

## Statement of the Development Partners on the occasion of the Informal Donor Meeting of the Mekong River Commission

Vientiane, 20 June 2019

1. Development Partners welcome the opportunity to engage in a dialogue with the Mekong River Commission (MRC) on the occasion of the Informal Donor Meeting.
2. Development Partners would also like to take this opportunity to congratulate Dr. An Pich Hatda on his appointment as the new **Chief Executive Officer** of the MRC Secretariat. We have enjoyed our collaboration with Dr. Hatda in his previous role and look forward to deepening our partnership with him, based on trust and mutual respect.
3. We salute the high quality of the 2018 **Annual Report**, which presents a clear overview of the implementation status of the Strategic Plan 2016-2020 and articulates the potential contribution of MRC to the Sustainable Development Goals (SDGs).
4. Development Partners wish to congratulate MRC Secretariat and Member Countries on the successful completion of the **prior consultation** for the Pak Lay Hydropower Project, through the signature of a Joint Statement. We also acknowledge the dedication of the Government of Laos to the post-PNPCA process<sup>1</sup>, through the approval of the Joint Action Plans for the Pak Beng and Pak Lay Hydropower Projects. We encourage all parties to implement the agreed Joint Action Plans.
5. Development Partners recognize the efforts made by MRC to facilitate the involvement of different **stakeholder groups** in the implementation of key MRC procedures. We encourage MRC to further consolidate such partnerships and to support Member Countries with consultation processes at the national level. Development Partners would welcome more representative participation of Civil Society Organizations in the Joint Session of the Council Meeting and the Informal Donor Meeting as well as in relevant technical meetings.
6. Development Partners continue to encourage Member Countries to translate the findings of the **Council Study** into national and regional policies and action plans. This particularly includes the review of the Sustainable Hydropower Development Strategy, which aims at balancing national and regional trade-offs, based on science and economics, with the ultimate goal of realizing wider benefits for the people living in the Mekong River Basin.
7. The update of the Sustainable Hydropower Development Strategy and the review of the Preliminary **Design Guidance** for Mainstream Dams will mark another important step towards the adoption of more sustainable practices on hydropower. Development Partners are looking forward to the approval of these documents by Member Countries.
8. The lessons learned from the review of the design changes for the Xayaburi Hydropower Project demonstrate the effectiveness of regional cooperation to mitigate the potential transboundary impacts of hydropower developments. Development Partners welcome the Joint **Environmental Monitoring** Programme of Mainstream Dams and its piloting at the Xayaburi and Don Sahong Hydropower Projects.

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<sup>1</sup> Procedures for Notification, Prior Consultation and Agreement

9. Development Partners welcome the progress reported in the **Mid-Term Review** (MTR). We encourage MRC to finalize the outputs of high relevance to achieve the outcomes of the Strategic Plan, including the strengthening of the data management system and the mainstreaming of MRC products into national systems. Development Partners further encourage the improvement of data and information disclosure for more effective coordination, greater public consultation and transparency at national and regional levels.
10. The latest report from the Intergovernmental Panel on Climate Change (IPCC) confirmed that the Mekong River Basin is among the most vulnerable region to **climate change**. Development Partners encourage MRC to prioritize adaptation measures in preparation of the next Basin Development Strategy, Strategic Plan and National Indicative Plans.
11. Development Partners welcome MRC's efforts to improve coordination with Dialogue Partners (China and Myanmar) and with other regional cooperation frameworks in support of MRC's role and mandate. In that regard we welcome the signature in 2018 of a new Memorandum of Understanding between MRC and ASEAN and recognize the role MRC can play in supporting ASEAN integration including the Master Plan on Connectivity and SDG implementation.
12. Development Partners welcome and encourage MRC's continued efforts on gender mainstreaming, reflecting the critical role of women to achieve the SDGs. We also encourage MRC to give greater emphasis to poverty reduction in the development of the new basin strategies to achieve the MRC vision of an economically prosperous, socially just and environmentally sound Mekong River Basin.
13. Development Partners take note of the delays associated with the **decentralization** process and support the adoption of a slower transition period until 2030, as recommended in the Mid-Term Review. Development Partners share the intention of Member Countries to use the basket fund to support the transition. Such activities and expenditures should be presented clearly in the annual work plans.
14. Development Partners would like to thank MRC for the openness it demonstrated throughout the **Operational Review**, which led to the identification of key recommendations to strengthen MRC's structures and procedures, including the revision of the Finance Manual. Development Partners request to be kept informed and consulted on the implementation of these measures.
15. Development Partners take this opportunity to reiterate the importance for the MRC to comply with the **Basket Fund** principles of transparency and accountability, as stipulated in our respective grant agreements. The Basket Fund is a key mechanism to improve ownership and aid effectiveness, with Member Countries and Development Partners jointly overseeing its management.
16. Development Partners welcome the establishment of the MRC Audit Committee and the recruitment of the internal auditor. As members of the Budget Committee, Development Partners call for the creation of a reporting line between the Audit Committee and the Budget Committee, as recommended in the Operational Review. Development Partners also ask to receive a copy of all **internal audit** reports as well as any other reports relevant to the management of the Basket Fund.

As in previous years, we look forward to a written response to this statement within one month after this meeting.

Development Partners thank the MRC for its continued cooperation. We highly value the opportunity to engage with the MRC on issues of great importance to the region, and we thank the Member Countries for their continuous engagement with us.

This statement is endorsed by:

Australia, Belgium, the European Union, France, Germany, Japan, Luxembourg, the Netherlands, Sweden, Switzerland, the United States and the World Bank.