
5. Promote sustainable development practices in the management of economic development projects;
6. Improve EAGA air, sea and land connectivity;
7. Improve basic infrastructure facilities in EAGA;
8. Improve the information and communication technology (ICT) facilities and services in EAGA;
9. Strengthen intra-EAGA institutional coordination; and
10. Strengthen extra-EAGA linkages and coordination.

As a living document, the EAGA roadmap will be periodically reviewed against success (or failure) in achieving its targets. Necessary changes or refinement in the subregional cooperation measures will be made accordingly.

E. Implementation Arrangements

The implementation of the roadmap will require close cooperation and coordination among all the concerned EAGA institutions indicated in the matrix of subregional cooperation measures. Many actors are involved and responsibilities cut across these public and private institutions. In principle, the EAGA private sector is expected to take the lead in subregional cooperation activities. The key role of the public sector is to enable, facilitate and support the private sector in doing business at the least cost.

Following are the general institutional arrangements for implementing the roadmap.

1. Senior Officials and Ministers Meeting (SOM/MM)

The SOM/MM remains as the highest decision-making body in EAGA. Firstly, the approval of the roadmap and its endorsement to the EAGA Leaders will come from the SOM/MM. Once approved by the Leaders, the SOM/MM will continue to be the venue for formally reporting progress on roadmap implementation and for discussion of high-level multilateral implementation issues or matters needed to be brought to the attention of EAGA Leaders. The Informal SOM will continue to serve as the more informal problem-solving and decision-making venue especially for EAGA issues that need urgent attention in between SOM/MMs.

2. Working Group Clusters

The NRD, JTD, SMED and TIID Clusters will take the lead in facilitating the implementation of many of the subregional cooperation measures. The Clusters are the convenors of the main implementers of these measures. These implementers include all the public agencies and private sector organizations of the member countries directly or indirectly involved in the implementation of the priority projects and activities under the cooperation measures. As such, the Clusters act as the coordinator and facilitator of implementation of the measures in their respective priority sectors.

Specifically, the Clusters have the following roles:

- Define the strategic directions for their respective clusters and periodically review the implementation of subregional cooperation measures to ensure that they are attuned to these directions;
- Facilitate the identification and implementation of priority flagship projects in their respective sectors and the periodic review of these projects;
- Support the private sector in assuming leadership in the identification and implementation of projects;
- Work closely with the cluster representatives of BEBC in facilitating the active participation of the EAGA private sector in cluster-related activities and implementation of sector projects;

- Facilitate the discussion and resolution of issues and bottlenecks in project implementation;
- Assist in sourcing technical and financial resources for implementing its flagship projects; and
- Monitor and report on the progress of implementation of cluster projects and activities.

3. *BIMP Facilitation Center*

As secretariat to the SOM/MM, BIMP-FC serves as the coordinator and facilitator of subregional public sector activities in EAGA. Reporting to the SOM Standing Chair, it will liaise between the SOM/MM and the other EAGA institutions as well as with EAGA external partners. BIMP-FC will take the lead in coordinating the flow of information within EAGA as well as in strengthening the institutional coordination mechanisms, procedures and protocols for implementing the roadmap.

Specifically, BIMP-FC will do the following:

- Facilitate consultations among EAGA stakeholders to gather inputs, prepare, validate, refine and periodically review the EAGA roadmap and action plan;
- Facilitate subregional activities in support of roadmap implementation, working closely with the Clusters, NS, BEBC, and other EAGA institutions;
- Monitor the progress of implementation of the roadmap measures and projects and report this to the SOM/MM and other EAGA institutions;
- Coordinate the flow of information among the various EAGA institutions and with external partners in support of roadmap implementation;
- Liaise and coordinate EAGA linkages and activities with the ASEAN Secretariat, ASEAN bodies and dialogue partners, other multilateral agencies, and partner organizations related to roadmap implementation; and
- In general, coordinate and facilitate activities and projects beyond the scope of the NS.

4. *National Secretariats*

The NS are the in-country counterparts of BIMP-FC. They serve as the secretariat and coordinator for all in-country public sector EAGA-related activities. Although the lead ministries and agencies in the implementation of the roadmap projects are represented in the Clusters, much of the ground-level implementation of these projects is undertaken in each member country. The NS, therefore, play a crucial coordinative and facilitative role in the roadmap implementation.

Specifically, the NS will do the following:

- Serve as in-country liaison and coordinator with other EAGA country secretariats, BIMP-FC, BEBC and other EAGA bodies;

- In coordination with the BEBC in-country focal organizations, facilitate all in-country activities of the government and private sectors in deliberations concerning EAGA, advocacy for policies and programs supporting EAGA, planning and programming of in-country participation in EAGA activities, and implementation of the roadmap;
- Serve as in-country databank for EAGA and other related data and coordinate the flow of information among in-country EAGA stakeholders and, through BIMP-FC and BEBC, to their counterparts in other member countries;
- Initiate and facilitate sourcing of technical and other forms of assistance to mainly in-country EAGA projects/ initiatives but also for subregional projects;
- Monitor developments in EAGA and follow through agreements entered into by country representatives; and
- Provide effective technical and administrative support services for country EAGA operations and coordinate budget requirements for this purpose.

5. *BIMP-EAGA Business Council*

The BEBC is the private sector counterpart of the government EAGA institutions. The Council, with its 5th country status at the SOM, is the representative of the EAGA private sector at the SOM. The BEBC Secretariat is the private sector counterpart of BIMP-FC while the BEBC in-country focal organizations are the counterparts of the NS in the member countries. Recognized as the primary engine of growth in EAGA, the EAGA private sector represented by BEBC is expected to take a lead role in facilitating the subregional development process in the subregion.

Specifically, BEBC will do the following:

- Foster closer relationships and economic cooperation among business sector organizations in EAGA, represent them in EAGA deliberations and programs, and encourage their active participation in subregional cooperation activities;
- Advocate for policies, programs, projects and implementing rules and guidelines supportive of increasing private sector participation in business and development activities in EAGA and effectively implementing the roadmap;
- Initiate the identification of EAGA flagship projects and take the lead in implementing priority projects; and
- Consonant with the industry clustering and value chain approach, develop and market an EAGA brand of business projects that generate joint participation of the private sector in the member countries.

The *BEBC Secretariat and Focal Organizations* have the following roles:

- Provide technical and administrative support to BEBC and its members in the planning, implementation and monitoring of its programs, projects and activities;

- Develop a databank of mainly business related information on EAGA and coordinate the flow of information among EAGA private sector;
- Facilitate intra- and extra-EAGA business-related activities (e.g., trade and investment missions, business forums, fairs/ expositions, training seminars, workshops, business information materials, etc.) that will support the private sector's role in implementing the roadmap;
- Facilitate revenue generating and fund sourcing activities in support of EAGA private sector programs and projects, including grants and relevant forms of assistance from external partners; and
- Monitor and report on the progress of BEBC activities.

6. *In-Country Public and Private Organizations*

The ground-level implementers of the EAGA subregional cooperation measures are the various government ministries and offices that have been designated by their respective countries as representatives to the different Clusters. For example, the CIQS agencies of the member countries will be among the implementers of in-country activities related to the CIQS-related cooperation measures. The national tourism organizations will be involved in the implementation of joint tourism development measures.

The in-country private sector counterparts are the various business organizations designated by BEBC as focal organizations for the Clusters and/or flagship projects. These may include specific member chambers, associations, other business organizations, special committees or task forces, or even specific companies.

7. *Other Subregional Organizations*

Since the launching of BIMP-EAGA in 1994, several sector-specific EAGA-wide organizations have evolved. These organizations were born out of the need to have core groups, particularly from the private sector, that are focused on facilitating development activities in key sectors of the subregional cooperation initiative. They are also expected to take the lead in generating the wide participation of the member countries' private sector representatives in sectoral programs.

Among the first of such EAGA organizations, aside from EABC which was established in 1994, is the BIMP-EAGA Tourism Council (BETC). With joint tourism development as a priority sector in the subregion, BETC was created in 1996 to rally EAGA's private sector tourism players behind the JTD programs. Since then, BETC has been greatly involved in promoting joint tourism investment projects, developing an EAGA tourism brand, and developing and marketing EAGA tour packages.

More recently, in 2004, BIMP-FC facilitated the creation of the BIMP-EAGA Media and Communicators Association (BEMCA).⁷ Composed of media, public relations, and communications practitioners in the EAGA focus areas, BEMCA aims to encourage the direct and active participation of media in the development of EAGA by using its extensive network of newspapers and publications to deliver business and other news on the subregion. BEMCA is

⁷ As of this writing, BEMCA is still in the process of being registered with the Securities and Exchange Commission in the Philippines.

currently organizing a media workshop and is in the process of establishing an internet-based EAGA “news wire.”

Perhaps the newest subregional core group in the offing is the BIMP-EAGA Air Alliance (BEAA). Under the aegis of BEBC, the air alliance is currently being formally registered in Malaysia. BEAA is envisioned to be a conglomeration of small and medium-scale air transport service operators who will jointly invest in and develop air commuter service operations in EAGA. This is in response to the need to develop cheaper air transport services to, from and within EAGA, particularly in the routes that are not currently being serviced by any airlines or where the present supply of air services is still lacking.

Generally, the role of these and other EAGA-wide organizations (that may be established later) are as follows:

- In coordination with BEBC, BIMP-FC and the Clusters, facilitate active participation of their members and stakeholders in the implementation of sectoral development programs, projects and activities;
- Take the lead in implementing specific sectoral projects and activities;
- Strengthen and expand the network and linkages of their constituents with allied sectoral organizations and other EAGA institutions;
- Facilitate the mobilization of financial, technical and human resources in support of sectoral project implementation;
- Monitor and report to EAGA institutions (through their respective Clusters) on their implementation of sectoral programs, projects and activities.

8. EAGA Development Partners and Multilateral Partner Organizations

In the implementation of the roadmap, the various EAGA institutions will tap the support of its development partners and partner organizations. The Northern Territory (NT) of Australia has recently acceded as a BIMP-EAGA + 1 development partner. EAGA will explore mechanisms on how to expand trade, investments and tourism with NT. As a development partner, NT will help mobilize its resources to implement cooperation measures with EAGA for this purpose. NT may also mobilize resources, including development assistance through the Australian Agency for International Development (AusAID), to support any of the EAGA programs, projects and activities.

Other countries have also expressed their interest to become more active partners of EAGA. These include China, Japan and Korea which are looking towards getting at least an observer status in the subregional cooperation. When this happens, these prospective development partners will play a similar role as NT.

As BIMP-EAGA's regional cooperation adviser, the Asian Development Bank (ADB) will provide advisory services and technical guidance to EAGA in the implementation of its roadmap. ADB will mobilize its resources, through technical assistance, grants or loans, to support EAGA development activities. The Bank will also help EAGA network with other multilateral organizations to tap other resources for its development initiatives. Since 1995, ADB has

already funded many TA projects supporting the EAGA subregional cooperation initiative. Its most recent project actually helped initiate the preparation of the EAGA roadmap.

The German Technical Cooperation Agency (GTZ) is currently implementing since January 2005 its technical assistance project on promoting economic cooperation in EAGA. The project, which will be undertaken in close coordination with ADB, will focus on strengthening the capacity of BEBC and its national/regional focal points, strengthening the coordination mechanism among the public sector agencies in particular the BIMP-FC, enhancing cooperation between BIMP-EAGA and relevant international/regional agreements (e.g. WTO, ASEAN), and strengthening intra and extra cross-border trade (e.g., through the promotion of selected economic clusters/ value chains). It is expected that the project will support many of the capacity building needs for roadmap implementation as well as facilitate implementation of some flagship projects.

As a subregional cooperation scheme, BIMP-EAGA can be viewed as a sub-set of ASEAN. Consistent with that view, EAGA initiatives to deepen subregional economic integration should be pursued within the broader ASEAN integration effort. This requires closer cooperation between EAGA and ASEAN. Upon EAGA's request, the ASEAN Secretariat has already started providing advisory services in the initial preparation of the EAGA roadmap. It is expected that the ASEAN Secretariat will continue to advise and guide EAGA in further refining its roadmap based on its extensive experience in this area and its knowledge of contextualizing the EAGA initiatives within the ASEAN. It will also continue to assist EAGA in more clearly defining the coordination relationships between EAGA institutions and the ASEAN Secretariat and its various bodies. As the subregional cooperation measures become more defined, ASEAN can help source and mobilize resources for the implementation of some measures.

Financing the Roadmap Implementation

Since EAGA was launched, participation of the member countries in subregional activities has been largely financed by themselves. The various in-country coordinating and implementing government agencies fund their EAGA-related activities from their respective agency budgets. Private sector participation is also mainly self-financed. The host country normally foots the bill for hosting EAGA meetings, conferences and other forums. Grants from multilateral development organizations like ADB, US Agency for International Development (USAID), etc. are also tapped to fund EAGA-related studies, conferences, training and capacity building, travel and limited commodity support. The EABC office in Brunei Darussalam was initially hosted by the Brunei Government, then later by the Sarawak Government when it transferred to Kuching. The Malaysian Government has been hosting the BIMP-FC office in Kota Kinabalu since August 2003.

Financing the implementation of the EAGA roadmap is expected to follow previous arrangements but with a few significant changes. Participation of the government agencies and the private sector organizations of member countries will continue to be funded from their agency budgets. It is, however, proposed for member countries to explore the possibility of allocating "EAGA funds" earmarked for use by the various organizations for subregional activities. One way to do this is to allocate a regular annual budget, probably lodged with the NS of each member country, from where the agencies can draw their funding requirements. The other and more practical option is for each of the participating organization to allocate, as part of their regular annual budget, a portion for their respective EAGA activities. This would necessitate a conscious effort by each organization to include EAGA activities in their regular planning, budgeting and programming cycle.

In addition, member countries will start a system of contributing towards the funding of EAGA logistical requirements for implementing subregional activities. This will start with multilaterally funding the operations of BIMP-FC. A similar arrangement may be adopted by the EAGA private sector whereby the focal organizations (and their members) in the member countries will share in funding the operations of the BEBC secretariat also in Kota Kinabalu. The same principle of sharing may be undertaken for EAGA-wide development projects.

Funding and technical assistance from EAGA's development partners and partner organizations will continue to be tapped.

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