



Mekong River Commission

Programme Document
BASIN DEVELOPMENT PLAN PROGRAMME
2011-2015

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ABBREVIATIONS AND ACRONYMS

ADB	: Asian Development Bank
AIP	: Agriculture and Irrigation Programme (of the MRC)
AusAID	: Australian Agency for International Cooperation
BDP	: Basin Development Plan Programme (of the MRC)
CCAI	: Climate Change and Adaptation Initiative (of the MRC)
CNMC	: Cambodia National Mekong Committee
DANIDA	: Danish International Development Assistance
DMP	: Drought Management Programme (of the MRC)
DSF	: Decision Support Framework
EP	: Environment Programme (of the MRC)
FMMP	: Flood Mitigation and Management Programme (of the MRC)
FP	: Fisheries Programme (of the MRC)
GIS	: Geographical Information System
ICBP	: Integrated Capacity Building Programme (of the MRC)
ICCS	: International Cooperation and Communication Section (of the MRC)
IKMP	: Information and Knowledge Management Programme (of the MRC)
IPOE	: Independent Panel of Experts
IWRM	: Integrated Water Resources Management
ISH	: Initiative for Sustainable Hydropower (of the MRC)
JC	: Joint Committee (of the MRC)
LMB	: Lower Mekong Basin
LNMC	: Lao National Mekong Committee
M-IWRMP	: Mekong Integrated Water Resources Management Project (of the MRC)
MONRE	: Ministry of Natural Resources and Environment
MRC	: Mekong River Commission
MRCS	: Mekong River Commission Secretariat
NAP	: Navigation Programme (of the MRC)
NMC	: National Mekong Committee
NMCS	: National Mekong Committee Secretariat
PDIES	: Procedures for Data and Information Exchange and Sharing
PMS	: Performance Management System
PNPCA	: Procedures for Notification, Prior Consultation and Agreement
PMFM	: Procedures for Maintenance of Flow on the Mainstream
PWUM	: Procedures for Water Use Monitoring
RBC	: River Basin Committee (of Thailand)
RBO	: River Basin Organization
RTWG	: Regional Technical Working Group (for basin-wide development scenarios and IWRM-based Basin Development Strategy)
SDC	: Swiss Agency for Development and Cooperation
SEA	: Strategic Environmental Assessment
Sida	: Swedish International Development Authority
SIM	: Social Impact Monitoring
TNMC	: Thai National Mekong Committee
USD	: United States Dollar
VNMC	: Viet Nam National Mekong Committee
WREA	: Water and Environment Administration (of Lao PDR)

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EXECUTIVE SUMMARY

The BDP Programme

The 1995 Mekong Agreement provides a formal framework for basin development planning as the mechanism through which the four Member Countries in Lower Mekong Basin (LMB) can “promote, support, cooperate and coordinate in the development of the full potential of sustainable benefits to all riparian states”. The Mekong River Commission (MRC) Basin Development Plan (BDP) Programme supports and facilitates this joint planning process with the overall aim that the Mekong water and related resources are managed in an effective, sustainable and equitable manner to reduce poverty in the Basin.

The implementation of two phases of the BDP Programme since 2001 has resulted in an established participatory and rolling basin development planning cycle that seeks to build consensus among Member Countries and stakeholders on the overall acceptable balance between basin development and water resources protection. The key feature of the process is the inter-play between national and sub-national plans with basin-level opportunities made possible through effective transboundary cooperation.

The **BDP 2007-2010 (BDP2)** has been implemented while the Mekong Basin is undergoing significant change, driven by global, regional and national developments. Developments in the Mekong Basin are now changing the Mekong’s flow regime. Accelerated water resources development pressures in the Basin demanded a basin perspective of national water resources development plans and their cumulative impacts. Therefore, the BDP2 had been focusing on transboundary water opportunities and issues to remove longstanding barriers to realizing opportunities for sustainable development of the Mekong Basin, while recognizing data and knowledge limitations.

By 2010, the BDP2 had produced sufficient data and information for the countries to develop and evaluate their water related interests, development options and positions, individually and collectively.

The resulting agreement of the IWRM-based Basin Development Strategy, drawing on the BDP’s assessment of basin-wide development scenarios, demonstrates the strong cooperation developed between the member countries and the shared determination to develop an economically prosperous, socially just and environmentally sound Mekong Basin.

The IWRM-based Basin Development Strategy

In January 2011, the MRC Council adopted the *IWRM-based Basin Development Strategy*, which is a statement of the four Member Countries setting out how they will share, utilize, manage and conserve the water and related resources of the Mekong to achieve the goals of the 1995 Mekong Agreement. It provides directions for cooperative and sustainable Lower Mekong Basin development and management, including the reduction of uncertainties and risks, and the strengthening of environmental and social assessments and indicators to guide future updates of the Strategy. The Strategy is subject to review and updating by MRC every five years.

At the heart of the *Strategy* is the move beyond cooperation primarily on knowledge acquisition towards cooperation on water development and management, and the move beyond national, sectoral planning towards comprehensive basin planning. Implementation of the Strategy in 2011-2015 will develop the knowledge and capabilities required to produce a more comprehensive and integrated approach to basin planning and management, to better capture the non-water use aspects of basin development planning in future updates of the Strategy.

The Strategy defines a clear Roadmap setting out priority actions, timeframes and outcomes. An early action in the Roadmap is the preparation in 2011 of a Basin Action Plan, comprising a Regional Action Plan and four complementary and consistent National Indicative Plans, one per LMB country. The national indicative plans will comprise those additional actions needed to supplement current national plans, in order to implement the *Strategy*; these actions will vary, reflecting individual country focus areas and priorities. The Regional Action Plan will be implemented through the MRC Strategic Plan 2011-2015. The National Indicative Plans will be integrated, to the extent possible, within national long- and short-term economic and sector plans with coordination and facilitation by the NMCSs.

The action planning at the regional and national level will result in defined sets of activities, projects and initiatives that would be uploaded to the Project Portfolio for the purposes of monitoring the implementation of the Strategy and for the promotion of unfunded regional and national activities. Infrastructure developments would be registered in the Project Master Database and only uplifted to the Project Portfolio after passing through the PNPCA process.

The next cycle(s) in the rolling BDP process must see the IWRM-based Basin Development Strategy implemented and updated, taking into account new knowledge and development dynamics in the Basin. This will result in a more comprehensive and integrated approach to basin planning and management.

BDP 2011-2015 – Main Direction

The proposed BDP 2011-2015 is designed to produce the knowledge and capability to produce a broader and much strengthened and integrated approach to basin planning and management. The BDP 2011-2015 will follow a two-pronged approach:

1. To support implementation and updating of the IWRM-based Basin Development Strategy, demonstrating real impacts and benefits of the BDP to Member Countries; and
2. To institutionalize the BDP process in the Member Countries and the MRC to prepare for the long term core planning support function and self-financing by MRC Member Countries.

This approach emphasizes the required institutional and human capacity building to implement and update the IWRM-based Basin Development Strategy in a way that: 1) fits with the policy and institutional context and responds to the capacity building needs of each country, while promoting joint learning and sharing of experiences and lessons learned across countries and 2) allows for a gradual transfer of those basin planning activities that can be more efficiently implemented by national line agencies and NMCSs as part of their policies, plans and work programmes.

The approach also highlights the need for planning to respond more effectively to the rapidly changing context in the dynamic LMB, including the uncertainty of climate change. This requires that BDP interacts with MRC Programmes and corresponding line agencies to address these challenges in an integrated basin-wide planning approach. As such, BDP 2011-2015 will work towards a stronger integration with other MRC Programmes within the overall framework of the MRC Strategic Plan 2011-2015.

The BDP 2011-2015 will build the foundation for decentralizing some basin planning tasks to national line agencies and move towards a corporate BDP, which is balanced between development and management, and comprehensive in its approach to all MRC Programmes, and which could become the unified goal of one MRC and a coherent MRCS.

BDP 2011-2015 – Results Chain

The **Overall Goal** of the BDP 2011-2015 is similar to the MRC Strategic Plan 2011-2015 Goal “Member Countries implement basin-wide IWRM approaches in national water and related sector frameworks and development programmes for promoting sustainable and equitable development”.

The Programme’s **Objective** is to support Member Countries integrating and implementing the strategic priorities, guidance and processes in the IWRM-based Basin Development Strategy in the national planning and regulatory systems through an institutionalized basin planning process, resulting in increased knowledge and capacity to produce a broader and strengthened approach to basin planning and management.

The BDP 2011-2015 Objective will be achieved through the following **four Outcomes**:

1. Improved integrated basin planning to reduce uncertainties and risks of developments, as a result of the implementation and update of the IWRM-based Basin Development Strategy by Member Countries and stakeholders;
2. Socio-economic assessments to support basin development planning and the implementation of MRC Procedures strengthened, based on agreed well-defined and realistic basin environmental and social objectives and indicators;
3. Appropriate institutional arrangements developed by Member Countries to implement the IWRM-based Basin Development Strategy, sustain the BDP process, and agree on a Roadmap for the decentralization of selected core basin planning functions; and
4. The necessary capacity to implement the IWRM-based Basin Development Strategy, and to carry out the selected core basin planning functions within the agreed Roadmap for decentralisation, available with relevant national agencies, RBOs, NMCSs and stakeholders.

A total of **15 outputs and 50 activities** are defined as important to achieve the above four Outcomes. Together they represent a comprehensive approach to coordinate, support and/or facilitate the take-up of the approximately 60 identifiable actions within the current IWRM-based Basin Development Strategy. The activities, which will be planned in detail during the inception phase (with responsibilities allocated), include:

- A range of studies to address knowledge gaps, facilitate sector planning, best practice guidance and effective implementation of MRC procedures; this includes the assessment of alternative energy options, including innovative hydropower schemes;
- Developing and strengthening the necessary systems, including enhanced socio-economic information and database, to monitor and assess water-related development within the basin, its socio-economic and environmental impacts, and its compliance with the agreed rules;
- Strengthening the cooperation with China and Myanmar on the management of the Lancang-Mekong Basin, with focus on improved basin-wide development and climate change scenarios, the updating of the IWRM-based Basin Development Strategy, and the implementation of the Procedures for Maintenance of Flow on the Mainstream (PMFM);
- The identification of options for sharing development benefits and risks and the facilitation of negotiated sharing mechanisms that are sensitive to the region, in compliance with MRC Procedures, and respectful of the development strategies and aspirations for regional cooperation of the parties;
- Preparation of updates of the State of the Basin Report and the IWRM-based Basin Development Strategy taking into account new knowledge and clarified socio-economic and environmental objectives;
- Implementation of the Procedures for Maintenance of Flow on the Mainstream (PMFM) and supporting the implementation of the Procedures for Notification, Prior Consultation and Agreement (PNPCA);

- Facilitate networks of national WRM agencies and RBOs with the aims of strengthening their IWRM planning, coordination and monitoring role and developing basin wide synergies;
- Implementation of a five-year programme for IWRM capacity development for basin development planning, including negotiation skills, within the overall capacity building framework of the MRC; and
- Providing the means to monitor and quality assure implementation of both the take up of the IWRM-based Basin Development Strategy's agreed actions as well as those of the BDP Programme itself.

The outputs and associated activities emphasise the critical inputs that are required from relevant national agencies and MRC Programmes.

The achievement of the Programme's objective will result in a situation in 2015 whereby: a more comprehensive and integrated Basin Development Strategy will be available; improved knowledge and institutional capacities for basin planning will be in place in all four countries, as will the good will among the policy makers and experts to work together at the Basin scale. The countries will then be in an excellent position to further increase transboundary cooperation to capture the full potential of sustainable benefits that can be created under the 1995 Mekong Agreement.

BDP 2011-2015 – Risks and Risk Management

The main risks identified for BDP 2011-2015 are: 1) national interests for economic growth over-ride the established political commitment to basin-wide sustainable development approaches; 2) targeted national water resources management and sector and planning agencies do not implement the strategic priorities and guidelines in the agreed IWRM-based Basin Development Strategy, jeopardising harmonization of national sector development objectives and plans with basin-wide multi-sector objectives ; 3) continued insufficiency of data, information and sector assessments for a quality basin planning process; and 4) the inability to mobilize sufficient funding for the implementation of the Basin Development Strategy.

The Programme has been designed to minimize and manage these risks, including strong linkages with the MRC Strategic Plan 2011-2015, decentralized and participatory implementation arrangements, and quality assurance measures. Mechanisms to identify, periodically monitor and respond to risks will be detailed during the inception phase. Responsibilities will be clearly assigned to the appropriate (and to multiple) levels in the institutional structure to implement the basin planning function. The annual progress reports of BDP 2011-2015 will provide an analysis of the actual impact of the risks and the effectiveness of the risk management measures deployed.

BDP 2011-2015 – Implementation Modalities

Country understanding, ownership and commitment regarding the desired outputs and activities must be the dominant factor flowing through all the activities. This means intensive multi-country discussions and workshops during the inception phase to agree on activity details and Programme management aspects. There is a clear need, during these discussions, to embrace the concept that most of the activities have to be done by national teams and working groups and be integrated into improved national planning and regulatory systems and into agency programmes and plans, with coordination, facilitation, monitoring and reporting by the NMCs.

Increased national line agency responsibilities for activity implementation also require stronger links between MRC Programmes and these line agencies. Whilst each country and its agencies have different systems and approaches, there needs to be common threads or themes applying to activities so that achievements can be brought together for maximum impact, or that problems can be focused on a common objective. The MRC Programmes can facilitate inter-actions between the relevant line agencies in each country and, in this way, maintain focus, energy and commitment.

Thus national and regional working groups will be established for both water-related sectors and basin-wide integrated planning. MRC Programmes will help lead sector working groups (i.e. fisheries, agriculture, hydropower, environment, etc), building on already existing regional and sectoral bodies, established and facilitated by the Programmes. Planning and other cross cutting working groups will be coordinated by the BDP Programme. The existing mechanisms for BDP in the Member Countries (BDP Steering Committee, Coordination Unit, National and Sub-area working group and RBCs) and at regional level (Regional Technical Working Group) will be reviewed and tailored to best meet the requirements for the implementation of BDP 2011-2015. As such, the Programme will address its sustainability beyond Development Partners' funding.

All of this will result in growing networks with wide understanding and ownership of the basin planning process regional perspectives of the Basin Development Strategy. This will increase the effectiveness of Strategy implementation and bring national perspectives into future updates of the Strategy, creating a "circle of ownership" between MRC and its Member Countries, and the opportunity to move towards MRC core river basin management functions.

Country ownership and commitment open and transparent monitoring and reporting, flexibility and adaptability to changing circumstances are key. MRCS "steers", NMCs "coordinate", line agencies "drive".

BDP 2011-2015 – Wider Stakeholder Engagement

The BDP Stakeholder Analysis will be updated, identifying credible NGOs and other organizations at the national and regional level which are capable and enthusiastic to represent local level stakeholders in the BDP process and present their views at national and regional BDP Stakeholder Forums. Communities and local stakeholders will be engaged in the basin planning process also during the implementation of social and environmental assessments (under Outcome 2) and other actions to implement the IWRM-based Basin Development Strategy.

At the regional level, opportunities will be identified to synthesize and integrate different technical forums of MRC Programmes and BDP forums into corporate MRC forums encompassing the most important issues in water and related resources development and management in the Mekong Basin, which will enable more coherence and cost effectiveness.

A key output will be the undertaking of regular "Stakeholder Satisfaction Surveys" that will provide a strong indication of whether the enhanced stakeholder processes are working effectively.

BDP 2011-2015 – Monitoring and Reporting

As the primary focus of the BDP 2011-2015 is the implementation and updating of the IWRM-based Basin Development Strategy, a comprehensive monitoring system will be established during the inception phase that covers the implementation of the Basin Action Plan of the IWRM-based Basin Development Strategy and the activities, outputs and outcomes of the BDP Programme. The resulting monitoring system will be fully aligned with the overall MRC Performance Management System (PMS).

It is important that the bulk of the performance monitoring is self-monitoring by the key institutions involved in the basin planning function and that the process is managed in such a way as to encourage the identification of drivers and constraints to performance, which than can be pro-actively taken up to achieve positive results. The use and maintenance of the monitoring system will be documented and agreed between with the NMCs and line agencies.

The Programme management reporting includes annual progress reports, periodic independent Programme review reports from Development Partners and the Independent Panel of Experts, and mid-term and completion reports. Monitoring and reporting will provide the various entities involved

in basin planning with the information necessary to determine whether the various activities are being implemented effectively and outcomes are being achieved.

The lessons learned will be used to adapt the Programme implementation arrangements and manage the identified risks to achieving the Programme outcomes and objective.

BDP 2011-2015 - Quality Assurance

The BDP 2011-2015 will build on the quality assurance mechanisms that have contributed to the quality of its outputs and confidence of Member Countries and key stakeholders in the basin planning during the BDP2, including:

- Data quality control and verification by the appropriate line agencies and related research and design institutions;
- Peer review of approaches, methods, tools and processes by institutions (national, regional and international) and individual experts through various mechanisms, such as internal peer review by other MRC Programmes, contracts and/or workshops, and web-based forums; and
- An International Panel of Experts (IPOE) to provide an independent expert review of the Programme outputs and ensure that the BDP process and outputs are of the highest quality, relevance and responsiveness to the prevailing conditions of the region.

Independent external reviews of the Programme will be contracted at key stages during 2011-2015. These will be conducted once a year with more detailed reviews at an early stage (within the first 12-18 months) to correct early design and implementation problems, the mid-way stage (36 months) and towards the end of the five-year period.

BDP 2011-2015 – Budget and Funding

The BDP 2011-2015 aims at mobilizing a total of USD 13.8 million for its five year implementation. Another US\$ 1.5 million is expected as in-kind and limited in-cash contributions from Member Countries. The indicative allocation of budget reflects the two-pronged approach of the Programme with the implementation, monitoring, evaluation and updating of the IWRM-based Basin Development Strategy accounting for the largest amount of budget, followed by the strengthening of BDP process at the national level and moving towards the core planning support function of the MRC.

The currently available, pledged and expected funding is approximately USD 8.0 million (with approvals expected in late 2011), leaving a funding gap of USD 7.0 million.

In Conclusion

The designed BDP 2011-2015 will take the basin-wide planning process a substantial step forward, characterized by: 1) the actual adaptation of basin-wide principles, guidance and processes into the national planning, decision-making and governance processes, 2) the development the national institutional and human capacity to assume national leadership of the BDP process and perform those basin planning tasks that can and should be implemented at the national level, and 3) a more comprehensive and integrated basin planning process.

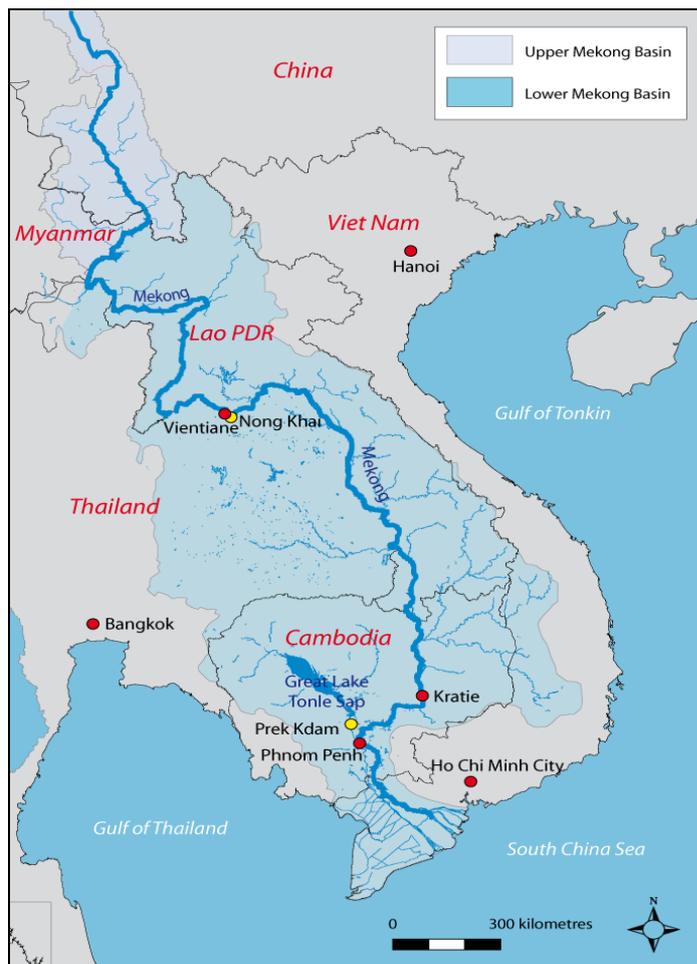
This will result in a situation whereby the basic building blocks are in place for the transition from a BDP Programme dependent on external funding to a basin planning process that is embedded in national planning systems and funded by the Member Countries.

1. BACKGROUND

1.1 Introduction

The Mekong River Basin (Figure 1.1) is shared by six countries, China and Myanmar in the Lancang-Upper Mekong Basin and Cambodia, Lao PDR, Thailand and Viet Nam in the Lower Mekong Basin (LMB). The four LMB countries have developed the Mekong water cooperation for five decades, while maintaining a dialogue with China and Myanmar. Basin development planning to optimize the sustainable use of the basin's water resources has always been prominent in the Mekong cooperation.

Figure 1.1: The Mekong Basin



The Agreement for the Cooperation for the Sustainable Development of the Mekong River Basin, signed on 5 April 1995 by the LMB countries (the 1995 Mekong Agreement), which established the Mekong River Commission (MRC), provides a formal framework for basin planning with a requirement to prepare a Basin Development Plan (BDP). This mandate is unique to the MRC with no other regional organisation undertaking planning at this scale, across national borders and a wide range of sectors.

The LMB countries have carried out two phases of a BDP Programme (BDP1, 2001-2006 and BDP2, 2007-2010) with financial support from Development Partners¹. The Programme has resulted in a well-established participatory basin planning process between the LMB countries and their stakeholders and an IWRM-based Basin Development Strategy (herein referred to as “the Strategy”) to identify development opportunities and set out Strategic Priorities to optimise the opportunities and minimise the risk associated with them.. In their Declaration of the 1st

MRC Summit in April 2010, the LMB Countries Prime Ministers emphasise the adoption and implementation of the Strategy as the first priority action for the MRC.

This highest political commitment of the LMB countries reconfirms the need and importance of the MRC-facilitated basin development planning in the current context of accelerated water resources development in the basin. The challenge now is to translate this commitment into actions through an influential and sustainable BDP process that facilitates the adaption of the principles, guidance and processes in the Basin Development Strategy into various transboundary and national planning, decision-making and governance processes.

¹ The Development Partners supporting the BDP Programme include the Governments of Denmark, Sweden, Switzerland, and Australia. The Government of Japan provided Japanese experts.

The BDP Programme 2011-2015 (BDP 2011-2015) has been formulated in conjunction with the development of the MRC Strategic Plan 2011-2015 and is aligned with the MRC core river basin management functions. The transition of the MRC towards core functions will further strengthen the integration of BDP and other MRC activities. For example, the required sector work for basin planning will be implemented by other MRC Programmes: Agriculture and Irrigation (AIP), Fisheries (FP), Flood Mitigation and Management (FMMP), Navigation (NAP); environmental assessments will be conducted by the Environment Programme (EP), and the implementation of MRC procedures will be coordinated by the Mekong IWRM Project (M-IWRMP).

This Programme Document has been prepared with inputs from national line agencies, the National Mekong Committee Secretariats (NMCSs) and wider stakeholders. It is structured around three principle elements: the rationale for the continuation of the BDP process (Chapter 2), the objective and result framework of the Programme (Chapter 3) and the implementation and management arrangements to achieve the expected results (Chapter 4). This Chapter 1 provides useful background information, including the emerging development trends in the basin and the national and regional planning context within which basin development planning must operate, as well as the key achievements and lessons learned of BDP Programme so far.

1.2 Basin Development Planning in the Mekong Cooperation

The BDP in the History of Mekong Cooperation

The history of cooperation and development planning by the LMB countries dates back to 1957 when the Mekong Committee was established. Cooperation was dedicated to the coordinated development of the basin's resources, on the basis of reasonable and equitable sharing between the basin countries. To guide these efforts, an indicative plan for the development of the water and related resources was drawn up in 1970 to meet the anticipated needs of the LMB. The plan covered three decades (1970-2000), but implementation during the first half was limited due to lack of stability in the region.

Therefore, the "Interim" Mekong Committee decided that a major update was needed, which led in 1987 to the revised indicative plan for the development of land, water and related resources in the LMB. As in 1970, the plan was presented as an "indicative" plan to reflect the limitations of a sectoral water resources plan in the light of changing technological, economic, social and political circumstances.

Currently, most of the tributary projects in the indicative plan have been implemented. The proposed mainstream dams were further studied in 1994, and most projects are now in an advanced preparation by LMB countries.

The BDP in the 1995 Mekong Agreement

The commitment to cooperative development was formalized with the signing of the 1995 Mekong Agreement. The LMB countries agreed to cooperate in all fields of sustainable development, utilisation, management and conservation of the water and related resources of the Mekong Basin.

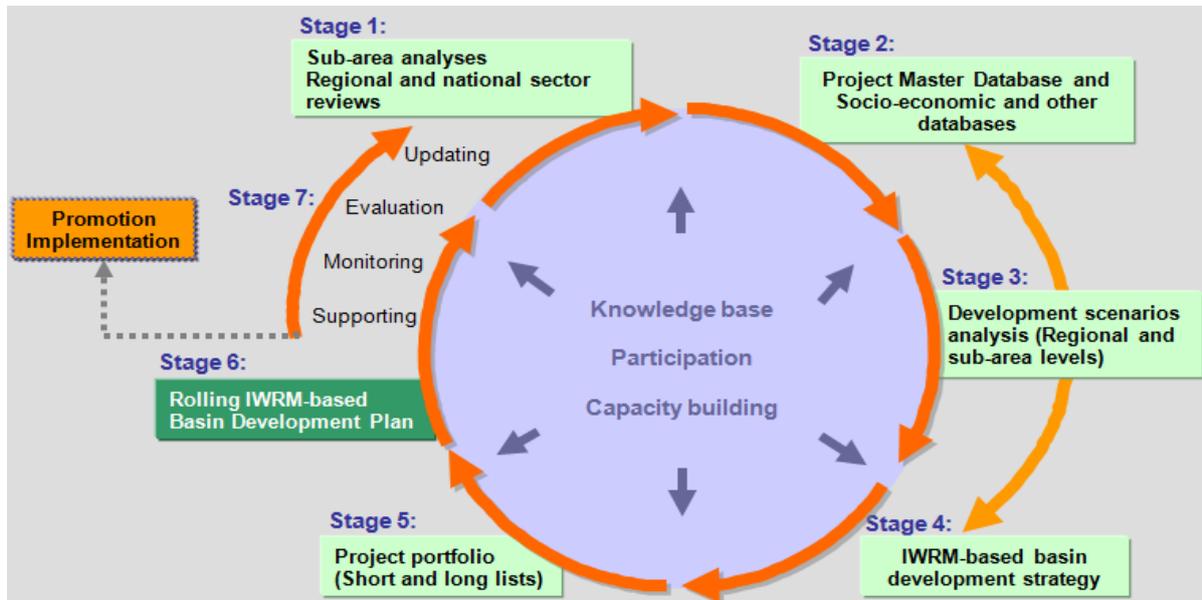
A key part of the Agreement is the need for the four LMB countries to cooperate in "the formulation of a basin development plan that would be used to identify, categorize and prioritize the projects and programmes to seek assistance for and to implement at the basin level". Further, the countries have agreed to undertake this planning to achieve "*the full potential of sustainable benefits to all riparian countries and the prevention of wasteful use of Mekong River Basin waters, with emphasis and preference on joint and/or basin-wide development projects and basin programmes*".

This means that basin planning seeks to obtain a balance between water and related resources development and water and related resources protection, in a way that all four countries agree is acceptable from social and cultural points of view, as well as economic and environmental aspects.

The BDP Programme of the MRC

The earlier stages of the MRC’s basin planning activities formulated a “rolling” basin development planning process that followed seven stages as shown in Figure 1.2. The key feature of the process is the necessary inter-play between national and sub-national plans with the opportunities at basin-level that are made possible through effective transboundary cooperation. The intention is that the rolling plan will be revised and updated every five year.

Figure 1.2: Basin development planning cycle



The initiated BDP Programme in 2001 was seen as a participatory, basin-wide planning process rather than the preparation of a specific Basin Development Plan with list of projects. BDP1 (2001-2006) achieved much in terms of creating a framework for participatory basin planning. It made good progress in the improvement of the knowledge base and tools for water resources development planning. Also, a project database was established that contains screened and shortlisted projects, several of which are now being implemented or prepared for implementation.

The BDP2 is designed to use this planning cycle to support all four goals of the MRC Strategic Plan 2006-2010, with an emphasis on the first goal: “to promote and support coordinated, sustainable, and pro-poor development”, with the preparation of a rolling IWRM-based Basin Development Plan, based on analysis of water use and demand, and balancing trade-offs between different uses.

The IWRM-based Basin Development Plan comprises:

- **Basin-wide Water Resources Development Scenarios**, which provide the information that Governments and other stakeholders need to develop a common understanding of the most acceptable balance between resource development and resource protection;
- **An IWRM-based Basin Development Strategy**, which is a statement by the LMB countries of their intention to share, use, manage and protect the basin’s resources in an equitable and sustainable way for economic growth and poverty reduction. The Strategy contributes to a wider adaptive planning process that links regional and national planning for sustainable development and management of the LMB; and
- **A Project Portfolio** of strategically important water resources development projects and non-structural projects that would require either investment promotion or strengthened governance, as envisaged in the 1995 Mekong Agreement.

The preparation of the plan brings all existing, planned and potential water and related resources development projects in a joint basin planning process, through a combination of participatory sub-basin and sector activities and a basin-wide integrated assessment framework. The planning process is supported by activities that have improved planning knowledge and tools.

The BDP2 has been implemented during a time Mekong Basin is undergoing significant change, driven by global, regional and national developments. Developments in the Mekong Basin are changing the Mekong's flow regime. Accelerated water resources development pressures in the Basin demanded a basin perspective of national water resources development plans and their cumulative impacts. Therefore, the BDP2 had been focusing on transboundary water opportunities and issues to remove longstanding barriers to realizing opportunities for sustainable development of the Mekong Basin, while recognizing data and knowledge limitations.

The first two elements of the IWRM-based Basin development Plan were completed by the end of 2010. The IWRM-based Basin Development Strategy, adopted by the MRC Council in January 2011, provides the strategic guidance for the formulation of the Project Portfolio of the Plan. The Project Portfolio will be completed in 2011, supported by the preparation of the Basin Action Plan for the implementation of the Strategy. The Basin Action Planning will result in defined sets of projects, programmes and activities. The Project Portfolio would be used for the monitoring the implementation of the Basin Development Strategy and the promotion of unfunded regional and national non-structural and enabling activities.

1.3 Towards basin planning with a broad perspective

BDP2 was strongly focused on water quantities and water allocation (impacts of hydropower and irrigation expansion). However, the development of the LMB is about more than just water quantities. The IWRM-based Basin Development Strategy refers to IWRM as *“a process that promotes the coordinated development and management of water, land and related resources, in order to maximize economic and social welfare in a balanced way without compromising the sustainability of the ecosystems”*.

Water is linked to a number of other natural resources – and to the socio-economic environment of the basin. Water resources are increasingly required for basic human needs, for industrial development, for food production, for fisheries (a major livelihood provider in the LMB), for wildlife, for energy production, for creating incomes and wealth in rural areas, and for many other activities. And similarly, water resources are impacted by all these activities and the use of these resources.

Also, the water cycle is very much integrated with the characteristics and use of the land. Rain falls on land is transported through compartments like air, soil, vegetation and groundwater into streams and rivers. Decisions and practices on land management determines runoff and erosion which affect water quantity and quality – and likewise water quantity and quality determine what use can be made of the land. As a consequence, land management is also water management. When a land owner decides to plant or clear forest on his land, he also affects the water balance of that part of the river basin. Therefore, sound water management policies according to IWRM principles should be as concerned with land management as with pure water management. Whereas water plans tend to be concerned exclusively with water supply and demand issues, an IWRM strategy and its implementation plan look at water in relation to other ingredients needed to achieve larger development goals.

Ideally, river basin management is about all these linkages and broader than traditional water management (Figure 1.3). It does not mean that *all* plans and policies addressing one or more aspects of water should have such a broad scope – but for a strategic planning instrument like the BDP it is important that all relevant policy sectors and resources are considered. The BDP is to be considered the integrated planning framework that puts together different pieces of the big basin-wide puzzle.

BDP 2011-2015 will promote development of water resources as part of the broader natural environment and in relation to their socio-economic environment. This is clearly within the aim of the BDP of identifying transboundary economic development activities that balance the basin population's needs with sustainable water quantity, quality and long-term environmental integrity. As an example, land management-related issues that might be relevant to address in the Mekong context could be:

- Impacts of land cover change (e.g. afforestation/deforestation) on runoff and soil erosion;
- Conversion of land for agriculture and other uses;
- Implications of land use change for settlement patterns and water demands;
- Provision of ecosystem services; and
- Sustainability of major infrastructure viz-a-viz climate change.

Figure 1.3: Integration of land and water management

An integrated approach to the management of land and water takes as its departure the hydrological cycle transporting water between the compartments air, soil, vegetation, surface and groundwater sources. As a result, land use developments and vegetation cover (including crop selection) influence the physical distribution and quality of water and must be considered in the overall planning and management of the water resources. Another aspect is the fact that water is a key determinant of the character and health of all ecosystems (terrestrial as well as aquatic), and their water quantity and quality requirements therefore have to be taken into account in the overall allocation of available water resources. The promotion of catchment and river basin management is an acknowledgement that these are logical planning units for IWRM from a natural system perspective. Catchment and basin level management is not only important as a means of integrating land use and water issues, but is also critical in managing the relationships between quantity and quality and between upstream and downstream water interests.

Source: GWP TAC Background Paper No. 4, "Integrated Water Resources Management", 2000

By acknowledging and managing these resources and issues in a conjunctive manner, applying a basin-wide perspective when defining and assessing various development scenarios, chances are that more combined benefits from the totality of the basin's resource pool, including water, can be identified and subsequently reaped. Therefore, the BDP 2011-2015 will explore opportunities for linking land management, environmental planning, socio-economic planning and water resources planning.

Hence, at the heart of the resulting IWRM-based Basin Development Strategy, and its implementation through BDP 2011-2015, is the move beyond cooperation primarily on knowledge acquisition towards cooperation on water development and management, and the move beyond national, sectoral planning towards comprehensive basin planning. The BPD 2011-2015 will develop the knowledge and capabilities required to produce a more comprehensive and integrated approach to basin planning and management, to better capture the non-water use aspects of basin development planning in future updates of the Strategy. This broader basin perspective will guide the implementation of all activities under the BDP2011-2015.

1.4 The Changing Mekong River Basin

Global and regional trends and hydropower developments in the Lancang-Upper Mekong Basin offer both opportunities and threats in the LMB. At the same time, there are many priority issues within the LMB, and within each of the four countries, that influence how and when land and water resources could be developed.

Global Developments

Fluctuating oil and natural gas prices, an emphasis on renewable and non-fossil fuel generation, and the availability of private finance, are making hydropower increasingly attractive and accelerating its development in the Mekong Basin. Global food shortages and rising prices can make irrigation more

profitable in the LMB, while irrigation development may attract investors from foreign entities that seek more diversified food types. These trends need to be considered in the light of global climate change, which might change future water availability. Climate change models predict a wetter wet season and a largely unaffected dry season in the Basin; the Delta is highly vulnerable to sea level rise.

Basin and National Level Developments

Despite impressive economic growth over the past decade within the basin countries, much of the Mekong Basin itself remains among the world's poorest areas. Many parts of the basin have various levels of poverty affecting up to 40 percent of the population. Governments of the basin countries increasingly recognize that developing the economic potential of the Mekong river system in a sustainable way can alleviate poverty and improve livelihoods.

In the Lancang-Upper Mekong Basin, China is completing its hydropower cascade on the Lancang, which, if operated to maximise electricity generation, may cause over the next few years a very significant seasonal redistribution of flow from the wet season to the dry season. This would provide an opportunity for expansion of irrigation in LMB but the dams will also cause sediment and nutrient trapping, which could result in reduction in wetland productivity and capture fisheries and consequent social implications.

In the LMB, the predicted population growth will increase demand for electricity and food resources, and thus increase pressures on the basin's scarce water resources in the dry season. Also, higher living standards bring changes in attitudes to flooding and land use, which require innovative approaches and policies to both flood protection and irrigation expansion on the delta flood plains. Climate change will further increase the growing pressures from land development and sea level rise.

All four LMB countries have targeted poverty reduction strategies within their national socio-economic and sector plans, and these all include the development of water resources for irrigation, flood management, hydropower, domestic water supply, fisheries and other uses. In particular the ambitious irrigation and hydropower development plans will significantly impact on how the basin's resources are used and consumed. Dry season irrigation is planned to increase by 50% and hydropower capacity by 400% in the next 20 years.

Development plans of this size and scope bring with them both "synergies", or complementary effects between projects, and "trade-offs", where benefits for one area or sector create impacts for another. The challenge is to optimize the synergies and prevent, mitigate, and/or compensate the impacts within a basin perspective, taking into account the foreseeable impacts of the developments in the Lancang-Upper Mekong Basin and climate change. This requires strong IWRM understanding and capabilities across the Basin and across institutions, and time for consultation, to develop preferred negotiating positions.

New Investments and Development Assistance

As the LMB countries develop government investment policies and clarify the rules for resource utilization, there will be increasing opportunities for the private sector (and foreign "state-owned companies") in the development of water and related resources, such as hydropower, navigation, large-scale irrigation, and industry (mining, forestry, and tourism). In many of these areas, investment from the private sector now outweighs public sector investments.

In comparison with public sector financed developments (sometimes supported by foreign aid), the emerging private sector developments are more opportunity-driven with relatively short planning cycles and often only minimum assessment processes. This raises the need for strong government regulatory systems and enforcement capacity, including improved skills and capacities for the resource management agencies, and more flexible and adaptive coordination arrangements at the basin-wide level.

Enhanced Stakeholder Involvement

Stakeholder opinions and inputs become very important when new development scenarios and projects could impact on environmental and socio-economic issues, in particular when the poorer communities in the basin are the main groups that could suffer. Stakeholder groups are demanding a greater involvement in both national and basin-wide planning and management activities. Each LMB country has developed policies and approaches to stakeholder participation and consultation that are relevant to its own systems and culture. These must be respected and blended into a coherent and well structured stakeholder participation policy and set of processes for basin-wide IWRM implementation. The MRC has responded to this need with a participative set of processes that encourage all key stakeholder groups to become part of the basin planning process.

Long term basin development planning is an essential on-going need to respond to the dynamics and challenges in the Mekong Basin and to strategically guide and support national socio-economic and sector planning to ensure an acceptable balance between economic, environmental and social outcomes in the basin, and mutual benefits to all basin countries.

Status of natural resources in the Lower Mekong Basin

Ongoing monitoring programmes indicate the river's resilience to current human-induced pressures. The flow regime of the mainstream is mostly in its natural state, although tributary dams impact the flow of some mainstream locations. Water quality is generally good, except in the Delta and other areas with extensive development, where high nutrient levels are a cause for concern. The river's annual flood pulse continues to support the world's largest inland fisheries, although there are reports of declining catches. The basin's primary forest cover continues to fall, with increasing demand for timber and land. The large biodiversity of the basin is still not fully described and new species are discovered every year. Basin fauna, including 14 critically endangered species, 21 endangered species and 29 vulnerable species, are threatened by rapid developments that will alter habitats and mechanisms which are essential to sustain high ecosystem productivity. For detailed data and information, please see the 2010 State of the Basin Report.

Although climate and human-induced pressures on the basin's natural resources are increasing, there remains considerable potential for development of water and related resources in the Basin to support economic growth, poverty alleviation, and food and energy security. These opportunities are identified in the recently approved IWRM-based Basin Development Strategy (January 2011). In particular the opportunities in the hydropower sector have significant risks, which must be offset or mitigated, both at the national level, and where relevant, through cooperation at the transboundary level. The Basin Development Strategy identifies a number of strategic priorities (or enabling conditions) that, if implemented, will strengthen the management of the basin's natural resources and enable development opportunities to be brought forward for implementation and development to proceed on a sustainable basis (see also Section 2.6).

1.5 National and Regional Planning

National Planning Systems in the Lower Mekong Basin

There have been large changes in all countries in the last several years, particularly relating to developing clear statements of national water-related policy and strategy. An improving institutional and regulatory framework increasingly supports these policies, and removes uncertainty as to which agency has the role of the "water resources manager", and gives it legal backing through modern water resources legislation. The most important recent initiatives have been:

- All countries now have specified agencies with the responsibility for IWRM – a specified "***national water resources management agency***" (MOWRAM in Cambodia, WREA in Lao PDR, MoNRE in Thailand, and MONRE in Viet Nam). However, in some countries these agencies are

new and require considerable institutional development and capacity building to fully perform their mandate;

- All countries have at least a “framework” national “water policy and strategy” based on IWRM principles. In most countries water policies and water resources legislation are being modernized, led by the national water resources management agency;
- New decentralization policies that will enable water related decisions to be taken at the provincial levels, where the problems exist;
- All countries are strengthening participative approaches to river basin and sub-basin planning and management; and
- All countries are supporting capacity building programmes for IWRM and introducing new technical, modelling and analytical tools and approaches to support water planning and management.

Annex 7 provides an overview of the current planning system in each of the LMB countries. Each country has its own system and procedures for water-related planning. Usually there are five- or ten-year national socio-economic plans and sector (or master) plans that seek to address the particular national long term objectives, including poverty reduction, infrastructure projects, and improved environmental management.

Large (mega) projects, such as in the hydropower and irrigation sectors, are generally identified in sector plans by sector agencies at the national level and submitted and submitted to the ministry in charge of planning and investments or an investment committee led by this ministry. Also the preparation of the approved projects is managed by the responsible sector agency at the national level. In most countries, the role of the national water resources agency in project identification and preparation is still limited to the opportunity to review fully prepared sector plans and projects.

Smaller water related projects are generally identified at the local and provincial levels by provincial sector departments and after approval of the provincial appropriate line agencies for review and integration in sector plans, without much oversight from the national water resources management agency. In Thailand, RBOs prepare plans that are incorporated in provincial development plans and submitted to the Department of Water Resources of the MNRE, for review and cross-sectoral coordination.

Given this situation, the obvious ***entry points for integration of basin development planning in the national system are the following:***

- Supporting the ongoing and planned ***updating of national water policies and strategies***, led by the national water resources management agencies (by the MRCS Planning Division);
- Systematically and strategically reviewing and guiding the ***periodically updated sector (or master plans)*** by MRC Programmes - navigation, agriculture and irrigation, environment, flood management and hydropower;
- Supporting the preparation ***of IWRM strategies in critical tributary basins***, building on the process established in BDP’s Sub-areas, which has been involving a wide group of local stakeholders, including provincial departments and RBCs (by the MRCS Planning Division); and
- Addressing the gaps and flaws in the national planning and regulatory systems that have been identified during the preparation of the implementation plan of the IWRM-based Basin Development Strategy.

At the same time, the MRC must do their utmost to support the national water resources management agencies to become the primary authority for Mekong water resources management in their countries. Of major importance is the continued need to improve agency staff capabilities in basin-wide IWRM,

and to develop a suite of modern analytical tools. The latter include hydrologic, environmental and socio-economic modelling packages at the river basin level – that the countries can use to assess whether national policies and development proposals would not contradict with the IWRM-based Basin Development Strategy.

Also, the proposed networks in the IWRM-based Basin Development Strategy between national water resources management agencies and between sub-basins (including through the emerging River Basin Organizations) would be an effective way of practical capacity building for IWRM, and it is a legitimate part of the MRC’s “cooperation and coordination” role to facilitate these networks.

This will establish the building blocks for future water resources management in the Mekong Basin, led by a strengthened, authoritative water resources management agency in each of the basin countries. Such a national water resources agency will effectively performs its coordination, steering and monitoring role for IWRM, while the long established water-related sector agencies (agriculture, energy etc.) do most of the on-the-ground planning, but in a way that maintains the most acceptable balance between water resource development and water resources protection.

This emerging basin planning and management framework is shown in Table 1.1. The NMC Secretariats are already housed in the national water resources management agencies, which will increasingly facilitate the linkage to basin-wide perspectives. All of this will change the way MRC responds to, and interacts with, national agencies, leading to countries taking over more of the implementation work – the “driving” of basin-wide IWRM – with MRCS being more of a coordinator and facilitator – a “steering” role.

Table 1.1: Emerging institutional arrangements for IWRM in the LMB

Management Level and Strategy	Purpose	Coordination Body	Implementing Bodies
Basin Scale: IWRM-based Basin Development Strategy	Guides the water related development and management in the LMB.	<ul style="list-style-type: none"> • MRC 	National water resources management agencies (MOWRAM, WREA, MNRE and MONRE)
National: National water resources and water related strategies (linked to IWRM-based Basin Development Strategy and other basin-wide strategies)	Guide and plan the actions to achieve national objectives, follows an IWRM approach. Take account of the basin-wide strategies.	<ul style="list-style-type: none"> • MOWRAM • WREA • MNRE • MONRE 	National socio-economic planning and sector agencies Private and non-government stakeholders
Sub-basin: Sub-basin IWRM Strategy	Plans the actions for local level socio-economic development and resource protection, in accordance with the national IWRM strategy.	<ul style="list-style-type: none"> • River Basin Organizations • Province level coordinating mechanism 	Provincial departments of sector agencies National agencies (as appropriate)
Watershed: Watershed Plan of Action	Provides information into sub-basin level plans	<ul style="list-style-type: none"> • Watershed Committees 	Districts and Commune agencies, local communities.

Regional Planning Initiatives

Water and related resources development and management in the Mekong Basin are placed within one of the most dynamic economic regions in the world. Strong regional cooperation platforms exist, such as the Association of South East Asian Nations (ASEAN), Mekong cooperation, the Asia Pacific Economic Cooperation (APEC) and the ADB Greater Mekong Sub-region (GMS) Programme.

Under ASEAN, developing a shared vision and obtaining commitments for regionalism, economic integration and functional cooperation have been prominent. These have been translated into important agreements with relevance to basin development planning, such as the ASEAN Agreement

on Energy Cooperation, the Memorandum of Understanding on ASEAN Power Grid, and the ASEAN Action Plan on Water Resources Management. An ASEAN Mekong Basin Development Cooperation (AMBDC) has been established since 1996 with a ministerial meeting every year.

The GMS Strategic Framework (GMS SF) for 2002-2012 was the first attempt by GMS countries to formulate and adopt in broad terms a sub-regional development planning framework, following the first 10 years of the GMS Programme implementation to build trust and agreements on sector approaches and priority programmes. The GMS energy sector programme emphasises the promotion of regional power trade to help fully develop and utilize the sub-region's energy potential, the facilitation of the development of grid interconnection, and private sector investment. At the same time, the GMS Core Environmental Programme (CEP) aims at strengthening/upgrading environmental planning and management capacities for Strategic Environmental Assessment (SEA) of sector strategies and plans, promotion of pro-poor biodiversity conservation corridors, and environmental management.

The MRC has spent considerable efforts in strengthening cooperation with these regional organizations and initiatives with an aim to assist its Member Countries to place Mekong water negotiations and decision making in the broader socio-economic development and regional cooperation agenda. A Memorandum of Understanding (MOU) was recently signed between MRC and ASEAN to foster the water agenda in ASEAN activities. Long term partnerships with ADB and the World Bank have resulted in joint activities to promote transboundary cooperation in water management in the LMB.

1.6 Key Achievements and Lessons Learned of the BDP Programme

Key Achievements and Impact

Building common understanding of the essence of basin development planning. Building on the participatory BDP planning process established in BDP1, the BDP2 achieved a “meeting of minds” among NMCSs, key line agencies, and other stakeholders on the essence of the joint basin planning process - which is to ensure the integration of basin perspectives into the national planning and decision making processes related to the development of the Mekong water and related resources.

The mid-term review of the MRC Strategic Plan 2006-2010 carried out in late 2008 concluded that “for a major international regional river basin such as the Mekong, the concept of a basin plan is not easy to define, and the MRC has taken time to come to terms with this. Significant progress has been made in areas such as generating data and information from Sub-areas, developing hydropower and irrigation databases, preparing and agreeing on technical directions for scenario analysis, the assessment of hydrological impacts of formulated scenarios and an outline of the rolling IWRM-based BDP”.

By end of 2010, BDP2 finalized these basin perspectives (i.e. the IWRM-based Basin Development Strategy) which were adopted in January 2011. The next cycle in the rolling BDP process will need to see the implementation of the Strategy at national level through the adoption and implementation of the Strategic Priorities, set out in the Strategy in national systems. At the sub-basin level, the Strategy will need to be translated into Sub-basin IWRM Cooperation Framework in critical tributaries to facilitate collaboration between the Member Countries and their provinces in addressing IWRM issues and promote integrated river basin development. Such an implementation will allow the update and further development of the Strategy that takes into account sub-basin and new national developments (see Figure 1.1 above).

Enhanced trust and cooperation among riparian countries. The BDP process has strengthened trust and cooperation among LMB countries and stakeholders to openly discuss the need to harmonize national interests to achieve the Basin shared vision and goals. The facilitation and provision of objective technical analyses by MRCS have been instrumental in building mutual respect of national

differences and promoting basin-wide approaches, realizing that certain national interests in the outcome of the basin planning process are complementary and can reinforce each other.

This has enabled negotiations among LMB countries of their national water resources development plans within the shared goals for the Mekong Basin. Using the results of the assessment of basin-wide development scenarios, the countries and stakeholders openly discussed what level of water and related resource development would best meet objectives of sustainable and mutually beneficial development.

Increased trust and cooperation are vital for the LMB countries to adopt the IWRM-based Basin Development Strategy and to develop the Basin Action Plan for its implementation and five-yearly update. The Strategy identifies the “Development Opportunity Space” and Strategic Priorities for basin development and management that will help countries to work together to maximise the opportunities and minimise their associated risks in order to move towards sustainable development of water and related resources. The Strategic Priorities, amongst others, include the improved implementation of the MRC procedures and the strengthening of the monitoring systems to ensure that water resources developments will not stretch the boundaries of the agreed opportunities.

Strengthened engagement of national and local agencies in the BDP process and country ownership. The BDP process has benefited greatly from various institutional mechanisms that were established to bring national agencies together for basin planning, to build ownership by the countries, and to enhance trust and cooperation, and thus confidence in the BDP process and outputs. These mechanisms include: National and Sub-area BDP Working Groups to conduct Sector reviews and Sub-area analysis; a Regional Technical Working Group (RTWG) with senior technical representatives of the national planning ministries and the water related sector ministries to guide the scenario assessment and the preparation of the IWRM-based Basin Development Strategy; an Advisory/Facilitation Group with national advisors; and a Joint Committee Working Group of policy makers from key national line agencies for the Strategy.

Ownership of LMB countries and stakeholders is the single most important factor in reaching regional agreements and translating them into actions at the national level. BDP2 has demonstrated that this ownership of the basin planning process can be increased significantly through the following combined approaches and early results.

Firstly, *BDP2 has addressed the key questions for which policy makers and other stakeholders in LMB need urgent answers*, which has generated much interest and involvement from key national agencies. This seems obvious but is sometimes not easy to practice by donor funded Programmes. A case in point are the many “theoretical” IWRM activities that are being implemented while policy makers are struggling to find answers on practical questions, such as whether or not there will be sufficient water in the dry season to source the ambitious national plans for expansion of irrigated agriculture to alleviate poverty and create employments.

Secondly, *BDP2 has transparently used and shared data and tools to nurture confidence and acceptance of results.* The accuracy of the data and the reliability of tools used, in particular the modelling tools, are always the critical questions of countries and stakeholders when discussing the assessment results. In BDP2, a number of measures have been put in place to address these issues: engaging national agencies in collecting, sharing and analysing of data and information, including national plans; country’s verification and approval of the data and information; participation of national experts or water managers in the modelling and assessment of development scenarios; wide dissemination and open discussion about the characteristics and accuracy of the methods and tools used; and sharing of all data and information with other organizations that are interested in replicating the results with their own modelling and assessment tools.

Thirdly, *BDP2 has demonstrated the added value of using national data to generate new information for national planning.* Technical experts of the various agencies who have access to the data needed for planning have been engaged in the sector, Sub-area and scenario assessment activities. They have

learned firsthand how national data have been used to generate new information at the basin scale, and why this new basin information is relevant and important to the sector planning and decision-making in their countries.

Finally, a *quality assurance system has been used* that covers data, tools and processes to identify flaws and gaps, and provide an informed opinion, so that the BDP processes, analysis and conclusions can be substantiated and that the risks of uncertainties in data, tools and assumptions are acceptable. A combination of peer review (by MRC Programmes and others), consultations, web-based forums, and an Independent Panel of Experts (IPOE) has worked well for BDP2.

Enhancing stakeholder engagement in the BDP process has considerably contributed to increasing interest of stakeholders in the MRC activities. Building on the stakeholder participation initiated in BDP1, BDP2 has used its Stakeholder Analysis and Stakeholder Participation and Communication Plan (SPCP) to successfully organize a structured and open consultation programme at the local, national and regional levels, and with a wide range of stakeholders. The process has attracted much interest of stakeholders while developing their increasing understanding of the mandate and role of the MRC and facilitating better interactions between them and national agencies from LMB countries.

However, more effective efforts are needed to engage local organizations, NGOs and community leaders, in order to better reflect the needs and concerns of poor and marginalized groups. Local government institutions need to be involved as well as they have mechanisms to feed into national government structures. More cost-effective mechanisms for regional stakeholder engagement are required, integrating different MRC activities. Moreover, the anticipated wide range of divergent feedback must be properly documented and addressed to ensure transparency and to maintain the confidence of the stakeholders.

Increased IWRM planning capacity at national and local levels. IWRM training courses have been important to build capacity of participating national agencies, Sub-area stakeholders and others to contribute to the BDP process, to discuss the results of the scenario assessment and to negotiate the IWRM-based Basin Development Strategy. One of the successful mechanisms deployed is the preparation of an IWRM manual for the Mekong Basin and the training of national trainers. National trainers have further adapted the IWRM manual to the local contexts and delivered training at the local levels. It was assessed early in the process that the IWRM capacity building needs differ considerably among the four countries, which has helped to tune the delivery of the training courses to the actual needs.

At the same time, policy advocacy efforts have raised awareness and political commitment for basin-wide planning approaches. Further capacity development will need to focus on the knowledge and skills needed to translate political commitment to basin-wide approaches into actions by the responsible national and sub-basin agencies, as outlined in the IWRM-based Basin Development Strategy.

Strengthened coordination with MRC Programmes. Basin development planning requires sector analyses and technical inputs from all MRC Programmes. BDP2 has benefited from increasing inputs provided by MRC Programmes, including modelling support from the Information and Knowledge Management Programme (IKMP), fisheries assessment by FP, the SEA of proposed mainstream hydropower dams by the Initiative for Sustainable Hydropower (ISH), pilot Social Impact Monitoring and Vulnerability Assessment (SIM/VA) by the EP, and the assessment of the Mekong Delta flood management scenarios by the FMMP.

Nevertheless, the mid-term review of the MRC Strategic Plan 2006-2010 questioned the lack of real coordination across MRC Programmes, thus querying whether programme effectiveness, say for the BDP2, has been adversely affected by delayed inputs from other Programmes. The 2nd Joint Donor Review of BDP2 in January 2010, which was combined with mid-term review of EP, emphasised the need for “integration” vs. coordination of the MRC activities, in line with the MRC move towards core river basin management functions and a more streamlined Secretariat. These recommendations

are being considered in the formulation of the MRC Strategic Plan 2011-2015 and the design of several MRC Programmes for the same period.

Lessons Learned for the Rolling BDP Process

Many lessons have been learned throughout the 10 years of implementing the BDP Programme. The BDP2 has attempted to address some of them to continuously improve the relevance and effectiveness of the planning process to achieve its goal and objective, as described above. Nevertheless, many other lessons need to be further addressed.

Continue addressing risks and uncertainties through improved monitoring, information sharing and relevant research. Basin planning is always based on uncertainties and inadequate data of one sort or another. BDP2 assessments include analysis of assumptions, risks and uncertainties to support discussion and decision making by countries and stakeholders. As well, open discussions were facilitated on what would be the implications of the inadequate data, uncertainties and assumptions for near term decision making, while identifying further relevant research in the process.

Addressing uncertainties and risks associated with the identified development opportunities is the first Strategic Priority in the IWRM-based Basin Development Strategy to enable well informed and wise decisions on the utilisation of these opportunities and to enhance the confidence and continued engagement in the rolling BDP process. This would require data and information from monitoring systems, such as sediment monitoring by IKMP, Social Impact Monitoring and Vulnerability Assessment (SIM/VA) by EP, and the monitoring of trends in water-related sectors. The BDP Programme also has the responsibility to contribute to the MRC's knowledge base with an improved socio-economic database and analysis, as well as a project database to maintain a register of existing, ongoing and planned water resources development and water-related projects. Effective implementation of the MRC procedures, such as the Procedures for Data and Information Exchange and Sharing (PDIES) and the Procedures for Water Use Monitoring (PWUM) will be of critical importance.

The Strategy also directs to the implementation of a list of priority studies of strategic importance to provide the necessary knowledge to address these uncertainties and risks. While the BDP Programme has a clear responsibility to lead and coordinate these studies, the majority of them should be carried out by the relevant MRC Programmes which have the specific sector expertise and appropriate national and regional counterparts.

Demonstrate a more explicit contribution to poverty reduction and sustainable development. Stakeholders through the Regional Stakeholder Forums on BDP requested for a more explicit elaboration of food security and poverty reduction outcomes of water resources development. The IPOE of the BDP2 commented that the BDP Programme is moving towards planning for sustainable development and recommended a more comprehensive assessment and response to social issues. Poverty reduction can be achieved through interplay of many factors, such as macro economic growth, social development policies, and specific interventions. Basin development planning and particularly the implementation of the IWRM-based Basin Development Strategy will contribute to poverty reduction.

The Strategy promotes and guides the use of the Development Opportunity Space as a “*cooperation space*” or “*negotiation space*” by the basin countries to explore the best “deals” for development, including benefit and impact sharing agreements that go beyond the specific project level. In this process, water-related opportunities (navigation, fisheries and wetlands etc), as well as those outside the water sector (i.e. other renewable energy generation options) will be taken into consideration, which may lead to win-win situations.

Appreciate the importance of other considerations in water decision making. IWRM-based basin planning covers some ten water related sectors and a variety of country specific environmental, social, economic, cultural and political issues. In trade-off discussions between riparian countries (for

example, fisheries and social/cultural issues being traded-off against economically-driven water resources development), broader issues related to trade, border delineation, or political needs for regional stability and cooperation, are often brought to the table to create additional trade-off options.

Thus, the planning process involves many stakeholders from outside the water sector and decisions are often taken by decision-makers outside the water sector. These people must be engaged by the water professionals and guided to the best decisions. In the BDP process, the use of technical specialists and advisors, who have the confidence of decision makers, as well as practical and easy to understand presentations, have worked well to inform decision-makers of the emerging findings of the scenario assessment and the options for basin development. Nevertheless, more proactive policy advocacy and engagement of decision makers, both within and outside the water sector, would be essential.

Some countries would like to move towards a more holistic and integrated planning process that integrates water and land factors. As described earlier, the BDP2 had been focussing on transboundary water opportunities and issues to remove longstanding barriers to realizing opportunities for sustainable development of the Mekong Basin. The resulting IWRM-based Basin Development Strategy removes these barriers and paves the way for a much broader and integrated planning process to better capture the non-water use aspects of basin development planning in future updates of the Strategy. The broadening of the basin planning process would involve aspects that are in the national domain.

Remain focused on strategic issues of basin-wide significance (“big picture). Some stakeholders are understandably more interested in national and local projects and impacts, while MRC has a mandate for basin level planning with an emphasis on issues, opportunities and projects of basin-wide significance or transboundary nature. To balance these contradicting expectations, it has been useful to agree in the beginning of the planning process with the relevant stakeholders on what exactly an IWRM-based Basin Development Plan is and how this Plan will be prepared. The concept note on the Basin Development Plan and early reports that clearly describe the approach and process to formulate and assess scenarios and prepare the IWRM-based Basin Development Strategy have been useful throughout the BDP2 to maintain firm on earlier agreed principles, approaches, criteria etc. and not to get lost in details and endless research. After all, the success of the basin planning process will depend on how the produced basin perspectives (such as the IWRM-based Basin Development Strategy) will influence near term water-related decisions and planning.

Develop appropriate institutional mechanisms for a sustained BDP process. The institutional mechanisms, set up in the BDP Programme, together with relevant members from national agencies, have been useful to move the planning process forward and build consensus on basin perspectives. However, in the next planning cycles where actions will be required to implement, monitor, report and update the IWRM-based Basin Development Strategy, it is imperative that national agencies and their staff have a more permanent mandate and earmarked resources to carry out certain activities vs. the current role for reviewing of documents and participating in meetings.

This would also be important from a capacity development point of view, where transferring of knowledge and skills would be best implemented through learning by doing with clear target beneficiaries. Furthermore, with the MRC commitment to move towards core river basin management functions and self-financing by its Member Countries, the latter have indicated their desire to institutionalize the BDP process in the national planning systems. All require the BDP 2011-2015 to start working with each Member Country to develop nationally appropriate institutional mechanisms to lay out the foundation for this institutionalization process.

Ensure integration of MRC activities. The IPOE of BDP2 recommended the MRC to move towards a “corporate BDP” that would help build a “coherent MRCS”. This underlines the inter-dependency of the BDP process and other MRC activities that need to be fully integrated through the MRC Strategic Plan 2011-2015. The Strategic Plan provides a framework, based on which each Division or Programme would define its contribution to the achievement of the agreed goals and outcomes. It is of

critical importance that the five year plan and annual work programme of each Programme and Division provide explicit links upwards into the MRC goals framework and horizontally to the requirements of the various Division or Programme plans. Each Programme will be fully accountable to deliver these requirements and contributions through an inter-linked system of outcomes, targets and indicators (the Performance Management System - PMS). This would require the MRCS management to use the PMS and other tools to improve their guiding, steering, coordinating and managing role, and support from NMCSs to ensure integration of activities at the national level.

Outstanding BDP2 Activities

The BDP2 resulted in a number of key outputs which have been placed on the MRC website but still need to be published as a MRC policy document or technical paper. These include the IWRM-based Basin Development Strategy, the Assessment of Basin-wide Scenarios, the Planning Atlas, and the Mekong IWRM Training Manual. Attention will be given to other material such as the many technical notes prepared during BDP2 (including those supporting the scenario assessment and development of the IWRM-based Basin Development Strategy, Sub-area reports, etc) and these will be properly documented for future use, with a selection of them printed and distributed as hard copies.

The Sub-area reports prepared by each country during BDP2 are in various states of completion. The Sub-area reports provide useful profiles of Mekong tributary basins that allow for the selection of “critical basins” with important trade-offs between existing and planned water-related uses. The reports need further improvements and a regional workshop could be organized in 2011 to share findings, discuss lessons learned, and how these can be taken forward into the nationally planned sub-basin activities, such as the development or strengthening of RBOs and the preparation of IWRM strategies and plans.

The BDP Programme has achieved much during its previous two phases. In supporting development and adoption of the IWRM-based Basin Development Strategy, it has laid a solid foundation for the next planning cycle by broadening the planning agenda. Through early study of important knowledge gaps and continued strengthening of the planning processes and human resource capacity, the Strategy points towards the next phase of the BDP Programme resulting in a broader and more needs-based basin development plan than hitherto.

Moving forward, the core functions of the BDP 2011-2015 are to ensure that the Strategic Priorities and related Strategic Actions are fully addressed during this period. In the process, the Programme should build the foundation for decentralizing some basin planning tasks to national line agencies and move towards a corporate BDP, which is balanced between development and management, and comprehensive in its approach to all MRC Programmes, and which could become the unified goal of one MRC and a coherent MRCS. In the design of these activities, the experiences and lessons learned from BDP2 will be taken into account.

1.7 Joint Donor Review and Panel of Experts of BDP2

Regarding the BDP2 (2007-2010)

The *1st Joint Donor Review* of the BDP2 in May 2008 confirmed that the Programme “has taken off on solid footing with a well managed team at the MRC Secretariat and with active engagement of the NMCs. the future work generally looks realistic and promising. The BDP is implemented in a changed context for the MRC as challenging developments are under way in the Mekong Basin. The Review compliments the MRC for its approach to information sharing and stakeholder involvement through the BDP process”.

The *2nd Joint Donor Review* of the BDP2 stated that: “in spite of delays and outputs remaining, the general BDP2 progress is good. Outputs and results so far delivered are of high quality. Particularly notable is the progress on development of basin-wide scenarios and the first draft Basin Development Strategy. The outputs of the BDP2 have attracted much attention and interest from the Mekong

countries and a wide range of stakeholders in the region. Providing a framework for both basin development and basin management, *the IWRM-based Basin Development Strategy has the potential of becoming a “cornerstone” in transboundary water governance in the Mekong region*, and will be an important and essential input to the MRC’s river basin management functions and of central importance in the development of the Strategic Plan 2011-2015 as underlined by the 30th JC meeting in July 2009 and the 16th Meeting of the Council in November 2009”.

The Independent Panel of Experts (IPOE) of the BDP2 concluded that the BDP2 has played both important process and output generation functions for an important precedent of country-owned cooperative planning. It writes that “*The importance of this process cannot be overstated as it lays the foundation for the sustained cooperation and difficult decisions that will be needed in the future*”.

Regarding the Next BDP Cycle (2011-2015)

Looking into the future of BDP Programme, *the 2nd Joint Donor Review* of BDP2 recommended that the MRCS clarify and define the core river basin management functions as important inputs for the formulation of the Strategic Plan 2011-2015 and for the design of the next phases of the Programmes. The review team recommended the initial integration of BDP, EP and IKMP into a River Basin Management Centre during 2011-2015, with one common objective and one set of integrated outputs. The host of other activities, such as the regional component of M-IWRMP and elements of FP and FMMP would be integrated in the Centre over the following strategic plan period.

The establishment of such a Centre should be addressed at the MRC level. Moving to a River Basin Management Centre is not possible in the near future given the decision to co-host the MRCS at two locations with EP and BDP in Vientiane and IKMP and FP in Phnom Penh. However, the emerging MRC Strategic Plan 2011-2015 and recent Programme Documents (EP, AIP, FMMP, and FP) make a good effort to integrate the BDP 2011-2015 and the other MRC Programmes and this will facilitate moving towards core basin management functions. The “slimming down” of the MRCS will start during 2011-2015 through increased Programme coordination and integration as well as through decentralization of certain tasks to national agencies.

The *2nd Joint Donor Review* supported the consideration of the following activities for BDP 2011-2015 under a possible river basin management arrangement:

- Completing, monitoring and updating of the IWRM-based Basin Development Strategy;
- Facilitation of regional sector strategy formulation (navigation, fisheries, flood risks), in line with the Basin Development Strategy;
- Facilitation of the preparation and implementation of IWRM guidelines;
- Facilitation of transboundary dialogue and networking among emerging and existing RBOs in the Mekong Basin;
- Facilitation of cooperation on controversial projects;
- Facilitation of the implementation of the WUP procedures;
- Basin-wide forecasting and assessment; and
- Maintenance of socio-economic databases.

The IPOE emphasised the urgent need to develop multi-sectoral basin objectives beyond the adopted Basin Vision in order to: 1) allow the consideration of all water and related options for sustainable and equitable basin development, 2) ensure sufficient emphasis of avoidance or mitigation of adverse impacts of water resources development and 3) move towards a corporate BDP, which is balanced between development and management, and comprehensive in its approach to all MRC Programmes and which could become the unified goal of one MRC and a coherent MRCS.

The implementation of the BDP Programme to date has shown that the adoption of such a comprehensive approach to basin planning depends on the willingness of the basin countries, such as the willingness to embark on planning for alternative developments to improve national plans, and to harmonise national sector development objectives within basin-wide multi-sector objectives. Clearly, this willingness is growing as countries see the benefits of collaborative basin development planning and continually enhance their knowledge of the basin's resources.

The implementation of the IWRM-based Basin Development Strategy will provide opportunities to explore how the scope of the scenario assessment and the update of the Strategy can be broadened.

2. RATIONALE FOR CONTINUING THE BDP PROCESS

2.1 Regional Relevance

The 1995 Mekong Agreement and Commitment to IWRM

Basin Development Planning is explicitly required in the 1995 Mekong Agreement for “the development of the full potential of the Mekong River Basin waters” (Article 2), which is grounded on other principles:

- The protection of the environment, the natural resources, the aquatic life, and the ecological balance (Article 3);
- The respect of sovereign equality and territorial integrity (Article 4) that ensures the right of each country to develop certain categories of projects, which only require notification to the MRC Joint Committee, provided that these projects do not cause harm to others (Article 7), whilst recognising that other types of development are of basin-level significance and require prior consultation and agreement; and
- The establishment of MRC procedures and guidelines that: 1) facilitate interaction between the LMB countries, are consistent with their aims, and provide a mutually agreed basis for defining the sustainable limits for water-related basin development at any one point in time and 2) the establishment of a monitoring system and procedures that both ensure that the sustainable limits are not being exceeded, and provide information that will help guide the future development of the Mekong Basin (Articles 6 and 26).

As such the 1995 Mekong Agreement sets out a framework to achieve these strategic objectives of efficiency, equity and sustainability of development and management of water and related resources in the Mekong Basin, recognising the trans-boundary consequences of development decisions by sector agencies in the sovereign basin countries and that the MRC, as an inter-governmental river basin organisation, relies on the endorsement of approaches by the LMB countries.

The Strategic Directions for IWRM, adopted by the MRC Council in 2005 provide 8 key result areas and IWRM principles, which emphasise good governance and integration through basin development planning. The on-going improvement in the legal and institutional framework for water resources management in each of the LMB countries demonstrates the countries’ commitment to IWRM (see Section 1.5).

The IWRM-based Basin Development Strategy builds on the strategic directions for IWRM to: 1) strategically guide the accelerated water resources development now planned for well informed and wise decisions, 2) further identify water-related and other development opportunities, and 3) provide the Strategic Priorities, guidelines and processes to move towards implementation and sustainable development, including a more comprehensive and integrated basin planning process. The LMB Countries Prime Ministers declared that the adoption and implementation of the Strategy is a top priority (see below).

Commitment to Poverty Alleviation and the Millennium Development Goals

All four LMB countries have made good progress in poverty reduction and achieving the Millennium Development Goals (MDGs). Nevertheless, poverty levels are generally higher in the countries’ parts that are situated in the Mekong Basin. Therefore, the LMB countries’ socio-economic and sector policies demonstrate the Governments’ intention to develop some of the economic potential of the water resources in the Mekong Basin to help reduce poverty and improve livelihoods, while implementing commitments to environmental protection (Section 1.4).

The national policies and plans show that the LMB countries are all following “common and consistent” principles in the development and management of national water resources, in their efforts to reduce poverty and boost economic growth. Moreover, in developing the Mekong’s water resources, the countries are committed to international and regional agreements and agendas, which seek to maintain an acceptable balance between resources development and resources protection in the basin and that benefit each of the four countries and their different population groups. *It highlights the importance and value of an IWRM-based Basin Development Strategy that can capture these similarities and guide a common set of shared goals and values at the basin-scale.*

The implementation of the Strategy will strategically support and guide the implementation of the poverty reduction strategies and plans. This includes guidance regarding the sharing of benefits, risks and impacts so that Member Countries and their people, especially the poor, will benefit from water-related development. In addition, moving towards a broader basin planning approach, made possible by the implementation of the Strategy, will identify further opportunities to reduce poverty.

Reaffirmed Commitment to the MRC

The national water-related agencies, the private sector, and other regional organizations in the Mekong region increasingly recognize the role of the MRC for a coordinated and cooperative development process in the LMB. The increasing importance of the MRC in the sustainable development and management of the Mekong Basin was confirmed during the First MRC Summit on April 5, 2010 by the Prime Ministers and key water-related ministers of the Mekong countries. In their Declaration, the Prime Ministers of LMB countries:

- Reconfirmed the existing vision of the Mekong Basin and the vision and mission of the MRC;
- Noted that accelerating the development of water and related resources will make a significant contribution to the socio-economic development of the region, but may also have negative impacts on the Basin environment that need to be fully addressed;
- Committed to working together to achieve the sustainable IWRM for sustainable development, and to further cooperation over the coming years to optimise multiple-use of water resources and mutual benefits for all basin countries; and
- Expect the MRC to address these challenges through the adoption and implementation of the IWRM-based Basin Development Strategy (as the first priority).

2.2 Stakeholders and Beneficiaries

There is a common interest from national agencies, local authorities, and stakeholder groups throughout the basin to further strengthen the participatory BDP process and to ensure that expectations and views are taken into account in planning and decision making. Future water planning and development must capture the widest range of stakeholders and beneficiaries, which requires a wide and open dialogue and appropriate mechanisms for their participation.

The stakeholder analysis undertaken in BDP2 helps develop a clear understanding of stakeholders of the BDP process and the policy and institutional environment within which they work, so that appropriate mechanisms can be established for them to gradually undertake basin planning activities as the MRC moves towards core functions.

Stakeholders engage in the basin planning process with different interests and roles. A summary is provided in Table 2.1 below.

The *ultimate beneficiaries of the BDP* are the people living in the LMB, especially poor women and children. People hold the knowledge of the resources and are both the influencing factor and direct impact group of resource use and management. Empowered people and their participation in the basin planning process will help ensure an accurate understanding of the development challenges and the

Table 2.1: Stakeholders of the BDP process

Stakeholders	Interests	Roles
Main stakeholders with direct responsibilities for basin development planning and implementation		
Policy makers in LMB countries	Policy advice and technical information to enable decision making in the interest of the country with due consideration of opportunities arising from regional cooperation	Make decisions at national and regional levels Ensure that basin decisions are implemented by concerned sectors
Line agencies – members of the NMCs, and national research and planning institutions with mandates for managing Mekong water and related resources.	Contribute to the achievement of national development objectives Exercise responsibility for sector planning and project implementation, and implementing the 1995 Mekong Agreement. Exercise responsibility for regional cooperation	Implement concerned sector activities of the basin planning function Coordinate with other national agencies to develop national synthesized positions Represent country in regional discussion, negotiation and consensus building
NMCSs	Fulfil their coordination functions in the Mekong cooperation and contribute to overall IWRM in the country	Coordinate the basin planning process in each country Advise the Council Member/Government for regional consensus building
Provincial/district and other local entities	Exercise their statutory responsible for the development of their own province/district Implement national policies	Implement the basin-wide strategies and guidelines at provincial/district/local levels Consult, manage and form a bridge to the community
Communities in LMB	Secure socio economic benefits and avoid negative impacts of water-related resource developments	Participate in the basin planning process to raise their interests, concerns and policy recommendations Implement the basin-wide strategies at community level
MRCS Divisions and Programmes	Effectively implement the MRC core functions Well-coordinated and efficient MRCS	Sector assessment and strategies Contribute to basin-wide assessments and the implementation and update of the IWRM-based Basin Development Strategy Link basin and national planning in the sectors
Wider stakeholders to provide inputs to planning and support implementation		
Policy makers and line agencies in Lancang-Upper Mekong countries (China and Myanmar)	Regional cooperation for socio-economic development in the Greater Mekong Sub-region Fulfil commitments of international environmental treaties	Share information of developments to facilitate planning and decision making in the LMB Dialogue to explore opportunities to optimize the basin-wide approach in water and related resources development and management in the Mekong Basin
Private sector entities	Participate in national development activities. Confidence in national and regional governance processes for beneficial investments	Implement basin-wide and sector strategies within the national framework Provide feedback to Governments and MRC
Civil society groups, NGOs, other research organisations in Mekong Countries	Bring in new perspectives to policies and development strategies to ensure equitable distribution of wealth and opportunity.	Provide inputs into the basin planning process Represent the interests of the disadvantaged, women and children, and the environment.
Development Partners and Financial institutions	Raise living standards and secure socio-economic benefits and regional political stability.	Technical and financial support Promote sharing experiences with other international river basins

definition of appropriate solutions. Right decision making and implementation of projects that share the benefits equitably, protect the environment sustainability, and promote regional cooperation, peace and stability, will ultimately benefit the people in the Basin through socio-economic uplift reflected in raised living standards, better education and improved health. Well-informed and wise decision-making on major water-related development opportunities will also benefit the maintenance of the world largest fresh water capture fisheries and rich biodiversity.

The *intermediate beneficiaries of the BDP* are the decision makers and staff of relevant national line agencies and planning institutions, NMCSs and local governments, whose enhanced capacity is crucial for basin-wide planning and the implementation of the agreed basin strategies in national systems in a way that is well coordinated, creates coherence and synergies between sub-basin, national and basin levels, and results in concrete benefits for the people and the environment of the Mekong.

The national and local government agencies and NMCSs are expected to play a “driving role” in the BDP process, enabling them to gradually take over BDP responsibilities with the facilitation of MRCS. This will lay out an important foundation for basin development planning that is fully embedded in the national planning system and for LMB countries that fully own and finance the MRC in the longer term.

2.3 Cross Cutting Issues

Basin-wide water planning must be on-going to continually assess changes in socio-economic and environmental conditions, as well as emerging trends such as climate change and food and livelihood needs, in order to contribute to the broader poverty alleviation and development goals.

Poverty Alleviation and Achieving the Millennium Development Goals

Thailand has achieved the objectives of the MDGs well in advance of the 2015 target. Viet Nam is making good progress and also Lao PDR and Cambodia are making progress in achieving the MDGs. Nevertheless, poverty is still widespread in the basin, and the gap between the rich and the poor, urban and rural population and between ethnic groups is widening.

There are many challenges facing the Mekong Basin as economies and population continue to grow. The countries realize that the rich riverine ecology alone is not enough to raise people out of poverty. As well as battling poverty, they also have to contend with the regular devastating effects of severe droughts and floods which every year claim lives, property and cause substantial economic losses. In order to address these challenges, there will inevitably be a high demand for developing the economic potential of the river for food, energy, transport, and flood protection.

All LMB countries have targeted “poverty reduction strategies” within the national socio-economic and sector plans, and these all include the development of water resources as described in Section 1.3. At the same time, the governments realize that the need to develop water resources and achieve benefits for rural people must be balanced with the existing needs of poor people, who depend on the rich fisheries and other natural resources in the basin for their food security and livelihoods.

Basin planning for sustainable development should strategically support and guide the implementation of the poverty reduction strategies and plans to maintain the most overall acceptable balance between economic, environmental, and social outcomes in the LMB. This includes guidance regarding the sharing of benefits, risks and impacts so that Member Countries and their people, especially the poor, will benefit from water-related development. In addition, cooperative basin development and management planning will contribute to the stability in the region and identify further opportunities to reduce poverty, increase the value of the basin’s water and related resources, and implement global and regional environmental commitments.

The IWRM-based Basin Development Strategy is designed with these objectives in mind. The State of the Basin Report and other socio-economic and environment indicators will be used to monitor how well the implementation of the Strategy achieves these objectives. Towards the end of the next five-year planning period (2015), the Strategy will be reviewed and updated to ensure that the Strategy will be fully informed and based on current and emerging trends and issues, including poverty and the MDGs.

Gender Equity

Gender equity is critically important for sustainable development in the Mekong Basin, where traditionally women's role is undervalued and neglected. Basin planning responds to this need by ensuring gender-sensitive analysis and assessments in the process, raising awareness on how women and men would benefit and/or be impacted differently by water resources developments in the LMB, and how these developments could help reduce the currently high poverty concentration in women-headed households and the commonly low level of access of women and girls to social services, education and employment opportunities. The BDP2 has initiated sex-disaggregated data and the social assessment of basin-wide scenarios has attempted to provide gender sensitive analysis of benefits and impacts of alternative water resource developments.

The IWRM-based Basin Development Strategy is the most important vehicle for the BDP process to promote gender equity. The implementation of the Strategy offers the following opportunities:

- The creation of a range of “networks” or “working groups” to implement and periodically update the Strategy offers opportunities during the formation of the groups and the scoping of their activities;
- The preparation of the package of basin-wide IWRM guidelines and best practices offers opportunities to raise awareness of gender issues and ensure that the guidelines respond equitably to the needs of men and women; and
- The detailed assessments of benefits, risks and impacts of scenarios to support decision-making on options for cost and benefit sharing offer opportunities to ensure that the chosen development and mitigation options equitably benefit men and women.

The BDP 2011-2015 will apply the MRC Gender Strategy and Gender Policy and “Tool Kits for Gender Responsive Mekong River Basin Development” to capture the benefits from the above opportunities and identify new opportunities for achieving gender equity.

Climate Change

Impact of climate change can be best studied through the assessment of basin-wide development scenarios that incorporate different time scales and various factors impacting the water and related resources of the Mekong Basin, such as the proposed large scale hydropower and irrigation projects and the considered flood management options. BDP2 has analysed the different impacts of basin-wide development scenarios with and without impacts of global climate change to determine the preferred scenarios in terms of mutual benefits to the basin countries and sustainability of the basin.

BDP 2011-2015 will work with IKMP and CCAI to refine the assessment of basin-wide development scenarios in terms of phasing of interventions, and how the impacts might begin to occur over various time frames. The results will facilitate discussions at the regional and/or national level of the options for mitigating or adapting to the adverse impacts.

Furthermore, it has been demonstrated that adaptation measures need to be implemented in an area-based and integrated sectoral planning process at the regional and local levels. The IWRM-based Basin Development Strategy and its package of guidance and IWRM guidelines will integrate adaptation strategies, which will then be applied in national planning, decision-making and governance frameworks. BDP 2011-2015 will also work with FMMP, DMP and CCAI to formulate

and assess long-term flood management options of a basin-wide or transboundary nature in the context of both upstream development and sea level rise in the Mekong Delta.

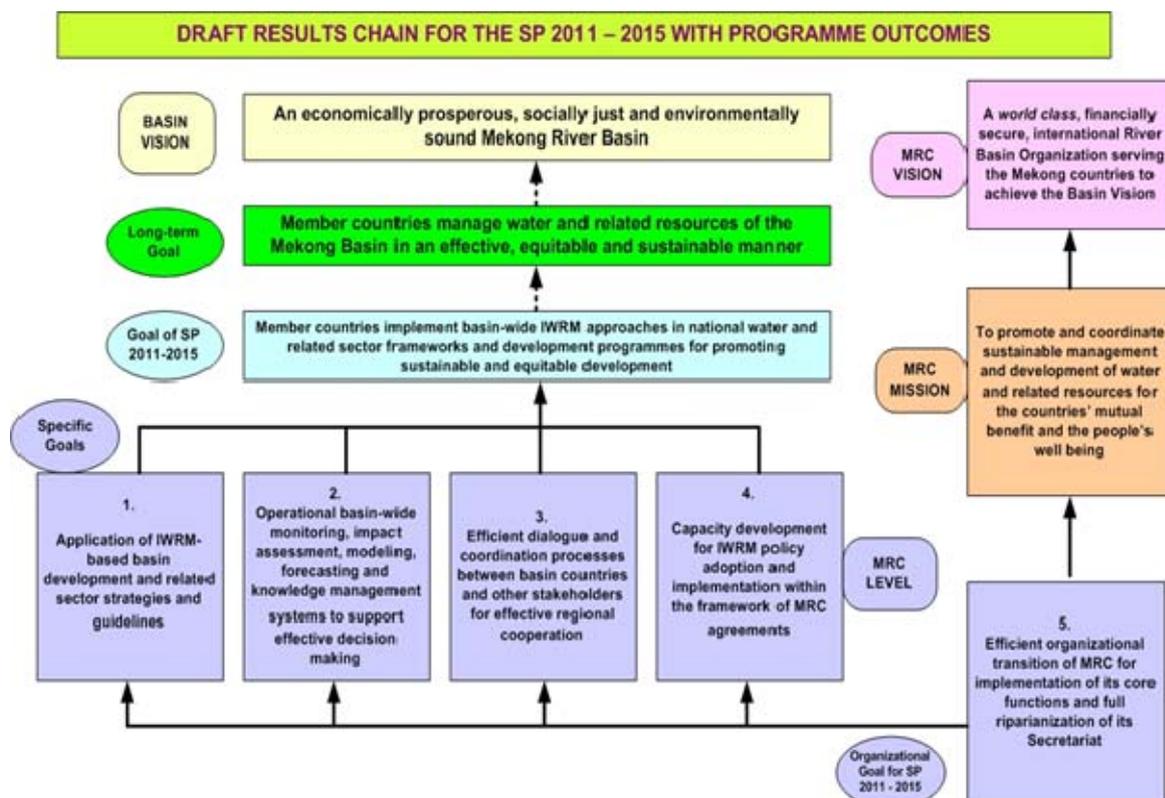
2.4 Relationship with the MRC Strategic Plan 2011-2015

The *vision of the MRC Member Countries* for the Basin is “An economically prosperous, socially just and environmentally sound Mekong River Basin”. The State of the Basin Report provides a 5-year updated picture of the Mekong Basin on a set of indicators for macro-economic growth, human development, social equity, and the health of the basin’s environment and natural resources, and thus can be used to monitor the progress of the Basin toward this vision.

The *long-term goal of the MRC* as “Member Countries manage the Mekong water and related resources in a more effective, sustainable and equitable manner” clearly elaborates the importance of cooperative water management among the Member Countries for the MRC to contribute to the basin’s vision. Long-term basin development planning that develops agreed basin-wide strategies and guidance for national water and related plans and decision making, is therefore central in achieving this long-term goal of the MRC.

The *Overall Goal of the MRC Strategic Plan 2011-2015* is “Member Countries implement basin-wide IWRM approaches in national water and related frameworks and development programmes” in a much more systematic way, translating the highest political commitments made at the 1st MRC Summit into practice. To achieve this Overall Goal, **five specific goals** have been defined as shown in Figure 2.1.

Figure 2.1: Results chain of the MRC Strategic Plan 2011-2015



BDP 2011-2015 will be the major contribution to MRC Strategic Plan Specific Goal 1 by supporting the implementation and update of the IWRM-based Basin Development Strategy that guides sector strategies and bring them into an integrated basin-wide framework. This will include contribution to the strengthening of integration with MRC Programmes towards integrated river basin management functions of the MRC.

MRC Specific Goal 2 relates to monitoring and data acquisition of all physical/hydrologic, biological and social features of the basin that are necessary for MRC to operate as per the 1995 Mekong Agreement. It includes the assessment on the economic and social condition of the people and the effects of their dependence and impacts on the biological resources, such as fish and forests, and physical resources, such as soil and water. Also the central requirement for all MRC policy, planning and strategy work is a modern, comprehensive set of modelling and analytical tools that can simulate a variety of actions and policy decisions that will impact in varying degrees on the social, environmental and economic resources of the basin. All of this must feed into a decision support system that is geared to meet the needs of senior policy and decision makers.

Data and analyses across all aspects of water and related resources are pre-requisites for integrated basin development planning. BDP 2011-2015 will both benefit from and contribute to this Goal by further improving the macro-economic and social monitoring systems and databases, defining sector data and analysis needs for BDP, and facilitating other MRC Programmes and relevant national agencies and institutions to deliver these data and analyses for the implementation of the IWRM-based Basin Development Strategy and its update, including broadening the scope and updating the basin-wide scenario assessments.

MRC Specific Goal 3 aims at effective regional cooperation to complete and implement the essential procedures and guidelines required under the 1995 Mekong Agreement and strengthen regional cooperation for sustainable river basin development and management. There has been much progress so far, but procedures and technical guidelines in key areas relating to maintaining acceptable flow regimes in the mainstream and the Tonle Sap and water quality are yet to be completed, while other procedures need to be implemented effectively. All of these are a priority as they will feed into basin-wide assessments and notification/endorsement processes of projects that are a fundamental part of MRC business.

BDP 2011-2015 contribution to this Goal will be in several aspects: 1) lead the implementation of the Procedures on Maintenance of Flow on the Mainstream (PMFM) within the overarching framework of the M-IWRMP, 2) contribute to the implementation of other procedures such as PDIES, PWUM and PNPCA as they are closely linked with PMFM, and all these procedures are intended to be implemented hand-in-hand with the basin planning process to enable and facilitate sustainable development, 3) strengthen the BDP process to serve as the platform for Member Countries and stakeholders to continue negotiating national water resources development while exploring regional cooperation opportunities to optimize the use of water and related resources, 4) contribute to the MRC stakeholder engagement efforts, and 5) contribute to the MRC cooperation with upstream countries by promoting a basin-wide approach in development planning.

MRC Specific Goal 4 responds to the continued need to improve water related institutional and human resource capacities for IWRM in the Basin. BDP 2011-2015 will contribute to this goal by capacity development in the areas of IWRM planning and policy adoption.

MRC Core Functions

MRC Specific Goal 5 is a specific goal that aims at initiating the transition of the MRC toward the ***core functions*** (see Table 2.3 below) and a more “decentralised” form of an RBO model, whereby the Secretariat would gradually become a small and expert office (in policy, technical analysis and understanding, and contract management) and much of “integrated river basin management” work would be undertaken by Member Countries. The MRCS would thus be the “integrating hub” in the knowledge wheel involving countries and other stakeholders.

The benefits of this approach are that it develops understanding and confidence, and increases ownership of Member Countries. It would minimise the technical cooperation budget needs as the national line agencies would undertake much of the work, using their expertise while increasing their capacity. However, this decentralization process needs to be implemented gradually and carefully, taking into account capacity of Member Countries. An important outcome under this goal will be a

Roadmap for the transition period up to 2030, when Member Countries commit to self finance the MRC.

Table 2.2: Core functions of the MRC

Categories	Description	Examples of Functions
(i) Secretariat Administrative and Management Functions;	Functions of a routine and recurrent nature that provide for the management and administration of the Secretariat and support to MRC governance processes as well as support to non-technical processes under the 1995 Mekong Agreement.	<ul style="list-style-type: none"> • Governance of the MRC • Financial and administrative management • Personnel management • International cooperation • Communications
(ii) River Basin Management Functions;	Functions of the MRC through which it routinely engages in water resources development and management issues at different scales in the Mekong Basin	<ul style="list-style-type: none"> • Data acquisition, exchange and monitoring • Analysis, modelling and assessment • Planning support • Forecasting, warning and emergency response • Implementing MRC Procedures • Promoting Dialogue and Coordination • Reporting and Dissemination
(iii) Capacity Building and Tools Development Functions;	Functions providing for continuous capacity building at the MRCS, NMC Secretariats and line agencies and maintenance, and updating of data holdings, processing capacity and analytic capability.	<ul style="list-style-type: none"> • Capacity building for Member Countries and MRCS across all themes • State of the art tool development
(iv) Consulting and Advisory Services Functions	Functions that make available the technical expertise, databases, modelling capacities, and expert networks of MRCS to support studies and assessments commissioned by others for sustainable water resources development, both at the project level, and at the basin wide and cumulative level.	<ul style="list-style-type: none"> • Consulting services • Commissioned studies • Expert advice

The seven river basin management functions in Table 2.2 are basic to undertaking good integrated river basin management. They are likely to continue in the long term as key priorities for the MRC, although the required activities can be fully or partly decentralized to the Member Countries. However, as new trends in the health and behaviour of the basin's ecological resources, and in the requirements of its communities, become apparent, there may well be changes in emphasis and content within these seven categories.

During BDP 2011-2015, the national sector reviews and Sub-area analysis, for which the decentralization has been initiated in BDP2, will be decentralized to the Member Countries. The BDP Programme will develop institutional mechanisms and capacity to start the process of integrating basin development planning in the national planning systems and transitioning from a BDP Programme to a core planning function of the MRC. In particular, the implementation of the IWRM-based Basin Development Strategy by the Member countries and the MRC Programmes, supported by the BDP Programme, offers opportunities to corporatize the BDP process in the MRC and decentralize the implementation of some other activities related to the basin development planning cycle (see Figure 1.2).

The Programme will work closely with other key MRC Programmes to implement the river basin management functions. It will lead the planning support function, while integrating the planning needs in other functions that can be partly decentralized (i.e. data acquisition, exchange and monitoring and analysis, modelling and assessment). It will also contribute to other core functions, especially the implementation of MRC procedures and promoting dialogue and coordination.

2.5 National Priorities on Water-related Resources and Development

Water resources development is accelerating in the LMB countries and all countries have made major progress in embracing IWRM adapted to their particular needs, with clear statements being made of national water policy and strategy supported by strengthened institutional and regulatory frameworks (see Section 1.4 and 1.5). In each country an agency is now responsible for the management of the water and related environmental resources. Moreover, in all LMB countries, river basin organizations/committees are being established for participatory water management at the tributary level and these arrangements are being extended down to the watershed level.

At the same time, all countries prioritize the further strengthening of the management of the water and related environmental resources, building on the large achievements already made during the last five years (Section 1.6). **Of special importance remains the further strengthening of water-related agencies to implement and enforce the improved water and related social and environmental policies and legislation.** Large support programmes are being prepared, for instance, in Lao PDR and Cambodia to further develop and strengthen the national water and environmental agencies and the emerging RBOs.

Changes are also occurring in the water service sectors. Water supply corporations for major cities are being required to operate to higher levels of water service and environmental efficiency. In the irrigation sector, water users associations are being formed, empowering farming communities and creating greater accountability within the sector. The role of the private sector in developing and managing land and water resources is expanding, prompting the need to explore new approaches to private sector-public sector and private sector-community partnerships accompanied by appropriate levels of regulation.

The national policies and plans of all four countries follow common and internationally recognized approaches and processes in the development and management of national water-related resources. Each embodies the need to address poverty, food and energy security and to meet acceptable standards of environmental protection. Nevertheless each country, through its geographic, demographic and historic circumstances, faces different challenges.

- **Northeast Thailand** has a long history of water resource and agricultural development with dams built since the 1960s for irrigation and hydropower. Nevertheless, much of the area remains highly susceptible to drought and the rural economy remains generally poor relative to other parts of the country. Improvement of socio-economic conditions in Northeast Thailand has long been a priority for the Government and a variety of solutions are being considered, including irrigation diversions from the Mekong along with measures to maintain and improve the wetland ecosystems and fisheries resources. Road, rail and river transportation networks will also be further improved in collaboration with Lao PDR and the upper Mekong countries. The finalization of the new water law and related regulations and the strengthening of the 25 River Basin Committees are seen as central to developing and improving land management and water resources management in consultation with the land and water-related central and provincial agencies, major water users, and the people.
- In **Lao PDR**, hydropower development on the Mekong tributaries and the mainstream remains a high priority for the Government and is central to the country's economic development plan to benefit from the cross-border sale of energy whilst meeting its own energy needs. Food security will be enhanced by expansion of irrigation in the tributaries, reservoir fisheries and aquaculture. Developing access to safe drinking water and sanitation schemes continue to be a high priority also. Forest protection measures will be stepped up to stem the loss of forest resources. All of these measures will be underpinned by the implementation of a new national water resources policy and strategy and strengthening the coordination, management and technical IWRM capacity within WREA and provincial agencies. In important river basins, RBOs will be developed.

- In **Cambodia**, prudent and wise management of the Tonle Sap and Mekong floodplains present special challenges given their influence over rural livelihoods and their dependence upon mainstream flow conditions and the transboundary impacts of other countries' development choices. Development pressures on these important ecosystems are increasing as a result of rising population, expansion of urban and transport infrastructure, and increasing engagement of the private sector in the development of land and natural resources. At the same time, energy prices in Cambodia are among the highest in the world and various power generating and supply options are being considered, including hydropower. In addressing the various and sometimes competing needs of the fisheries, agriculture, transport and energy sectors, the Government has prioritized the preparation of national land and water resources policy and strategy, bringing into force the new Water Law and strengthening the capacity and rationalizing the roles of the different concerned agencies. Cambodia has prepared a sub-decree (yet to be approved) on establishment of RBOs and a few years ago the Tonle Sap Basin Authority was established. Dialogue with Viet Nam over long-term and mutually beneficial management of the Delta flood plains will also be pursued.
- In **Viet Nam** the widespread improvements made to water management infrastructure in the Delta over the last three decades have led to substantial increases in agriculture and aquaculture production and raised standard of livings within this most densely populated part of the Mekong basin. Economic pressures to sustain and further increase productivity in the Delta are threatened by increased peak flooding due to climate change and by sea level rise. A high priority therefore is the research and piloting of long-term options for flood management and salinity control, taking into account the impact of upstream development plans. In the Central Highlands, priority is given to completion of Viet Nam's hydropower development programme and further improvement of land and water management. These will be underpinned by continued development and implementation of water related regulations, associated capacity building of the established authorities for the management of water-related resources, and the establishment of RBOs in critical river basins.

The ongoing strengthening of the capacity of the national water-related agencies in each country offers opportunities to harmonize the methods, standards, tools and quality assurance systems that the countries utilize to monitor, improve and protect land and water and related resources across the Mekong Basin. This will better facilitate exchanges of reliable data and information between the countries, and promote informed discussion and agreement on basin-wide development issues and opportunities. Furthermore, the strengthened linkages envisioned between local, national and basin-wide planning will lead to more efficient and effective needs-based planning in line with the core objectives of the MRC.

The IWRM-based Basin Development Strategy has been prepared to assist the LMB countries in capturing and creating synergies between national planning and priorities, and preventing or mitigating their adverse impacts. The Strategy identifies the water related development opportunities and associated risks, as well as the strategic priorities (or enabling conditions) will strengthen the management of the basin's natural resources and enable development opportunities to be brought forward for implementation and development to proceed on a sustainable basis (see next Section). The approved Strategy (MRC Council, January 2011) establishes a clear Roadmap for the implementation of the Strategy. **The BDP 2011-2015 will facilitate and support the implementation of the Strategy, with a view to harmonizing national planning and regulatory systems with the development opportunities and with the strategic priorities of the Basin Development Strategy and aligning MRC Programmes' collective effort to basin and countries' needs** (see next Section). The on-going process in each country to strengthen management and of water-related resources provides entry points for the harmonization of basin and national planning.

The BDP 2011-2015 will add value by supporting the countries in strengthening their capacity for pursuing these priorities within the framework of a basin-wide development philosophy.

2.6 Regional Priorities for Basin Development

The next five years (2011-2015) will see how the LMB countries will have achieved their set targets for the MDGs and capitalize on them to move to a new development era by 2020, such as Lao PDR and Cambodia getting out of “Least Developed Country” status, Viet Nam becoming a middle-income country, and the eradication of poverty in Northeast Thailand. Developing the Mekong water and related resources plays an important role in this process.

Through the IWRM-based Basin Development Strategy, the countries have agreed to a number of regional *Strategic Priorities for Basin Development* including:

- *Acquiring essential knowledge to address uncertainty and minimize risks of the identified development opportunities*, the most urgent ones include the risks of sediment and nutrient trapping, loss of wetlands and biodiversity, particularly in ecologically important areas like the Tonle Sap, fish related impacts, and consequent social and livelihood aspects;
- *Urgently addressing the opportunities and consequences of ongoing developments (up to 2015)*, including: (i) further strengthening cooperation with China; (ii) reaching agreement to protect the baseline dry season flows of the Mekong mainstream and adhering to agreed water quality standards as a foundation for future agreements on any use of the additional water resulting from the ongoing increases in reservoir storage capacity in the basin, and (iii) managing the risks of existing, under construction, and already committed water resources developments;
- *Seeking options for sharing the benefits and risk of development opportunities and to enable the best possible sustainable and mutually beneficial developments*;
- *Increasing and improving irrigated agriculture for food security and poverty alleviation* in all four countries but at the same time protecting the baseline flow regime and water quality;
- *Strengthening the sustainability of hydropower development* with focus on: (i) moving towards sustainable development of hydropower on tributaries, (ii) addressing the uncertainty and risk and mitigation options for possible mainstream dams, and (iii) guiding national and regional power strategies towards other renewable alternatives to mainstream hydropower development;
- *Adapt to climate change* with priorities for (i) reducing the risks and damages of increased of floods and droughts and (ii) implementing a comprehensive, multi-sector study to identify options for flood management and sea level rise in the delta; and
- *Integrating basin planning considerations into national planning and regulatory systems through:* (i) aligning national water resources development planning and project identification with the identified development opportunities and (ii) addressing the identified risks early in project identification and preparation. This emphasizes the critical importance of strengthening the implementation of MRC Procedures to allow the MRCS to provide early advice to the basin countries.

The Strategy also emphasises the following *Strategic Priorities for Basin Management* as imperative for sustainable development:

- *Developing and agreeing rigorous “environmental and social objective statements” and “baseline indicators”* to be the basis for assessing and applying future development options and to guide future updates of the IWRM-based Basin Development Strategy;
- *Setting clear basin objectives and management strategies for water related sectors* that are critical for IWRM-based basin planning, such as fisheries and navigation, as “integration through basin planning” is one of the eight priorities set out in the 2005 Strategic Directions for IWRM and this Strategy prioritises the further identification of water-related opportunities;

- *Improving the basic water resources management tasks at the national level:* surface and groundwater monitoring, water use permitting (of the main water withdrawals and pollution discharges), compliance assurance of permit conditions and regulations, and maintaining computerized water information systems, in order to provide a stronger foundation for planning, developing and managing water resources in the Mekong Basin;
- *Strengthening basin management processes,* including: (i) effective implementation of the MRC Procedures, (ii) development and harmonization of enabling methods and tools, (iii) State of the Basin monitoring and reporting, (iv) registering and monitoring projects from identification through operation for compliance assurance, promotion of good projects, managing controversial projects, and enhancing development opportunities, (v) establishing networks of national WRM agencies and RBOs, (vi) strengthening stakeholder participation processes, and (vii) managing differences; and
- *Implementing a targeted IWRM capacity building programme* that will supplement ongoing and planned national capacity building programmes by focusing on the basin scale IWRM requirements, and developing institutional mechanisms and organizational capacity for embedding the implementation, monitoring and periodic updating of this Strategy in the national systems.

The LMB countries have also prioritized a number of studies of strategic importance that will help acquire the most urgent knowledge identified in Strategic Priority 1 for basin development and provide essential information for the implementation of other Strategic Priorities and future updates of the Strategy. Also an indicative list of best practice guidelines for water resources management and water-related sector development and management has been identified² in order to support planners and water managers in developing and managing water resources sustainably.

Discussing the continuity of the BDP process, the LMB countries have expressed explicitly:

- The need to implement and regularly update the IWRM-based Basin Development Strategy to guide national water and related resources development;
- The increasing demand for good information and knowledge of the transboundary impacts of national developments and on the basin's ecosystem, the options for maximizing opportunities and mitigating impacts through cooperation;
- The demand for the MRC-facilitated basin development planning to continue strengthening transboundary water cooperation, building trust, and guiding coordinated and balanced development. This also applies for sub-basins, especially those shared by two or more basin countries; and
- The need to further strengthen the participatory basin planning process and provide technical support and capacity development to gradually transfer some BDP tasks to the national level for implementation by relevant national agencies and with coordination by the NMCSs. Tasks such as data acquisition, monitoring and assessment can be gradually handed over to national agencies and the emerging national river basin organisations, so that MRCS can play more of a coordinating and facilitating role. This should ultimately result in a smaller, but highly expert riparian planning group at MRCS and a smaller budget. However, in the next few years, the required capacity building for the decentralization of these basin planning tasks will require considerable budget to assist with analysing and improving national systems and capabilities, and establishing appropriate standards and procedures. It will be important to tailor capacity building to meet the specific needs of each country and to close the current capacity gap between the LMB countries. The Declaration of the 1st MRC Summit also emphasizes the need to “prioritize resources for where the poverty is highest and capacity needs are the most urgent”.

² See supporting working document “Towards an IWRM-based Basin Development Strategy”

These regional priorities align with and complement the common national priorities to strengthen water resources planning and river basin management in all LMB countries. The on-going process in each country to strengthen the national legislative and institutional framework and the capacity for IWRM, provide opportunities to integrate and implement the regional priorities while benefiting from regional coherence and synergies.

The MRC role must be to facilitate, or “steer” the basin planning processes, and for the Member Countries to “drive” the planning to meet national needs within a basin-wide sustainable framework. A core basin planning function will be a priority strategic responsibility in MRC’s future role.

3. OBJECTIVE AND PROGRAMME DESIGN

3.1 Goal, Objective and Outcomes

The *Overall Goal of the BDP 2011-2015* is the MRC Strategic Plan 2011-2015 Goal “Member Countries implement basin-wide IWRM approaches in national water and related sector frameworks and development programmes for promoting sustainable and equitable development”.

The Programme’s **Objective** is to support Member Countries integrating and implementing the principles, guidance and processes in the IWRM-based Basin Development Strategy in national planning and regulatory systems. This will be achieved through a process that also aims at sustaining the country-owned basin development planning process. The Programme’s support will result in increased knowledge and capability to produce a strengthened and integrated approach to basin planning and management, to be reflected in the updated IWRM-based Basin Development Strategy (2015).

The Design Summary (Table 3.1) elaborates how this Objective will be achieved and measured with indicators through the implementation, monitoring and update of the IWRM-based Basin Development Strategy (Outcome 1), which is supported by: improved socio-economic and environmental data and assessments (Outcome 2); the strengthened BDP process with appropriate institutional mechanisms (Outcome 3); and the enhanced capacity of relevant national and local agencies and NMCSs to address regional issues (Outcome 4).

The BDP 2011-2015 Results Chain is shown in Figure 3.1 at the end of Section 3.1. It shows the **Outputs** needed to be delivered to achieve the four Outcomes, which collectively will achieve the BDP 2011-2015 Objective. **The full Design and Monitoring Framework is provided in Annex 1.**

Table 3.1: Design summary of BDP 2011-2015 with objective, outcomes and monitoring indicators

Design summary	Indicator	Source of Data
BDP Objective 2011-2015		
Planning and decision making on Mekong water and related sector development in LMB countries apply the IWRM-based Basin Development Strategy through an institutionalized basin development planning process, resulting in increased knowledge and capability to produce a much strengthened and integrated approach to basin planning and management	<ul style="list-style-type: none"> Evidence of reference to the IWRM-based Basin Development Strategy in national policies and plans in LMB countries Extent to which national and sector policies, plans and decisions on significant projects are in line with the Strategy Extent that Member Countries see the appropriateness of improved institutional mechanisms for a country-owned and sustainable BDP process and adopt them in national systems Extent that basin planning has moved beyond water use aspects to include also land and other factors 	<ul style="list-style-type: none"> National strategic documents on water and related resources 5-year NSEDP and sector plans Report on MRC Procedures implementation Government and/or ministerial decisions NMC regular reporting Updated IWRM-based Basin Development Strategy (2015)
Outcomes	Indicator	Source of Data
Outcome 1: Improved integrated basin planning to reduce uncertainties and risks of developments, as a result of the implementation and update of the IWRM-based Basin Development Strategy by Member Countries and stakeholders;	<ul style="list-style-type: none"> Quality of national and regional plans to implement, monitor and report on the Basin Development Strategy Existence of a transparent monitoring, evaluation and reporting of the Strategy at national and regional level Relevance and usefulness of the strategic guidance, IWRM guidelines and regional sector strategies as perceived by Member Countries and stakeholders 	<ul style="list-style-type: none"> Strategy Basin Action Plan National and regional reports on the Strategy MRC stakeholder satisfaction surveys Proceedings of BDP and other MRC stakeholder forums MRC Strategic Plan review

	<ul style="list-style-type: none"> • Satisfaction level of stakeholders of the Strategy progress and their input and role as to review and acceptance of the updated issues in Strategy implementation and updates • Approval of MRC Council of the updated Strategy (2016 – 2020) that reflects country priorities and interests and with wide stakeholder acceptance 	<p>reports</p> <ul style="list-style-type: none"> • Report of MRC JC, Council and other high level multi-lateral and bilateral meetings
<p>Outcome 2: Socio-economic assessments to support basin development planning and the implementation of MRC Procedures strengthened, based on agreed well-defined and realistic basin environmental and social objectives and indicators;</p>	<ul style="list-style-type: none"> • Approval by the MRC Council of the socio-economic and environmental objectives and indicators to support assessments of future water related resources development • Extent to which the data and analysis needs identified by BDP 2011-2015 are perceived as relevant by national agencies, RBOs, MRC Programmes and other stakeholders • Timeliness and quality of data, information and analyses delivered for BDP • Degree to which Member Countries contribute to the maintenance of socio-economic databases for planning and use the data and information in national planning 	<ul style="list-style-type: none"> • Report of MRC JC and Council meeting • MRC stakeholder satisfaction surveys • Annual report on the implementation of PDIES and other MRC procedures • MRC PMS reports • Independent reviews of BDP Programme
<p>Outcome 3: Appropriate institutional arrangements developed by Member Countries to implement the IWRM-based Basin Development Strategy, sustain the BDP process, and agree on a Roadmap for the decentralization of selected core basin planning functions</p>	<ul style="list-style-type: none"> • Extent of contribution from relevant national agencies, RBOs and stakeholders in the Strategy implementation and BDP activities • PMFM effectively implemented to support planning • Degree to which policy makers participate in the BDP process and the number of basin decisions/agreements made • Extent that Member Countries use the BDP process to enhance cooperation, including effective networks of water related agencies and extending beyond water related sectors and with upstream countries • Extent that regional organizations and initiatives incorporate the IWRM-based Basin Development Strategy • Extent that Member Countries accept and engage in the Roadmap for transitioning toward core planning function as part of overall MRC Roadmap 	<ul style="list-style-type: none"> • MRC stakeholder satisfaction surveys • BDP progress reports and reviews • NMC regular reports • MRC PMS and Strategic Plan review reports • Proceedings of BDP and other MRC stakeholder forums • Reports from regional initiatives i.e. ASEAN, GMS and others • Report of MRC JC, Council and other high level multi-lateral and bilateral meetings
<p>Outcome 4: The necessary capacity to implement the IWRM-based Basin Development Strategy, and to carry out the selected core basin planning functions within the agreed Roadmap for decentralisation, available with relevant national agencies, RBOs, NMCSs and stakeholders</p>	<ul style="list-style-type: none"> • Extent that defined target groups in national agencies, RBOs, NMCSs, MRCS and communities assessed as relevant and their needs captured • Degree to which policy makers and the public in LMB countries are aware of and adopt basin-wide IWRM approaches • Level of improvement in the target groups' knowledge and skills in basin-wide IWRM planning (i.e. data and information collection and sharing, analyses, integrated policy and sector plan formulation and implementation, coordination and dialogue and negotiation on basin issues) 	<ul style="list-style-type: none"> • BDP capacity development programme at regional level and for each country • BDP review reports • MRC stakeholder satisfaction surveys • MRC PMS report • Independent reviews of MRC capacity development

Outcome 1 is central in BDP 2011-2015 as the implementation of the IWRM-based Basin Development Strategy will be its core priority of the Programme. The Strategy defines a Roadmap setting out priority actions, timeframes and outcomes. The priority actions include the earlier outlined

Strategic Priorities, studies, guidelines (Section 2.6), a monitoring programme of Strategy activities and outcomes that will also feed into the MRC State of the Basin monitoring and reporting and the MPCC climate change monitoring (which will ultimately monitor the Strategy's relevance and outcomes in terms of the basin's resources and climate change), and the review and updating of the Strategy. Following the expected approval of the Strategy by the MRC Council in January 2011, the preparation of the Basin Action Plan (comprising the Regional Action Plan and the four National Indicative Action Plans) to implement the Strategy will be the single most important focus of the BDP 2011-2015 during its Inception period. The preparation of the Regional Action Plan will be led by the MRC and implemented through the MRC Strategic Plan 2011-2015. The process to prepare the National Indicative Plans will bring concerned national agencies, RBOs and stakeholders in each country together to further develop the Strategic Priorities into detailed targets and plans that will supplement current national plans, focusing on Strategic Priorities that are relevant to the specific country context and require immediate actions. This includes agreement on the mechanisms and actions to implement basin management processes at the national level and the countries' contribution to the Regional Action Plan of the Strategy. The National Indicative Plans will be integrated, to the extent possible, within national long- and short-term economic and sector plans with coordination and facilitation by the NMCSs. The implementation of these plans, supported and complemented by the BDP Programme, will produce the knowledge, develop the capacity and the willingness to broaden the formulation and assessment of basin-wide scenarios and the updating of the IWRM-based Basin Development Strategy in 2015 beyond the current emphasis of water use aspects to include land management and other water-related factors for sustainable socio-economic, social and environmental development.

Outcome 2 will support Outcome 1 by addressing the need for continually improving hydrological, land use, environmental and ecological and socio-economic information, which are key in continually addressing the uncertainties and risks of water and related development. This, together with more comprehensive modelling and analytical tools, will enable the best possible informed decisions and will lead to increases in trust between countries and confidence in BDP. Furthermore, the IWRM-based Basin Development Strategy emphasises the urgent need to develop and agree among basin countries and stakeholders on specific environmental and social objective and indicators, based on which to assess and build consensus on future development options. *The BDP 2011-2015 will work closely with EP to: 1) lead the process to develop and reach consensus on a set of basin environmental and social objectives and indicators, 2) clearly articulate what the needs for data, information and analysis are across all sectors, 3) facilitate MRC Programmes and line agencies in providing the data and information while strengthening the socio-economic database and assessments, and 4) leading the integration of analysis and assessments into a basin-wide framework through updating the scenario assessments and the IWRM-based Basin Development Strategy.* By doing so, the basin planning function will contribute to the implementation of other river basin management functions (such as data acquisition and analysis and implementation of MRC procedures) and the integration between them.

Under **Outcome 3**, the BDP process will be further strengthened in support of the implementation of the IWRM-based Basin Development Strategy, particularly at the national level while gradually integrating basin development planning into national systems. The Programme will facilitate and support Member Countries in adapting national institutional mechanisms and processes to allow the integration and implementation of the Strategic Priorities in the national systems. Focus will be on building stronger ownership of countries, with more proactive engagement of policy makers, strengthening policy dialogue and negotiation among decision makers throughout the Strategy implementation, and empowering relevant national line agencies and RBOs to play a more permanent and "driving role" in basin development planning. In moving the MRC towards a more decentralized model of an international RBO, the modality of regional working groups will be tested in this phase of BDP, drawing on the regional sector advisory bodies and working groups established under the MRC Programmes.

At the same time, capacity building will be provided to national agencies to enable more open and comprehensive stakeholder consultations and participation arrangements at the national level that will ensure the needs of basin communities are fully understood and they have a “voice” in how planning occurs and how benefits and impacts are assessed. The Stakeholder Analysis and Stakeholder Participation and Communication Plan will be updated, addressing the lessons learned in BDP2.

This Outcome will also prepare a Roadmap for transitioning from the BDP Programme to core planning support function and full finance by Member Countries by 2030. The initial implementation of this Roadmap over the next five years will require considerable budget to assist with analysing and improving national systems and establishing appropriate standards and procedures.

Related to the previous issues, **Outcome 4** addresses the need to continually strengthen the IWRM capacities of the national water resources management, environment, planning and other concerned agencies and RBOs for the implementation and update of the IWRM-based Basin Development Strategy. At the same time, it will also build organizational and human resources capacity needed for the strengthening of the BDP process and the transition toward core planning function. This scope will guide focused training at regional level which will concentrate on key capabilities for transboundary negotiation and joint decision making, while technical skills will largely be strengthened through a learning by doing approach. At the national level, emphasis will be on the most important needs for the implementation of the Strategy, in line with the National Indicative Plan, the prevailing capacity levels and institutional framework, as well as ongoing national capacity building efforts in each country.

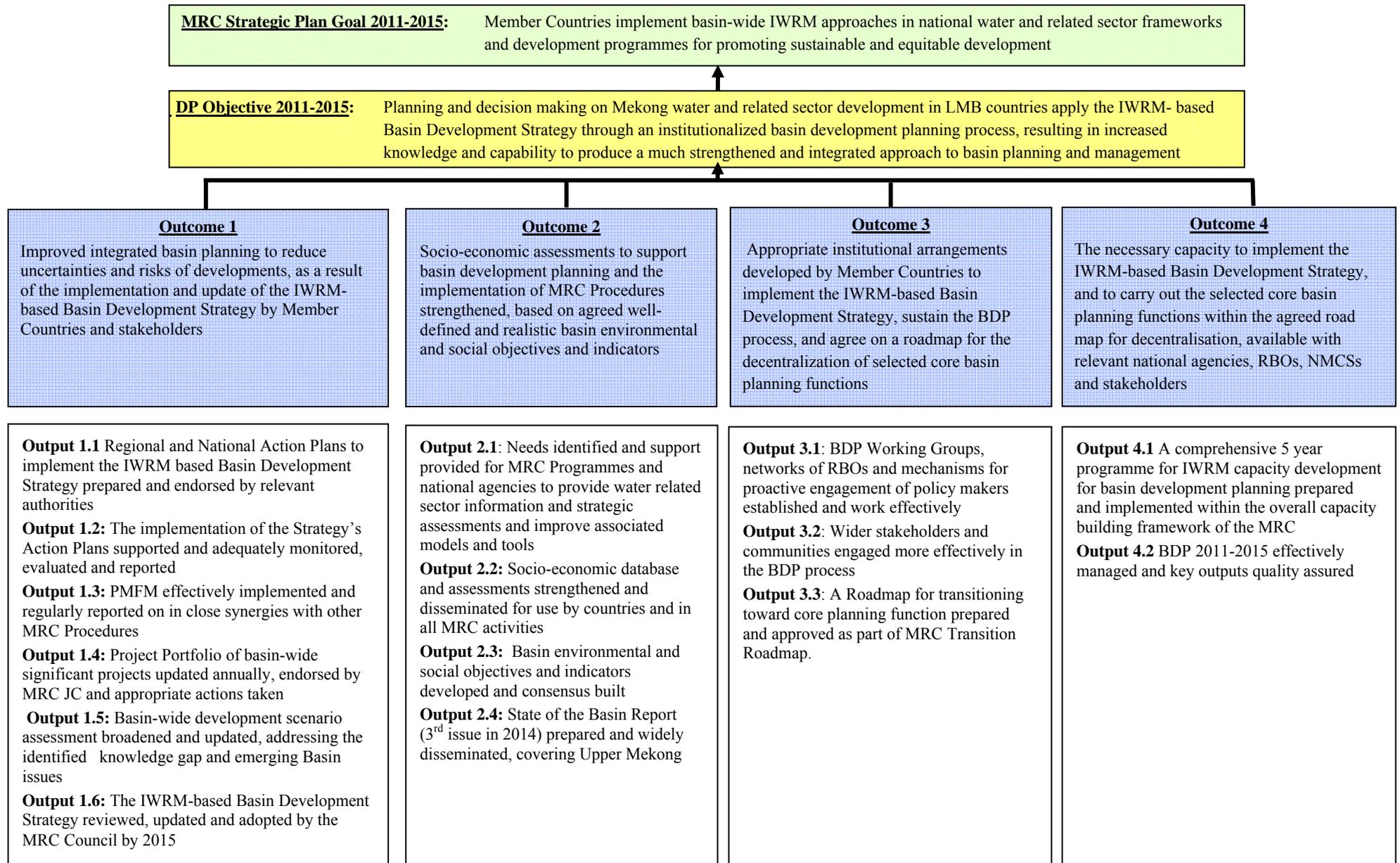
BDP 2011-2015 will work within the overall framework of MRC capacity development with coordination and support from ICBP and in integration with other MRC Programmes.

The Results Chain that details the various outputs for each of these four outcomes is shown in Figure 3.1. It is recognised that this is an ambitious 5 year programme of work and will require strong commitment to targets and quality, and close monitoring to ensure problems and difficulties are quickly identified and rectified.

Base on national consultations and DANIDA appraisal, the number of outputs has been reduced from 25 to 15 to provide a more concentrated and consolidated package of outputs. This now reflects what can be considered the full range of outputs that need to be achieved to successfully meet the Programme’s goals and objectives. A “softer” or more minimalist approach could be adopted and cut-back on the number of outputs, particularly some of those that will require multi-country and multi-organisation input and are thus more prone to delay and difficulties. However, all countries agree that BDP 2011-2015 needs to capitalise as much as possible on the large gains achieved with the endorsement of the Basin Development Strategy and have agreed that the full coverage of outputs should be maintained in the Programme, and success sought with maximum commitment and cooperation. Any changes that may need to occur to the structure of the outputs should first be considered at the inception phase report/workshop which will have the advantage of considering the Regional Action Plan and initial National Indicative Plans and their implications.

It is accepted that, in the past, monitoring and evaluation systems within MRC were not necessarily comprehensive enough to closely monitor a challenging 5-year programme of outcomes-outputs, such as with BDP 2011-2015. However, the Programme is now closely linked into the MRC’s much improved Performance Management System and this will provide to all management and governance levels, detailed and regular updates of progress of the various outputs. These systems provide confidence that this ambitious 5 year Programme, and its key 15 outputs can be achieved. As well, a structured approach to quality assurance and expert peer review will be followed to identify and rectify problems.

Figure 3.1: BDP 2011-2015 results chain



3.2 Key features of the BDP Programme 2011-2015

Two-Pronged Approach

In their early formulation of BDP 2011-2015, Member Countries outlined a vision for *a sustainable BDP process that is integrated into the national planning*. The countries also indicated that an approved IWRM-based Basin Development Strategy would demonstrate that the established BDP process has matured to be an important framework to serve transboundary water cooperation and guide coordinated and balanced water and related resources development in the LMB, to provide planning support to national agencies and to support a stronger role of the NMCSs in coordinating national planning and decision making on the Mekong.

The following discussions, which evolved together with the discussions on the MRC Strategic Plan 2011-2015 confirmed the two main priorities of BDP 2011-2015:

- To implement and update the Basin Development Strategy, demonstrating real impacts and benefits of BDP to Member Countries; and
- To institutionalize the BDP process to prepare for the long term core planning support function and self financing by MRC Member Countries by 2030.

These two inter-related priorities form the two-pronged approach of BDP 2011-2015 that is reflected in the relative emphasis on the main outcome (number 1) that guides the scope of the remaining outcomes (2, 3 and 4), while the latter constitute the foundation for the achievement of the former. The accomplishment of the two priorities is not a serial but rather a parallel process where the actual implementation of the Strategy in itself constitutes the institutionalization of the BDP process, so the two priorities go hand in hand.

Focus on Institutional and Human Capacity Building

With its two-pronged approach, the role of the BDP Programme is to facilitate and support Member Countries in building the needed institutional and human capacity to implement and update the Strategy and to strengthen the BDP process, especially at national level in a way that would be best implemented by the countries in the future.

Member Countries have also expressed explicitly the requirement to transfer technical knowledge and skills for basin-wide analyses to national agencies. For this reason and also for working towards the long-term goal of decentralizing basin planning activities to Member Countries, it is important that the Programme facilitates the active involvement of staff of the relevant national agencies in the rolling basin development planning process. This would require the commitment of these agencies to provide human resources for learning through their actual participation and contribution to the regional BDP activities. This is only possible if these national agencies have a permanent mandate for basin development planning and an appropriate institutional set up that allows them to allocate staff resources. Thus, the facilitation and support for institutional development, tailored demand and capacity in each of the countries, is essential in BDP 2011-2015.

Demand-Oriented and Responsiveness

Basin development planning in LMB operates in a rapidly changing context of one of the most dynamic regions in the world, which also faces many uncertainties, ranging from upstream development to high vulnerability to climate change. The implementation and regular reporting on the IWRM-based Basin Development Strategy combined with basin monitoring and State of Basin Report will provide a framework to capture basin trends and emerging issues as well as opportunities for cooperation. This will enable BDP's interaction with other MRC Programmes and their line agencies to address these issues and/or capitalize the opportunities in a particular sector within an integrated approach.

With different legal and institutional framework and capacity levels, the LMB countries' demands for human resources development are different, so is their focus on institutional strengthening. In line with the highest political commitment of the LMB countries to prioritize capacity development for where it is most needed, BDP 2011-2015 will undertake a thorough analysis of the different needs of each country and group and facilitates them to design detailed activities at the national and sub-basin levels in a way that is most appropriate for the country. Promoting sharing of experience and lessons through regional activities will also contribute to national capacity development.

The BDP 2011-2015 will act on demands for a more comprehensive and integrated basin planning process that goes beyond the current emphasis of water use aspects to include land management and other water-related factors. The implementation of the IWRM-based Basin Development Strategy, supported and complemented by the BDP Programme, will produce the knowledge and develop the capacity and the willingness to broaden the formulation and assessment of basin-wide scenarios and the updating of the IWRM-based Basin Development Strategy in 2015.

More Effective Approach to Stakeholder Engagement

The BDP Stakeholder Analysis will be updated, identifying the credible NGOs and other organizations at the national and regional level which are capable and enthusiastic to represent local level stakeholders in the BDP process and present their reviews at national and regional MRC/BDP Stakeholder Forums. The identification of these organizations and/or individuals will begin during the BDP 2011-2015 inception phase (2nd half of 2011). A key output will be the undertaking of regular "Stakeholder Satisfaction Surveys" that will provide a strong indication of whether the enhanced stakeholder processes are working effectively.

Communities and local stakeholders will be engaged in the basin planning process also during the implementation of social and environmental assessments (under Outcome 2) and other actions to implement the IWRM-based Basin Development Strategy.

At the regional level, opportunities will be identified to synthesize and integrate different technical forums of MRC Programmes and BDP forums into corporate MRC forums encompassing the most important issues in water and related resources development and management in the Mekong Basin, which will enable more coherence and cost effectiveness.

Integration with Other MRC Programmes and Activities

BDP 2011-2015 implementation will be integrated with other MRC Programmes and activities within the framework of implementing the river basin management functions and the MRC Strategic Plan 2011-2015 as shown in Table 3.2. The MRC Strategic Plan for 2011-2015, which was developed in parallel to the IWRM-based Basin Development Strategy, defines the main aims of the MRC, the key activities to be taken up and milestones to be achieved by the MRC Programmes and other parts of MRCS. Analyses conducted for this report demonstrate that there is broad consistency between the basin development and management aims of both the IWRM-based Basin Development Strategy and the MRC Strategic Plan. Together these provide a robust framework for future MRC activities to be planned within.

The integration of MRC activities across Programmes will be enabled by the alignment of all MRC Programmes to the river basin management functions and through the MRC Annual Work Programme. The MRC Annual Work Programme will highlight the inter-dependency of activities of the Programmes in achieving their own outputs/outcomes as well as their contributions to the MRC Strategic Plan outcomes. It will also be used for MRCS to manage the mutual accountability and delivery of results by the Programmes through annual performance agreements and protocols between the Programmes/Divisions.

Table 3.2: BDP integration with other MRC Programmes

BDP Outcomes and Outputs	MRC Programme	Outline
<p>Output 1.1 – Preparation of the Basin Action Plan to implement the IWRM-based Basin Development Strategy</p> <p>Output 1.2 – Support to the implementation and monitoring/evaluation and reporting on the Strategy’s Basin Action Plan</p> <p>Output 1.4 – Project Portfolio</p>	ISH, NAP, EP, CCAI, FP, AIP, FMMP	<p>The design and implementation of the Regional Action Plan for the Strategy including the studies to address uncertainties and risks and the implementation of the Strategic Priorities for basin development and management cover all sectors including adaptation to climate change, and will not be possible without either leading roles or inputs from MRC Programmes</p> <p>The Regional Action Plan and/or the National Indicative Plans will include the development and implementation of Sub-basin IWRM Cooperation Framework in critical transboundary sub-basins that will require integrated sector activities to contribute to the MRC’s overall aim of promoting cooperation, also across provinces sharing the sub-basins</p> <p>Similarly, the Project Portfolio will bring together projects across all sectors to enable integrated basin management</p>
Output 1.3 – PMFM effectively implemented	IKMP, M-IWRMP and other Programmes	<p>Implementation of PMFM requires modeling support from IKMP and is currently funded through M-IWRMP</p> <p>The implementation of PMFM links closely with PWUM and the PNPCA, to which BDP contributes</p>
Output 1.5: Update basin-wide development scenario assessments	IKMP, EP, FP, ISH, AIP, FMMP, NAP, CCAI, M-IWRMP	The basin-wide scenario assessment requires modeling capacity and sector information and assessment. FP has led the fisheries assessment in BDP2 and agreement has been reached with EP to lead the environmental aspects of BDP in the next phase,
Output 2.1 – Data and water-related sector strategic assessment needs for basin development planning	AIP, FP, ISH, NAP, FMMP, EP, CCAI, IKMP	Update on water-related sector information is essential for basin planning. MRC Programmes have the responsibility to update this information and implement MRC procedures, i.e. PWUM.
<p>Output 2.2 – Strengthened Socio-economic database and assessment</p> <p>Output 2.3 – Environment and social objectives and indicators</p>	EP, FP, CCAI, FMMP and IKMP	<p>A framework of MRC socio-economic activities is being developed to guide integrated activities of relevant Programmes: BDP for macro socio-economic trend analysis and socio-economic databases of MRC; EP for SIM and VA, FP for monitoring of fish-related livelihoods, catch and consumption survey, FMMP for socio-economic aspects of floods and CCAI for vulnerability to climate change</p> <p>IKMP is coordinating the MRC IS that brings all these data and information together.</p> <p>BDP will work with EP to lead the process that involves all Programmes in the development and consensus building on environment and social objectives and indicators that will be used as the basis to monitor the status of the Basin (see output 2.5) and facilitate Member Countries to judge future development options.</p>
Output 2.5 – State of the Basin Report	EP, M-IWRMP and other Programmes	BDP and EP will continue to work together in coordinating the preparation of the State of the Basin Report with inputs from all Programmes. M-IWRMP has provision to expand the State of the Basin Report to cover Upper Mekong, which is under BDP responsibility
Output 3.1 – BDP Working Groups established and work effectively	EP, FP, NAP, ISH	<p>BDP will build on the existing sector WGs, led by MRC Programmes for its sector activities</p> <p>The Planning WG will bring together representatives from key sector WGs</p>
Output 3.3 – Roadmap for transitioning toward core planning support function	ICCS and all Programmes	This Roadmap is part of the overall MRC Roadmap for the transition of the MRC toward core functions and achieving its target for self financing by 2030
Output 4.1 – IWRM planning capacity development	ICBP and other Programmes	BDP will continue to integrate IWRM planning capacity development in the overall MRC capacity building, coordinated by ICBP

Enabling a Phased Approach towards a Long-term Core Basin Planning Function

The long term model for basin planning should be “***implementation by line agencies, coordination by NMCSs, and facilitation by MRCS***”. This would mean much of the data and information is collected by national agencies, and data analysis and storage would also be routinely undertaken in these agencies and fed into data banks in each country and at the MRCS. The MRCS role for basin planning would become more of a specialist adviser and facilitator role, where basin wide trend assessments would be undertaken (hydrologic, environmental and socio-economic) and monitoring and updating of the IWRM-based Basin Development Strategy would occur.

The decentralization process will be initiated in 2011-2015 through MRC Specific Goal 5 that aims at initiating the transition toward core functions, including 7 river basin management functions as described in Section 2.4 and Table 2.2). Whilst it is likely to take many years to transition to this model, it will finally result in a small, expert group within the MRCS, with “implementation” or “delivery” decentralized to the national agencies. This is the model that has evolved for many international RBO’s with a resource management coordinating and facilitating role, and is typical of an organisation that begins to reach a “mature” role. Key features of this approach would be:

- Working groups of national line agencies facilitated by MRCS;
- Strengthening the coordination role of NMCSs;
- MRCS with highly skilled technical and IWRM capacities;
- Sector working groups which monitor and update trends (water use, demand, sector development trends, etc.) and monitor the implementation of the IWRM-based Basin Development Strategy and guidelines and prompt the needs for updates;
- Data exchange and sharing through procedures/guidelines i.e. PDIES, PWUM;
- Integrated strategic assessments done by MRCS;
- Facilitation of discussion, negotiation and update of the “development opportunity space” and the IWRM-based Basin Development Strategy and projects (through PNPCA and other procedures); and
- A core or “essential” planning activity that is ultimately paid by Member Countries.

To reach this long term perspective, it is important that institutional mechanisms, technical processes, tools and capacity will be in place for the national line agencies and the NMCSs to gradually take over many activities that are currently dependent on consultants and donor’s financial support. For some of the activities of the basin development planning cycle have been decentralized to some extent in BDP2, such as the national sector reviews and the Sub-area analysis. ***The next BDP cycle will further build the necessary blocks for this transition with appropriate institutions and strengthened coordination/cooperation processes (Outcome 3) and strengthened national skills and capacities (Outcome 4), leading to the effective take-over of this decentralised role in due course.***

A Roadmap will be prepared, elaborating how this longer-term perspective can be achieved. Certain foundations for this Roadmap have been in place through the 10-year implementation of the BDP Programme including: 1) the understanding among the key national agencies and some other stakeholders of the BDP planning cycle and its ultimate objective; 2) the functional national and regional coordination mechanisms that will continue to be relevant such as BDP National Working Group; and 3) the available national capacity, including sector expertise and analytical skills in national line agencies and capacity to contribute to basin-wide socio-economic and environment assessments in national research institutions and universities in some countries.

Table 3.3 provides some initial thinking on how such as Roadmap can be developed. Targets for BDP 2011-2015 would be that national agencies will make human capacity available to learn by doing and actually contribute to the implementation of BDP activities. Major financing is still expected from the Donor assistance through the MRC. However, certain level of financial contribution, both in kind and

in cash from Member Countries would already be required for the implementation of the IWRM-based Basin Development Strategy at the national level. It is also critical that internationally recognized technical and management expertise be available and sustained at MRCS to facilitate this transition. The design of staffing in BDP 2011-2015 has taken into account this need in the context of the riparianisation plan of the MRC by end 2012.

The progress toward full decentralization of some activities such as the implementation of the Strategy, provision of data and information and strategic assessments at national level may be possible by 2030, while some others, especially the promotion of experience sharing within the Mekong and with other river basins would still rely on external support.

Table 3.3: Towards a core planning support function of the MRC

Basin planning activities	2011-2015	2016-2020	2021-2025	2026-2030
Maintain updated socio-economic and sector knowledge bases				
Strategic sector and basin-wide assessments including scenario assessment				
Implement and update the IWRM-based Basin Development Strategy				
Sub-basin, national and regional dialogues on basin development and management				
Network of national line agencies, RBOs and other stakeholders				
Promote experience sharing within the Mekong and with other international river basins				

- MRC:** Guidelines, technical support, quality assurance, capacity development and provide major finance
Countries: Human resources to participate/contribute and learning by doing, initial data collection and national sector assessments where applicable
- MRC:** Technical support, quality assurance, production of guidance/guidelines and reduced financial support
Countries: Increased human resources contribution, increased implementation and limited co-finance
- MRC:** Facilitate, technical support, capacity development, monitoring and reporting and further reduced financial support
Countries: Increased co-financing,
- MRC:** Facilitate, technical support with focus on strategic basin-wide issues, monitoring and reporting, limited financial support (i.e. strategic basin-wide assessments, regional dialogues, etc)
Countries: lead implementation with institutional set up and capacity, co-financing
- MRC:** monitor, quality assurance, reporting and capacity development
Countries: finance, full implementation and reporting
- Support from other international and regional organizations i.e. IFI to implement the investments and capacity building, UN and other agencies for improving statistical and specific data and information and Donor-supported river basin management/RBOs in the countries.

3.3 Outputs

This Section summarises the outputs identified as essential to achieve the four outcomes, clarifies the link between them and explains the logic of the Programme result chain provided in the Design and Monitoring Framework in Annex 1. The indicators of BDP 2011-2015 outputs and outcomes will “roll up” to the overall MRC Performance Management System.

Outcome 1: Improved integrated basin planning to reduce uncertainties and risks of developments, as a result of the implementation and update of the IWRM-based Basin Development Strategy by Member Countries and stakeholders.

Outputs:

- 1.1. Basin Action Plan (comprising of a Regional Action Plan and four National Indicative Plans) to implement the IWRM based Basin Development Strategy prepared and endorsed by relevant authorities;
- 1.2. The implementation of the Strategy's Basin Action Plan supported and adequately monitored, evaluated and reported;
- 1.3. PMFM effectively implemented and regularly reported on in close synergies with other MRC Procedures;
- 1.4. Project Portfolio of basin-wide significant projects updated annually, endorsed by MRC JC and appropriate actions taken;
- 1.5. Basin-wide development scenario assessment updated, addressing the identified knowledge gap and emerging Basin issues; and
- 1.6. The IWRM-based Basin Development Strategy reviewed, updated and adopted by the MRC Council by 2015.

The Basin Action Plan (comprising the Regional Action Plan and four National Indicative Plans, one per LMB country) of the IWRM-based Basin Development Strategy (Output 1.1) will describe the detailed work plans to carry out studies to address uncertainties and risks and to further develop and implement the Strategic Priorities with agreed roles and responsibility of concerned national agencies and MRC Programmes and timeframe. This will enable support and facilitation of BDP 2011-2015 to the implementation and monitoring and reporting on the Basin Action Plan (Output 1.2). The preparation of the National Indicative Plans will follow a needs-based approach that reflects individual country focus areas and priorities. The additional actions needed to supplement current national plans will be integrated, to the extent possible, within national economic and sector plans. The National Indicative Plans also indicate the necessary processes and responsibilities of national line agencies and NMCSs to implement the PMFM and other MRC Procedures (Output 1.3). An important part of the National Indicative Plans would include discussions within and among countries to reach agreement on the critical sub-basins that require an IWRM Framework to address critical Strategic Priorities, such as to strengthen sustainability of tributary hydropower development and to integrate basin considerations beyond water quantities in the national and sub-basin level water and land related planning.

The action planning at the regional and national level will result in defined sets of activities, projects and programmes that will be uploaded to the Project Portfolio (non-structural and enabling activities and infrastructure developments that passed through the PNPCA) for the purposes of monitoring the implementation of the Strategy and the promotion of unfunded regional and national activities. The regular monitoring, evaluation and reporting in the Basin Development Strategy implementation, both in each country and at regional level (Output 1.2), will allow the incorporation of emerging development challenges in the update of scenario assessment (Output 1.5) and the preparation of the update of the Strategy by 2015 (Output 1.6). Definition and assessment of relevant additional scenarios will take place, responding to emerging needs to assessing impacts of broader development of water and related basin resources than represented by the scenarios analysed for BDP2.

Outcome 2: Socio-economic assessments to support basin development planning and the implementation of MRC Procedures strengthened, based on agreed well-defined and realistic basin environmental and social objectives and indicators.

Outputs:

- 2.1. Needs identified and support provided for MRC Programmes and national agencies to provide water-related sector information and strategic assessments and improve associated models and tools;
- 2.2. Socio-economic database improved and assessments strengthened and disseminated for use by countries and in all MRC activities;
- 2.3. Basin environmental and social objectives and indicators developed and consensus built; and
- 2.4. State of the Basin Report (3rd issue in 2014) prepared and widely disseminated, covering Upper Mekong.

The needs for updated data and information across all relevant sectors (sector development information, trend analysis and strategic assessments) and modelling and assessment tools for the implementation of the IWRM-based Basin Development Strategy (Outcome 1), as well as for updating the BDP will be discussed, agreed and incorporated into the MRC Programme activities, where the water-related sector knowledge is capitalized (Output 2.1). Particularly spatial information on land use and water-related resources such as agriculture, fisheries, forestry, etc., will be supplemented, updated and coupled with existing water resources information. Mechanisms will be developed for close collaboration between MRC Programmes, BDP 2011-2015 and concerned national line agencies/working group to implement these data, analysis and tools development needs, drawing on the MRC Toolbox including assessment tools developed during BDP2. It is important to explore opportunities to integrate these needs into the existing statistical system and surveys in Member Countries for cost effectiveness and sustainability. Partnerships will also be established with relevant regional and international agencies for these studies.

BDP 2011-2015 will be responsible for the maintenance of the socio-economic databases, initiated in BDP2 (Output 2.2) and strengthen the socio-economic assessments (Output 2.2), in close synergy with the strengthened environmental assessments, led by EP (see EP Programme Document Outcome 1). With initial establishment of BDP database in NMCSs in some countries during BDP2, this phase will pilot a more comprehensive programme to transfer necessary basin-wide data and information to selected relevant national agencies for use in national planning (Output 2.2). Together with EP, BDP 2011-2015 will facilitate concerned national agencies, NMCSs and other stakeholders to develop and build consensus on specific basin environmental and social objectives and indicators to be used an important framework for future assessment of basin development options and update of the Strategy (Output 2.3). The State of the Basin Report is essential to provide information on the Basin's resources and management processes. In collaboration with EP and M-IWRMP, BDP will continue support the update of the State of the Basin Report that would also include Upper Mekong in its 3rd update in 2014 (Output 2.4).

Outcome 3: Appropriate institutional arrangements developed by Member Countries to implement the IWRM-based Basin Development Strategy, sustain the BDP process, and agree on a Roadmap for the decentralization of selected core basin planning functions.

Outputs:

- 3.1. BDP Working Groups, networks of RBOs and mechanisms for proactive engagement of policy makers established and work effectively;
- 3.2. Wider stakeholders and communities engaged more effectively in the BDP process; and
- 3.3. A Roadmap for transitioning toward core planning function prepared and approved as part of MRC Transition Roadmap.

National institutional development to strengthen the BDP process will focus on three main areas, critical for national line agencies, local governments and RBOs to implement the Strategy and play the driving role in the BDP process: 1) strengthening BDP national and regional working groups and

sector technical bodies and working groups facilitated by MRC Programmes; 2) establishing and promoting the networking and sharing of experience across water resource management agencies and RBOs and 3) strengthening the engagement and productive policy dialogue between decision makers of the basin countries (Output 3.1).

The intended role of the BDP in the 1995 Mekong Agreement to promote policy dialogue, negotiation and collaborative decisions on the development of Mekong water and related resources requires stronger engagement of decision makers, especially from water use sectors. This will be addressed by strengthening policy advocacy efforts and the coordination role of the national water resource management agencies/NMCSs and MRCS and establishing mechanisms to facilitate policy dialogues (Output 3.2). At the working level and in view of the long term goal to sustain the BDP process toward core functions, working group modality will be developed to enable staff from national line agencies and relevant institutions, local government agencies and RBOs to actually contribute to the implementation of BDP activities, both at the national and regional level (Output 3.3).

Given the emerging role of RBOs in the institutional arrangements for IWRM in LMB (see Section 1.4), a network of RBOs will be established and facilitated to promote basin-wide approaches, the contribution of RBOs to implement these approaches at the national and sub-basin level and the sharing of experiences between RBOs (Output 3.4). All the analyses and “piloting” of these new institutional arrangements will be through the initial implementation of the Roadmap to transitioning the BDP Programme to basin planning function (Output 3.6) while the Roadmap will be continually improved, drawing on lessons learned in the process. The Roadmap will be prepared as part of the MRC Roadmap for transition toward core functions.

Outcome 4: The necessary capacity to implement the IWRM-based Basin Development Strategy, and to carry out the selected core basin planning functions within the agreed Roadmap for decentralisation, available with relevant national agencies, RBOs, NMCSs and stakeholders.

Outputs:

- 4.1. A comprehensive 5 year programme for IWRM capacity development for basin development planning prepared and implemented within the overall capacity building framework of the MRC; and
- 4.2. BDP 2011-2015 effectively managed and key outputs quality assured.

An institutional mapping and capacity analysis will be undertaken early in the cycle to help the preparation of the National Indicative Plans for the IWRM-based Basin Development Strategy in a way that it could be best implemented in the national systems. Based on this analysis, the training and capacity development needs assessment, carried out in 2008 will be updated (Output 4.1). This will likely be implemented as part of the broader MRC analysis for the transition Roadmap (MRC Strategic Plan Goal 5).

Using the needs assessment, Member Countries will be supported to prepare national training/capacity development programme and lead its implementation (Output 4.2). The capacity development programme at the regional level will focus on core competencies for transboundary water governance with negotiation, mediation and basin-wide assessment skills. Also, regional activities will continue strengthen the Master Trainers, initiated in BDP2 and technical support and quality control of country’ training an capacity building activities at national and sub-basin levels. Awareness raising and policy advocacy materials will be produced (Output 4.3) to support capacity building activities as well as strengthen engagement in the BDP process in Outcome 3.

3.4 Approach to Activities

Annex 2 outlines the activities identified as necessary to achieve each output and the approach to their implementation. The programme of activities is listed in Table 3.4 at the end of Section 3.4. Whilst

these activities are comprehensive and realistic in terms of the work needed to achieve these outputs, the actual scheduling of inputs, how they are to occur and by whom, and over what timeframe, are all matters for NMC and national agency consideration. So the final and adopted approach for all activities will not be determined until after the inception phase of the BDP 2011-2015 and will be carried out in parallel with the preparation of and in response to the Regional Action Plan and the four National Indicative Plans to implement the IWRM-based Basin Development Strategy, and included in the Inception Report of BDP 2011-2015 that will be prepared in the 2nd half of 2011.

Linkages between BDP Activities and the Basin Action Plan of the Basin Development Strategy

The 15 outputs and 50 activities of the BDP 2011-2015 are designed in a manner to ensure that the approximately 60 Strategic Actions identified in the IWRM-based Basin Development Strategy are addressed in one form or another. The main functions of the BDP 2011-2015 are to ensure that a coherent set of Regional Action Plan and four National Indicative Plans are drawn up with responsibilities appropriately allocated, to facilitate and monitor implementation of these plans and to assist in drawing together their outcomes to produce a much strengthened and integrated approach to basin development and management.

The activities of the BDP 2011-2015, which will be planned in detail during the inception phase, thus broadly include:

- Definition of a wide range of studies to address knowledge gaps, facilitate sector planning, best practice guidance and effective implementation of MRC procedures;
- Developing and strengthening the necessary systems to monitor water-related development within the basin, its socio-economic and environmental impacts and its compliance with the agreed rules;
- Preparation of updates of the State of the Basin Report and the IWRM-based Basin Development Strategy taking into account clarified socio-economic and environmental objectives;
- Developing and strengthening institutional arrangements and stakeholder engagement and building institutional and human capacity within the basin consistent with MRC's strategic aims; and
- Providing the means to monitor and quality assure implementation of both the take up of the IWRM-based Basin Development Strategy's agreed actions as well as those of the BDP Programme itself.

As described below, many of the activities above will be undertaken by others (eg. line agencies, MRC Programmes etc), particularly in the case of the wide ranging studies, and it will be the role of BDP 2011-2015, through the NMCs and the regional team, to ensure these are undertaken in a coordinated and focussed manner. The precise manner in which this will be done will be set out in the Inception Report.

Principal Approaches

There will be a number of "under-pinning" principles and approaches that will guide how activities are structured and implemented.

Integrated basin planning beyond water resources, taking other relevant water-related resources and factors into consideration, will be a core principle in the way activities are framed and conducted. The support and capacity strengthening provided to national line agencies will facilitate countries' embracing these integrated approaches in national planning processes and seek to strengthen the links between regional and national planning processes. Wherever possible, BDP 2011-2015 will reach out to and involve a diverse range of stakeholders in order to promote a cross-sectoral integration of land and water-related resources. There are particularly two avenues envisaged for implementation of this

approach: 1) preparation of the National Indicative Plans, and 2) development and assessment of updated scenarios.

The basic intention is the move beyond national, sectoral planning towards comprehensive basin planning. The BDP 2011-2015 will develop the knowledge and capabilities required to produce a more comprehensive and integrated approach to basin planning and management, to better capture the non-water use aspects of basin development planning in future updates of the Strategy. This broader basin perspective will guide the implementation of all activities under the BDP 2011-2015.

Country understanding, ownership and commitment regarding the desired outputs and activities must be the dominant factor flowing through all the activities. This means intensive multi-country discussions and workshops during the inception phase, to agree on activity details and project management aspects, and to embrace the concept that most of the activities have to be done by national teams and working groups, and be integrated into improved national planning and regulatory systems and into agency programmes and plans. That is, it becomes line agency responsibility, to work together through NMC's and deliver actions and outputs consistent with the targets and milestones adopted within the BDP 2011-2015. This means a strong commitment, particularly by NMC's, to "regular transparent monitoring and reporting, workshops, discussions, networks etc." and an adaptability to change quickly where monitoring shows that adjustments to activities are needed to better respond to changing circumstances – "***country ownership and commitment, open and transparent monitoring and reporting, flexibility and adaptability to changing circumstances***".

Increased national line agency responsibilities for activity implementation also requires ***stronger links between MRC Programmes and these line agencies***. Whilst each country and its agencies have different systems and approaches, there needs to be common threads or themes applying to activities so that achievements can be brought together for maximum impact, or that problems can be focused on a common objective. The MRC Programmes can facilitate inter-actions between the relevant line agencies in each country and in this way maintain focus, energy and commitment – ***MRCs "steers", NMC's "coordinate", line agencies "drive"***.

Integration of efforts and improved coordination within/across MRC Programmes are essential issues. In the past, effective coordination across Programmes has been questioned, to the extent that it has been suggested by various peer review processes that the BDP2 Programme and process was less than optimally effective in some areas. Integration between BDP 2011-2015 and other MRC Programmes will be facilitated, overall, by the alignment of the detailed implementation matrix of the MRC Strategic Plan 2011-2015 with the Strategic Priorities in the Basin Development Strategy, and the by the preparation of the MRC Annual Work Programme (see Section 3.2). But most importantly, "***performance agreements and operating protocols***" between BDP and other programmes/projects/initiatives will be developed, clearly spelling out the services and inputs requested from other Divisions and how they relate to the goals of the MRC Strategic Plan, BDP outcomes and outputs as well as the time frame and manner in which the services should be provided. In turn the BDP Programme will provide resources for these Programmes to deliver the services where these are not adequately funded under existing Programmes – ***MRC Programmes driving both an accountable, corporate, integrated approach, and a sector-specific expert advisory role***.

Strong links between the Basin Development Strategy and its policy/strategy implications, and the four differing water related planning systems in each country. An essential issue regarding methodology and approach in implementing the Strategy is for each country to consider how it can adapt national planning systems to better reflect the Strategic Priorities and guidelines, and the basin-wide considerations and requirements that lead to more sustainable water resource management and development. This will require much discussion and options development during the inception phase, and multi-country workshoping to determine if the approaches of all countries will integrate, or relate to each other, as much as is possible or sensible, and create synergies and optimal IWRM-related outcomes. For example, the planning and decision making system may be different for private sector driven projects and the public sector projects and different from country to country.

A comprehensive Project Portfolio which will be the major promotional tool to attract funding for projects – i) supporting the adequate funding of the implementation of the Basin Development Strategy, ii) supporting investments, funding of the studies and the funding of the MRC Programmes to implement most of the Strategic Priorities and the preparation of the guidelines. In this way, the project portfolio becomes the “home” for much of the activities that are within the Strategy, and for projects that are facilitated by the Strategy activities.

A strengthened approach to stakeholder participation: BDP2 introduced a very structured and wide-reaching approach to stakeholder consultation/participation and it will remain a fundamental part of the BDP 2011-2015 approach. A programme will be developed in consultation with key stakeholders during the project inception phase that will cater for periodic stakeholder meetings at the national and regional level. This will take account of the pluses and minuses that came from the BDP2 consultation process. For example, this previous work was very extensive but also very resource demanding – can more be achieved with better use of resources? Can better use be made of NGO networks, perhaps by delegating the more local level consultations to NGO groups, having these groups bring issues and concerns to the higher level discussions, and have BDP regional and national teams focusing more on higher level consultations and issues?

These high level consultation meetings will make regular reviews of the BDP 2011-2015, as well as the progress and impacts of the implementation of the Strategy, through review and comment on the progress of the Regional Action Plan and National Indicative Plans. As well, a stakeholder satisfaction survey’ will be introduced to better guide how the Basin Development Strategy, and the BDP Programme, should respond to stakeholder concerns. – ***“open and transparent stakeholder participation and consultation that seeks to meet the needs of MRC, countries and all main stakeholder groups”***.

Regional Action Plan and National Indicative Plans: A key methodology/approach will relate to *how the Regional Action Plan and the four National Indicative Plans for implementing the Strategy are developed and what they will contain*. Each of the five Plans will include a description of the activities, methodologies, implementation and management responsibilities, milestones, deliverables, and costs and coordination requirements. The preparation of the Regional Action Plan will be led by the MRC and implemented through the MRC Strategic Plan 2011-2015. The preparation of the National Indicative Plans will be led by the responsible national agencies, with coordination and facilitation by the NMC’s. The National Indicative Plans, which will be endorsed by NMC’s or other appropriate national processes, will seek to incorporate the Strategy’s Strategic Priorities and guidelines, and its basin perspectives into national planning, decision-making and governance processes, integrating to the extent possible with five-year socio-economic and sector planning and annual work planning of relevant national agencies. This process of integration will result in growing networks with wide understanding and ownership of the regional perspectives of the Strategy. Progress of implementing these National Indicative Plans will be coordinated by NMC’s and will feed into the MRC Performance Management System, with reporting links to the JC and MC levels. This will increase the effectiveness of Strategy implementation and bring national perspectives into future updates of the Strategy, creating a “loop of ownership” between MRC and its Member Countries.

A key issue for multi-country discussion and agreement during the BDP 2011-2015 inception phase will be “what extent and type of ‘activities’ will be within the National Indicative Plans?”. The IWRM-based Basin Development Strategy clearly defines the Strategic Priorities that need study and action planning, to support sound on-going basin development and basin management. These priorities are reflected in the Programme, particularly Outcome 1, and the various outputs under this outcome, and these must be incorporated within the National Indicative Plans if the Strategy objectives, goals and outcomes are to be achieved. These are essential activities within the National indicative Plans (these could be called ***“first order category” activities***), examples of which would be the institutionalization of the PNPCA and the PMFM within national systems, the preparation of sector strategies (fish, navigation etc.) improvement of stakeholder participation, the strategic direction for expansion of irrigation, the mitigation of negative impacts of hydropower development,

etc. All of these will be reported on through the monitoring processes of the MRC Performance Management System.

A second category of “project activities” that may be within the National Indicative Plans relates to national infrastructure/development/project activities that may now be under national feasibility assessment, either as a result of favourable cumulative assessments emerging from the scenario assessments in the Strategy, or simply as part of a countries on-going 5 year or longer, socio-economic plans. A number of issues will need to be discussed during the inception phase workshops as to how such feasibility studies and projects should be considered. Should they be part of the National Indicative Plans for Strategy implementation as outlined above? If so, then the overall MRC reporting and accountability processes would apply and the countries need to consider whether MRC does, or should, have this role in monitoring the progress of such feasibility studies which are essentially national issues at that stage of project preparation. Or does the MRC role in these possible projects not begin until the PNPCA procedures begin?

Thus a choice has to be made. Does this mean that national infrastructure/feasibility projects should initially be outside of the Strategy-implementation National Indicative Plans but, clearly, be within the national “national water resource policy/strategy” frameworks and the related line agency sector plans, and only enter MRC monitoring and reporting processes when countries are ready to submit proposals? Or can the National Indicative Plans have two components – one relating to “Strategic Priorities of the Strategy” and accountable through MRC processes, and the other relating more to country feasibility/project developments and a matter only for country management and outside MRC processes? *Whatever the countries decide is the preferred approach, a key point is that the Strategy, and the related National Indicative Plans should be promoting confidence and trust in the PNPCA process and facilitating the early referral of possible projects, and the use of MRCS expertise in the early consideration of new or controversial projects. This emphasizes the “facilitating” role of the Basin Development Strategy in encouraging sound development and providing the sound and informed background against which development projects can be formulated. It is up to the countries to decide when such projects are ready for referral under PNPCA.*

These are matters for the countries to resolve during the inception phase, and a preferred position or solution should not be pre-empted at this present stage in this report. A clear set of procedures and approaches will be included in the BDP 2011-2015 Inception Report.

Annex 2 provides more details about the possible activities that will need to be implemented to achieve the four Outcomes of the BDP 2011 - 2015. As mentioned earlier, the actual scheduling of inputs, how they are to occur and by whom, and over what timeframe, are all matters for NMC and national agency consideration during the inception phase of the Programme. The preliminary programme of activities is listed in Table 3.4 below.

Table 3.4: Outline of the Programme of Activities

Outcome - Outputs		Activities	
Outcome 1	Improved integrated basin planning to reduce uncertainties and risks of developments, as a result of the implementation and update of the IWRM-based Basin Development Strategy by Member Countries and stakeholders		
Output 1.1	Regional and National Action Plans to implement the IWRM based Basin Development Strategy prepared and endorsed by relevant authorities	1.1.1	Prepare the National Action Plans for national and sub-basin consultation and endorsement by relevant authorities (linked with 1.2.3, 3.1.1 and 3.3.1)
		1.1.2	Prepare the Regional Action Plans together with MRC Programmes, Member Countries and other stakeholders
		1.1.3	Design and implement awareness raising and policy advocacy programme on the Strategy and its Action Plans
		1.1.4	Regular review and adjustment of the Action Plans

Outcome - Outputs		Activities	
Output 1.2	The implementation of the Strategy's Action Plans supported and adequately monitored, evaluated and reported	1.2.1	Based on National Action Plans, work with other MRC Programmes to design package of supporting activities for each country with focus on priority basin-wide issues and reduction of risks and uncertainties
		1.2.2	As part of the Regional Action Plan, develop the scope, detailed TOR, budget and plan for the implementation of the studies, prepare the priority water resources management and sector guidelines, and reach consensus with MRC Programmes and relevant national agencies for implementation
		1.2.3	Support MRC Programmes to facilitate policy dialogues to develop and reach consensus on the needed regional water related sector strategies in the context of the Strategy
		1.2.4	Incorporate the results of studies, regional water-related sector strategies and outcomes of the implementation the Action Plans into the update of the Strategy (links with Output 1.5)
Output 1.3	PMFM effectively implemented and regularly reported on in close synergies with other MRC Procedures	1.3.1	Facilitate agreement by the countries on the outstanding issue and finalize the Technical Guidelines of PMFM
		1.3.2	Implement, report on and update the approved Technical Guidelines
		1.3.2	Document the practical links between PMFM (and other MRC procedures, guidelines) and basin development planning
Output 1.4	Project Portfolio of basin-wide significant projects updated annually, endorsed by MRC JC and appropriate actions taken	1.4.1	Use the direction provided in the IWRM-based Basin Development Strategy to reach consensus on the concept and design of the Project Master Database and the Project Portfolio (building on the concepts and preliminary designs developed in BDP2), including the mechanisms for MRC Programmes and relevant national agencies to regularly update information in the Project Portfolio
		1.4.2	Upload the activities, projects and programmes defined in the regional and national action planning (through filled templates with activity/project information) to the Project Portfolio (non-structural and enabling activities; infrastructure developments will be recorded in the Project Master Database and uplifted to the Project Portfolio after passing through the PNPCA process).
		1.4.3	Widely disseminate the endorsed Project Portfolio for appropriate actions by concerned stakeholders
		1.4.4	Use the Project Portfolio for appropriate purposes, such as for 1) raising awareness, 2) monitoring of implementation, 3) promoting investments for unfunded regional (eg MRC Programmes) and national activities, and 4) evaluation of the implications for the next cycle of basin-wide assessment and updating of the IWRM-based Basin Development Strategy.
Output 1.5	Basin-wide development scenario assessment broadened and updated, addressing the identified knowledge gap and emerging Basin issues	1.5.1	Use studies, regional water-related sector strategies and new environmental and social objectives and indicator framework (Output 1.2 and 2.3) and outcome of the Strategy implementation (Output 1.2) to define and build consensus among national agencies, MRC Programmes and stakeholders of the scope for updating basin-wide development scenario assessment (by 2012)

Outcome - Outputs		Activities	
		1.5.2	Design and implement a process for updating the scenario assessment that also focuses on transfer of knowledge and skills (data and information analysis, use of models and assessment tools) to relevant national agencies, NMCSs and MRC Programmes
		1.5.3	Work with NMCSs and other national stakeholders to identify, analyse, and assess additional relevant development scenarios, focusing on both water, land and related basin resources
		1.5.4	Design and implement a participatory process to discuss the scenario assessment results and their use in the update of the IWRM-based Basin Development Strategy
		1.5.5	Identify and analyse potential arrangements for increased benefit-sharing among the LMB countries for development of basin resources beyond, but related to, water
Output 1.6	The IWRM-based Basin Development Strategy reviewed, updated and adopted by the MRC Council by 2015	1.6.1	Integrate the review of the implementation of the IWRM-based Basin Development Strategy in MRC Strategic Plan midterm review (2013)
		1.6.2	Drawing on annual stakeholder review, report on the Strategy implementation and mid-term review and results of updated basin-wide scenario assessment, prepare and widely consult on the update of the Strategy, using and lessons learned from Strategy implementation
		1.6.3	Publish and widely disseminate the MRC Council approved update of the Strategy, also in riparian languages
Outcome 2	Socio-economic assessments to support basin development planning and the implementation of MRC Procedures strengthened, based on agreed well-defined and realistic basin environmental and social objectives and indicators		
Output 2.1	Needs identified and support provided for MRC Programmes and national agencies to provide water-related sector information and strategic assessments and improve associated models and tools	2.1.1	Workshops with national agencies and MRC Programmes to identify what information, and what improved systems, will be needed, and by when, to implement, monitor and update the Strategy
		2.1.2	A support programme developed to meet these needs with targets and milestones that are included within the overall M&E framework
Output 2.2	Socio-economic database and assessments strengthened and disseminated for use by countries and in all MRC activities	2.2.1	Based on the defined socio-economic data and information needs, explore existing monitoring and data dissemination mechanisms in Member Countries to design the system(s) that are most appropriate for data collection and exchange by countries
		2.2.2	Build consensus on the systems and implement as part of the overall MRC monitoring framework
Output 2.3	Basin environmental and social objectives and indicators developed and consensus built	2.3.1	In close collaboration with EP, facilitate the process within MRC to consolidate the existing objectives and indicators (i.e. from BDP scenario assessment, Technical Guidelines of MRC Procedures) and further develop the set of environmental and social objectives and indicators
		2.3.2	Carry out wide consultation process within Member Countries and with wider stakeholders for common understanding and acceptance
		2.3.3	Submit to MRC JC for endorsement (2013) for use in the update of basin-wide development assessment (2014) and further refinement (2015)

Outcome - Outputs		Activities	
Output 2.4	State of the Basin Report (3rd issue in 2015) prepared and widely disseminated, covering Upper Mekong	2.4.1	In close collaboration with EP, prepare concept, table of content and implementation plan for the updated State of the Basin Report with specific responsibility for the additional part on Lancang-Upper Mekong Basin
		2.4.2	Under the framework of MRC Cooperation programme with Dialogue Partners and M-IWRMP, prepare and discuss with China and Myanmar on the needed data/information for the extended State of the Basin Report that covers the Lancang-Upper Mekong Basin and mechanisms for data collection, preparation, acceptance and dissemination of the State of the Basin Report.
		2.4.3	Prepare the information on Lancang-Upper Mekong Basin information and other BDP-related parts of the State of the Basin Report (macro economy and social development trends, transboundary water governance, etc)
Outcome 3	Appropriate institutional arrangements developed by Member Countries to implement the IWRM-based Basin Development Strategy, sustain the BDP process, and agree on a Roadmap for the decentralization of selected core basin planning functions		
Output 3.1	BDP Working Groups, networks of water management agencies and RBOs and mechanisms for proactive engagement of policy makers established and work effectively	3.1.1	Refine TOR of the National BDP Working Group and update membership in view of the institutional analysis (Output 3.6) and National Action Plans to implement the Basin Development Strategy
		3.1.2	Work with MRC Programmes to facilitate the inputs from various regional sector working groups and technical advisory body to support BDP
		3.1.3	Facilitate the establishment and operation of a multi-country networks of water management agencies and of RBOs
		3.1.4	Regular review the operations of the working groups and adjust for improvement
Output 3.2	Wider stakeholders and communities engaged more effectively in the BDP process	3.2.1	Update the Stakeholder Analysis with increased inputs from communities and stakeholders
		3.2.2	In conjunction with key stakeholders, update and implement the Stakeholder Participation and Communication Plan for Basin Development Planning (SPCP) that will incorporate lessons learned from its implementation in BDP2, develop the concept of “stakeholder satisfaction surveys”, take into account the required new mechanisms for country-led and institutionalized BDP process, and emphasise new approaches for more effective stakeholder engagement (see Section 3.2)
		3.2.3	Monitor, report, and exchange of experiences among countries on stakeholder engagement in basin planning
Output 3.3	A Roadmap for transitioning toward core planning function prepared and approved as part of MRC Transition Roadmap	3.3.1	Facilitate a process in each country to review the current arrangements for BDP (national and local) to prepare the Roadmap towards core basin planning function and self finance by Member Countries
		3.3.2	Consultation and approval of the Roadmap as part of the MRC process for the overall Roadmap of the MRC towards decentralisation/core functions
		3.3.3	Implement certain part of the Roadmap (from year 2012 onward)
		3.3.4	Draw lessons learned and improve the Roadmap in the design of BDP 2016-2020

Outcome - Outputs		Activities	
Outcome 4 The necessary capacity to implement the IWRM-based Basin Development Strategy, and to carry out the selected core basin planning functions within the agreed Roadmap for decentralisation, available with relevant national agencies, RBOs, NMCSs and stakeholders			
Output 4.1	A comprehensive 5 year programme for IWRM capacity development for basin development planning prepared and implemented within the overall capacity building framework of the MRC	4.1.1	Facilitate a process to analyse the adequacy of current institutional arrangements for BDP and capacity building needs within the focus for effective implementation of the IWRM-based Basin Development Strategy and long-term integration of basin planning in national planning. Widely discuss results as part of the preparation of National Action Plan for the Strategy implementation (Output 1.1) and process of strengthening BDP institutional arrangements (Output 3.1)
		4.1.2	Prepare and implement a programme to strengthen institutional and human capacity for BDP with focus on capacity to address basin-wide issues
		4.1.3	Draw lessons learned and required improvements to feed in the Roadmap toward core basin planning function (see Output 3.4) and overall MRC Roadmap. Regular update the needs and improve implementation
Output 4.2	BDP 2011-2015 effectively managed and key outputs quality assured	4.2.1	Prepare Inception Report of BDP 2011-2015 in close linkage with Action Plans for the Strategy implementation
		4.2.2	Continue strengthening BDP performance management and reporting mechanisms as part of the MRC Performance Management System
		4.2.3	Continuously strengthen the integration of BDP and other MRC Programmes/activities to achieve MRC Strategic Plan Goals and to implement core functions
		4.2.4	Carry out BDP periodic reviews, IPOE reviews and widely disseminate lessons learned

3.5 Addressing Sustainability

Based on the long term perspective and Roadmap for a sustainable basin planning process, a number of sustainability factors are identified and how they can be addressed. Table 3.5 below shows how the sustainability of the basin planning function will be enhanced during 2011-2015.

Table 3.5: Initial sustainability matrix

Sustainability Factors	How Sustainability Will Be Enhanced
The extent to which the MRC Member Countries maintain the necessary level of political commitment to the joint BDP process and implementation of basin-wide strategies and guidelines	MRC will regularly update relevant national political entities on the availability of outputs produced and the importance of their proper application by relevant agencies, and will regularly monitor and communicate the level of output application by these agencies. Project communication strategy with focus on policy making entities in Member Countries to sustain political commitment.
The extent to which mechanisms and outputs are considered relevant and of adequate quality by their intended users (the national agencies involved in the development and management of Mekong water resources).	Ensuring full and regular consultation with national agencies on the mechanisms and outputs developed by the Project, and by obtaining regular feedback on their relevance and quality from intended user institutions.

Sustainability Factors	How Sustainability Will Be Enhanced
The extent to which the intended beneficiary institutions are aware of and understand the BDP's outputs.	<p>All outputs will be quality controlled to ensure that they constitute “appropriate technology” for their intended user institutions (i.e. they are effective without being too complex or too expensive to use).</p> <p>All outputs produced will be supported by appropriate communications and capacity-building to ensure that target institutions have the capacity to use them effectively.</p>
The level of ownership which the relevant national institutions contribute to the BDP outputs.	Appropriate institutional analysis and change management approaches will be used to improve the understanding and commitment of the target institutions for BDP, to contribute to and use BDP outputs.

3.6 Risks and Risk Management

The risks that would threaten the achievement of the defined objective, outcomes and outputs of BDP 2011-2015 have been analysed and risk management and mitigation approaches identified, based on the lessons learned of implementing the two BDP Programmes during 2001-2010 (Table 3.6 and the Design and Monitoring Framework in Annex 1). Table 3.6 shows that five “risk areas” have been identified and each has been rated as high, medium and low as to likelihood of occurrence, and 1 to 3 (low to high) for potential impact. In summary, all five risk areas are rated M3.

Mechanisms to identify, periodically monitor and respond to risks will be detailed during the inception phase. Responsibilities will be clearly assigned to the appropriate (and to multiple) levels in the institutional structure to implement the basin planning function. The annual progress reports of BDP 2011-2015 will provide an analysis of the actual impact of the risks and the effectiveness of the risk management measures deployed.

Table 3.6: Risk and risk management

Risks	Risk Management and Mitigation	Risk Level
Political commitment, macro-economic context		M3
<ul style="list-style-type: none"> ▪ National interest for economic growth may oversee political comments to basin-wide approach in practice ▪ Lack of political will at the sector/institutional level to apply basin-wide approaches in sector planning and decision making ▪ Government’s reinforcement of integrated approach and IWRM in development planning may be weak 	<ul style="list-style-type: none"> ▪ Annual report on the Strategy implementation to the MRC Council and higher level demonstrate benefits to Member Countries ▪ Maintain the IWRM-based Basin Development Strategy in the agenda of the MRC Summit that will be held every 4 years ▪ Regular dialogue with countries on changing national priorities and country’s expectations from MRC/BDP in response is emphasised in the process ▪ More focus on awareness raising and policy advocacy for consideration of nexus between upstream developments and downstream impacts. 	
National institutions		
<ul style="list-style-type: none"> ▪ Inadequate coordination between the water resources management agencies, sector and planning agencies and local governments will jeopardise regional efforts ▪ Target national agencies do not have appropriate institutional structures, human and financial resources, monitoring and oversight 	<ul style="list-style-type: none"> ▪ Modality of national working groups supported by institutional arrangements and capacity building will strengthen the coordination role of NMCSs/Water resources management agencies and a more formalized role of line agencies ▪ BDP 2011-2015 emphasise careful analysis of target national agencies and political support for the most 	M3

Risks	Risk Management and Mitigation	Risk Level
<p>to contribute to and implement the Basin Development Strategy</p> <ul style="list-style-type: none"> ▪ Unstable assignment of staff from target national agencies will affect quality and impacts of BDP capacity development ▪ Uneven capacity of national agencies across Member Countries may impact the progresses and quality of regional activities ▪ RBOs are not timely established and/or do not have the adequate institutional structure to promote river basin management approaches in national planning 	<p>appropriate interventions, aiming at the integration of BDP activities in the regular mandate of the target agencies and seeking Government funding.</p> <ul style="list-style-type: none"> ▪ BDP 2011-2015 emphasise demand-driven capacity development and focus on countries with highest needs ▪ Strong facilitation and reporting to JC/Council of basin wide networks between RBOs and between the national water resources management agencies that encourage best management practices and joint discussion of issues to assist in overcoming one countries possible lack of action. ▪ Early engagement of local authorities and RBO in river basin development planning and selection of priority projects. 	
Insufficient data, information and sector assessments for a quality basin planning process		
<ul style="list-style-type: none"> ▪ Data and information needs are more demanding than the monitoring systems and capacity to collect and share in some Member Countries ▪ The data and information needs and scope of the studies may become unnecessary complex and academic, not responding to the needs ▪ BDP assessments fail to gain confidence of Member Countries and stakeholders 	<ul style="list-style-type: none"> ▪ The scope of data/information needs and the studies are carefully discussed in the context of the Basin Action Plan of the Basin Development Strategy ▪ Open and transparent discussion among MRC Programmes, with national agencies and wider stakeholders on these needs and to build a clear understanding of scope of assessments ▪ Continue the transparent sharing of data, assessment methodologies and results from initial stage for discussions, continued improvement and confidence building 	M3
Regional and national outreach		
<ul style="list-style-type: none"> ▪ Lack of engagement of policy makers will affect the application of basin approaches in national (sector) planning and institutionalization BDP process ▪ Lack of resources to maintain the level of engagement by civil society, NGOs and RBOs in the BDP process ▪ BDP fails to demonstrate visible and feasible mechanisms to engage communities that will heavily affect the credibility of the process and associated decision making 	<ul style="list-style-type: none"> ▪ BDP 2011-2015 emphasises the development of mechanisms, strengthening of policy advocacy of both NMCS and MRCS to enhance participation of policy makers, building on progress in BDP2. Ensuring the relevance of issues for discussion and dialogues is another important aspect. ▪ The approach to more effective stakeholder engagement (Section 3.2) will be further detailed during the inception phase, based on updated Stakeholder Analysis ▪ Continue support NMCSs and national agencies to in designing and implementing BDP and MRC activities at national level in the way that increase community participation 	
Implementation and funding		
<ul style="list-style-type: none"> ▪ BDP 2011-2015 failure to mobilize timely and sufficient funding will result in the loss of momentum with highest political commitment and enthusiasm to implement the Basin Development Strategy. ▪ The turnover of MRCS staff may lead the new phase to a new but not relevant direction ▪ Participatory process may prolong the preparation and consensus building on the 	<ul style="list-style-type: none"> ▪ Resource mobilization efforts will be carried out within the MRC framework. Member Countries will be encouraged to promote ownership and advocacy to support this. ▪ Early recruitment of staff will allow continuity ▪ Progressive capacity building for riparian staffs to perform the facilitation role ▪ The inception phase of BDP 2011-2015 will carefully design the most appropriate process in each Member 	M3

Risks	Risk Management and Mitigation	Risk Level
<p>National Indicative Plans and the Regional Action Plan of the Strategy</p> <ul style="list-style-type: none"> ▪ The change of MRCS CEO in early in 2011 and riparinazation of the Chief Technical Advisor (CTA) staff position by end 2012 may affect the Programme implementation ▪ MRC Programmes do not have adequate resources to meet the requirements for studies, sector assessment and strategies ▪ MRC Programmes don't reinforce each other and may even compete with each other, causing less than anticipated results 	<p>Country to prepare and implement the National Indicative Plan</p> <ul style="list-style-type: none"> ▪ Integration with other Programmes has been made explicit and funding arrangements between Programmes will be prepared during the Inception phase ▪ Balance between the ambition and availability of resource to build realistic expectations ▪ Promote synergy with other national and regional efforts for necessary data/information, analysis and sector strategies ▪ Performance protocols and agreements between Programmes based on the MRC Strategic Plan 2011-2015 and Annual Work Programme will ensure vertical accountability with the Strategic Plan goals and horizontal accountability between the MRC Divisions/Programmes. ▪ Strong internal MRC reporting/PMS processes and reporting to MRC JC will allow regular check on progress and respond quickly to arisen problems. 	

Likelihood: L (low), M (medium), H (high); potential impact: 1 (low), 2 (medium), and 3 (high).

4. MANAGEMENT AND IMPLEMENTATION

4.1 Institutional Arrangements

The Programme is executed by the MRC with its Secretariat (MRCS) providing facilitation, capacity building and overall coordination and monitoring and reporting. The implementation of activities will be the function of relevant national and local agencies in the Member Countries with coordination role by the NMCSs.

National and Regional working groups will be the main institutional modality to carry out the BDP activities, building on existing National BDP Working Group (WG), Regional Technical Working Group (RTWG) and many regional sector technical bodies, established and facilitated by the MRC Programmes. The Regional BDP Coordinator and the four National BDP Coordinators will liaise closely and constitute a day-to-day management team of the BDP 2011-2015.

National Level

The National Mekong Committee (NMC) is the formal mechanism that brings together decision makers from concerned national line agencies and provincial governments in each Member Country to coordinate the Mekong water and related resources and to advise the Governments on basin-wide issues. The NMC, chaired by the Minister of water resources who is also the MRC Council Member³, will be the main advisory and decision making body for BDP. Notably, the IWRM-based Basin Development Strategy requires the NMC's review and endorsement for the Member Country's approval at the MRC Council Meeting. Thus, the NMC or a body it delegates i.e. the BDP Subcommittee (established since BDP1 and still operational in some countries) will approve the National Indicative Plan of the Strategy to allow it to be translated into policies and actions in each sector.

Although varied in institutional arrangements, the NMC Secretariats (NMCSs) have a common mandate to coordinate Mekong related activities among concerned national agencies and provincial governments. The common arrangement with a National BDP Coordinator placed at the NMCS facilitates the coordination of the implementation of activities at the national level that suits the country needs and context while aligning with the overall Programme targets. Despite being placed at the NMCS, close links between the National and the Regional BDP Coordinator will be maintained.

The existing National BDP Working Group will be updated. A generic Terms of Reference (TOR) for this WG is provided in Annex 3, which will be refined by each country to be most appropriate in the country's context. The finalization of the TOR can use the list of national agencies that are involved in the BDP process (Annex 4). This National BDP Working Group could be led by agency responsible for socio-economic planning) and coordinated by NMCSs with members from foreign affairs and various water-related sector agencies (agriculture, energy, environment, fisheries, navigation, industry, etc). The professional BDP staff and staff of other MRC Programmes will need to facilitate and support these working groups. Amongst other tasks, the National BDP WG will prepare the National Indicative Plan of the Strategy and each member will be the focal point to facilitate and report on how this plan is implemented in his/her own sector and agency.

The national team for the BDP 2011-2015 will consist of the National BDP Coordinator, a Natural Resources Planning Specialist and a Secretary. Specific national technical and/or task group can be established at the discretion of the National BDP WG to bring other relevant institutions and technical experts to help deliver specific tasks. An example could be a national technical working group of

³ Except in Lao PDR, where the LNMC is merged with the National Water Council and chaired by a Deputy Prime Minister

researchers and/or experts (on environment, socio-economic and modeling) who participate and gradually take over the basin-wide development scenario assessment.

The existing Sub-area Working Group will also be updated to best align with the National Indicative Plan of the IWRM-based Basin Development Strategy, the emerging institutional arrangements for RBOs in LMB countries and the agreed activities in selected sub-basins (Output 1.4).

These proposed national arrangements offer an opportunity to test the devolution of responsibilities to line agencies and a strengthened coordination role of NMCSs.

The greatest challenge in this process is to obtain agreements from national line agencies to enable their staff to work and deliver the agreed outputs. This will be addressed through 1) ensuring that the BDP-related activities match with the mandate and provide added value to the regular work of the agencies and 2) demonstrating the benefits of human capacity building in the process.

Regional Level

A Regional BDP WG will be established, drawing on the existing RTWG and bringing key members of the National BDP WG together.

The MRC BDP team, with coordination and administrative support from the NMCSs, will run this integrated planning working group. The TOR for this Regional BDP WG is provided in Annex 3, which will be updated from time to time, learning from the operation and effectiveness of the group including the opportunity to adjust membership.

The Regional BDP WG will interact closely with various regional sector technical advisory bodies and/or working groups, established and facilitated by MRC Programmes as well as other regional initiatives such as the Navigation Advisory Body and Fisheries Technical Advisory Body or more technical level groups such as Working Groups on Water Quality and Transboundary Environment Impact Assessment – TbEIA. These MRC regional coordination bodies will help with the basin-wide studies, the development of specific sector guidance to implement the Strategy as well as to provide updated data information on national sector development trends.

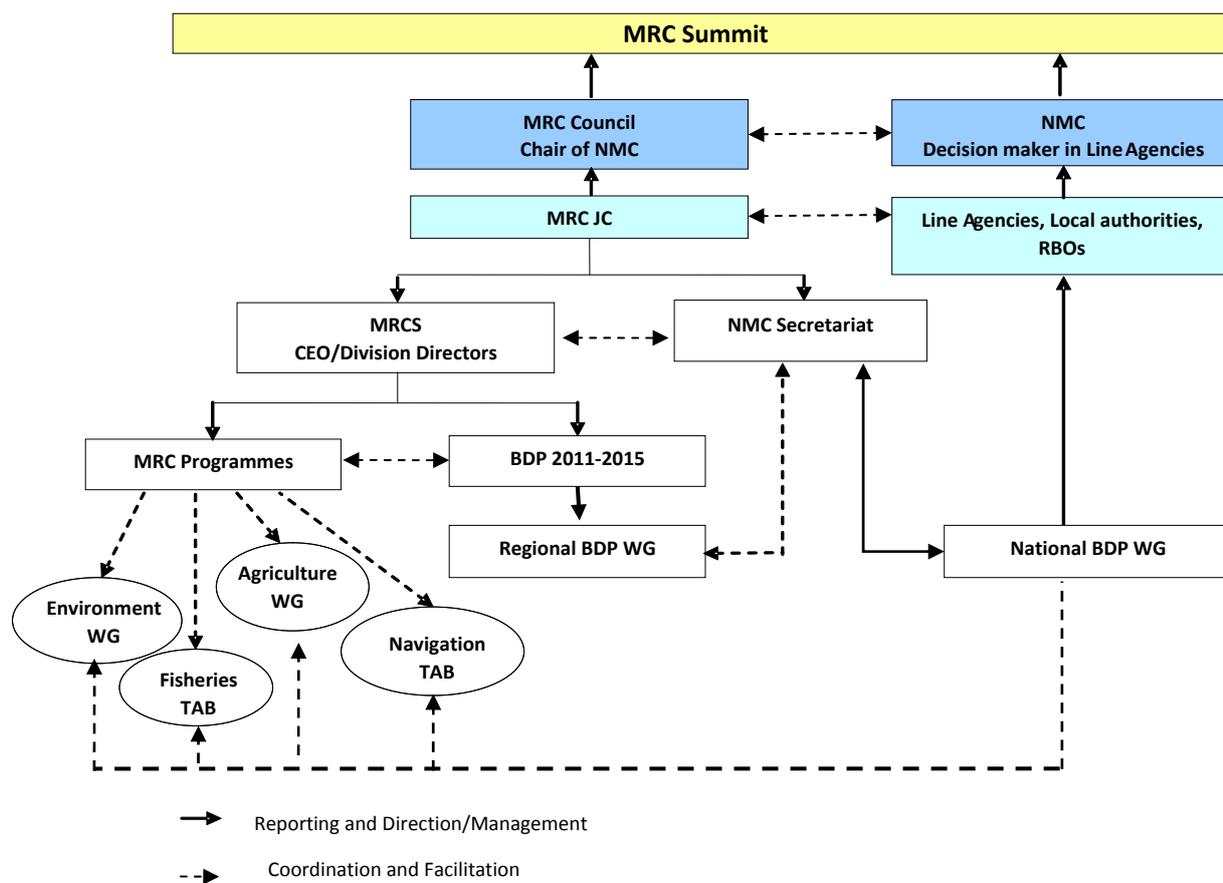
While a lot of support will be needed over the next years for the BDP and other regional working groups, ideally, in the near future, the responsibility for their operation would rest with the appropriate government agencies in order to fully use existing organizational capacity within these organizations, ensure national ownership and enhance institution building.

With these national and regional arrangements, Member Countries will be able to bring existing and emerging national perspectives into regional discussion, both at sector and basin planning level with all being integrated in the future updates of the Basin Development Strategy. This creates a “loop of ownership” between MRC and the four Member Countries and ensures that regular updates of the Strategy will be fully informed and based on current and emerging trends and issues. Targeted capacity building activities will be linked to the operation of the working groups to support the institutionalization of the basin planning process.

Regular reporting to the MRC JC and annual reporting to the MRC Council will help solve constraints and problems, which cannot be solved in another manner and to create consistency and synergies that can enhance the value of the Basin’s water resources and/or capture the benefits of transboundary cooperation.

The proposed MRC Performance Management System (see Section 4.6) should capture the lessons from this process and aggregate and integrate the findings of the different working groups’ efforts in clear recommendations for the devolution of BDP responsibilities to the line agencies, coordinated by the NMCSs.

Figure 4.1: Institutional arrangements for BDP 2011-2015



The Planning Division of the MRCS

The Planning Division of MRCS has been given the role of promoting, managing and overseeing the BDP process in integration with other projects/initiatives under its responsibility: *the Mekong IWRM Project* that coordinates and supports the improved implementation of MRC procedures and the improvement of basin-wide water resource management tools and their use in national and transboundary initiatives and thus, closely links with BDP. *Hydropower* is now a major driver of change within the Mekong basin and focus on its sustainable development accounts for a major part of Strategic Priorities in the IWRM-based Basin Development Strategy. Links between the mainly private sector planning processes for hydropower and the MRCS and national planning agencies need to be strengthened. Also the national regulatory systems and enforcement capacity that will control how this development proceeds need to be strengthened. For these strategically important reasons, the *Initiative Sustainable Hydropower (ISH)* has been located within the Planning Division. Similarly, *watershed management* has been moved within the Planning Division to reflect the broader understanding of watershed management as the lower level part of the sub-basin approach to integrated river basin management. Figure 4.2 provides the structure of the Planning Division and how the BDP 2011-2015 together with other projects/initiative contribute to the river basin management functions and the goals of the MRC Strategic Plan 2011-2015, thus establishing the Division's accountabilities within the Strategic Plan.

Figure 4.3 provides the staffing structure of the BDP 2011-2015 team. The BDP Team will be managed by Director of PLD. The team consists of professional and support staff, led by a Programme Coordinator who is advised/supported by a Chief Technical Advisor (international staff by 2012 and riparian afterwards) and both will be advised/supported by a Land Use and Management Specialist (international staff, to be riparianized when possible). The Programme Coordinator leads

the overall management and implementation with focus on institutional and capacity development aspects and overall Programme management. The Chief Technical Advisor (CTA) provides technical directions and quality management of the Programme. The professional staff will manage technical aspects under their areas of expertise (socio-economics, natural resources management, monitoring and evaluation, participatory planning) while supporting the institutional and capacity development. The latter includes the facilitation of national and regional BDP working groups and provision of strategic inputs to the regional working groups and technical bodies facilitated by the MRC Programmes. The BDP team will be supported on an ad-hoc basis by MRC specialists from other Divisions in water resources infrastructure, water resources modelling, etc.). Other specialist inputs would be mobilized on short-term basis as needed.

The “small and expert” group approach would be supported by a “peer review” input every 6 months or so during the first two years to help the Programme define and roll out strategic approaches. This input could be increased after 2012 when the CTA position will have been riparianized. Annex 6 provides a summary of TOR of key BDP 2011-2015 staff.

Figure 4.2: Structure of the MRCS Planning Division and its contribution to the MRC Strategic Plan Goals and MRC Core Functions (see also Section 2.4, Table 2.2, and Section 3.2).

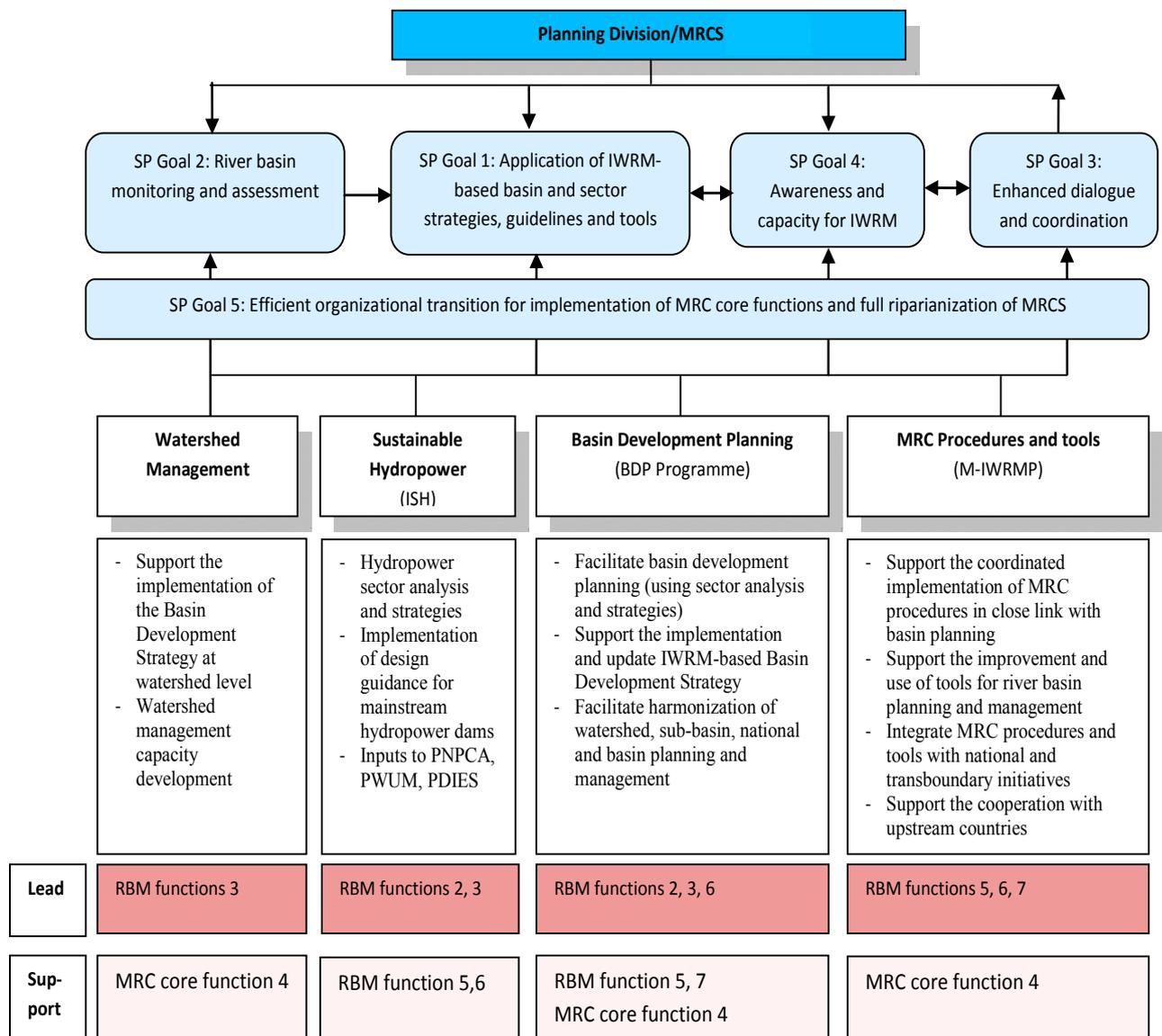
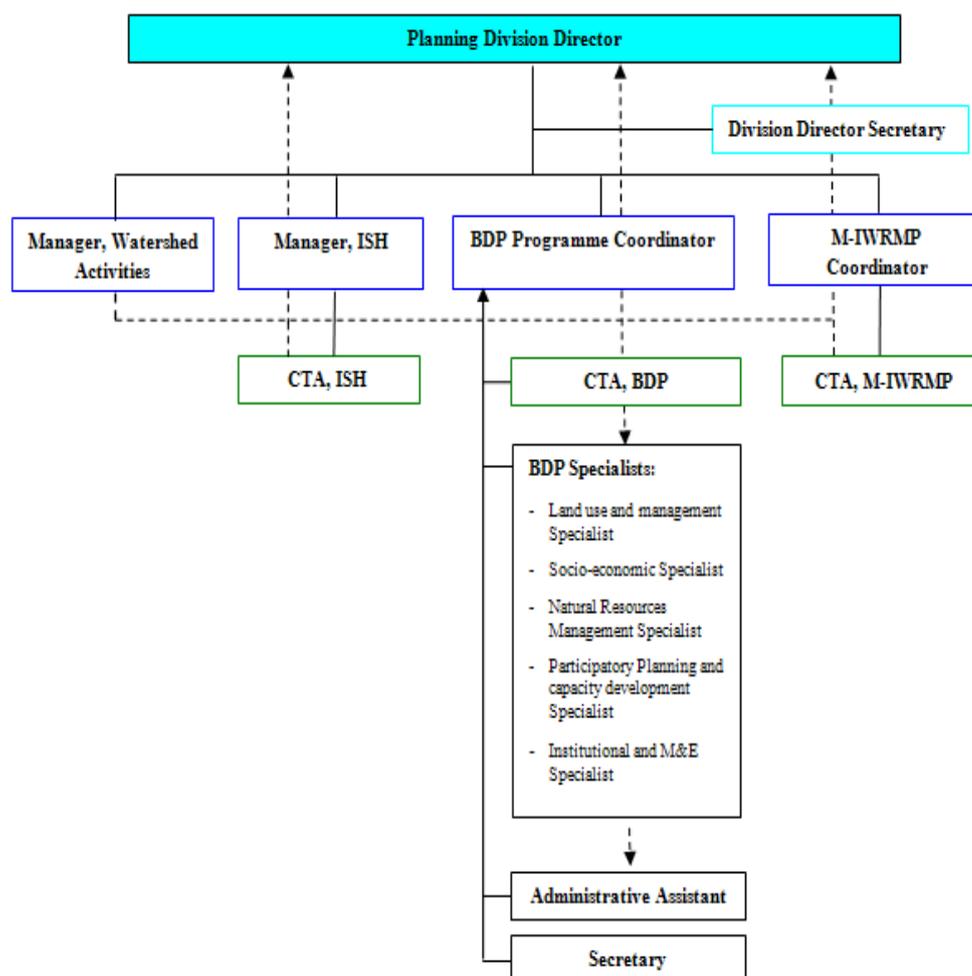


Figure 4.3: Staffing of the BDP 2011-2015 team



Integration between BDP 2011-2015 and other MRC Programmes will be greatly facilitated by the new MRC Strategic Plan 2011-2015 and its detailed implementation matrix, as well as through the MRC Annual Work Programme (see Section 3.2). Performance agreements and operating protocols between BDP and other programmes/projects/initiatives will be developed, clearly spelling out the services and inputs requested from other Divisions and how they relate to the goals of the MRC Strategic Plan, BDP outcomes and outputs as well as the time frame and manner in which the services should be provided. In turn the BDP Programme may need to provide resources for these Programmes to deliver the services, especially for under-funded Programmes. These “operating agreements” will also be used to coordinate and evaluate the progress toward achieving the common outcomes of the MRC Strategic Plan.

4.2 Management and Coordination

The Programme management and coordination includes the delegation of responsibilities and efficient use of the existing coordination mechanisms.

Management and coordination at national level. The NMCSs will coordinate the preparation of the 5-year and annual national workplans to implement BDP 2011-2015 at national and sub-basin level. Inputs from the participating national line agencies, local authorities and RBOs to the workplan will be sought early in the process to establish their role in the implementation and thus allocation of budget. The National BDP WG plays a key role in this process, reaching consensus on annual work plan and facilitates its implementation by concerned agencies.

The national line agencies will be responsible for the implementation, monitoring and reporting to NMCSs on their responsible activities while discussing the emerging needs and issues that may require adjustments in the national workplan.

The NMCSs will monitor the implementation and coordinate inputs from implementing national line agencies to prepare national progress reports. MRCS BDP team will consolidate the national reports into overall progress reports.

BDP Programme Management and Coordination Meeting. Quarterly coordination meetings will continue to be the main coordination mechanism between MRCS and NMCSs to allow timely monitoring and reporting on progress and to discuss ways to overcome arising issues and manage risks. Opportunities will be explored for a most cost-effective way to engage key national line agencies in the coordination meeting, for example, including on a permanent basis the (rotating) chair of the National BDP WG.

MRCS Sr. Management Meeting. The CEO and four MRCS Division Directors will provide the overall direction and oversight for the BDP 2011-2015 at MRCS level. They are responsible for monitoring of progress toward outcomes, management of risks and the overall coordination and integration with other MRC activities within the overall framework of the MRC Strategic Plan. Through the CEO, the Programme progress and important issues will be reported to the MRC JC and Council.

MRCS Programme management and Coordination Meeting. The Programme Management and Coordination Meetings, institutionalized through the Technical Coordination Unit/Office of the CEO for coordination and rolling out organization policies i.e. the Performance Management System. These meetings will be the main mechanism for BDP 2011-2015 to integrate with other MRC Programmes, particularly with regard to the operation toward core river basin management functions. This integration will be an important part of the MRC Annual Work Programme that will be approved by the MRC Council and regularly reported to the JC.

Coordination with other regional organizations and initiatives. BDP 2011-2015 will work with partner organizations (FAO, IWMI, IUCN, WWF, M-POWER, ASEAN etc) to identify opportunities for the latter to support the implementation of the IWRM-based Basin Development Strategy. These organizations have the mandate, expertise and resources, which can be used to support the preparation and implementation of some of the broader IWRM guidelines that can be used by sector agencies and private developers to guide how development can proceed in a suitable and sustainable way. They also have the mandate and knowledge to cooperate with the MRC to bring new development options into basin development planning that are well beyond the water sector and could advance sustainability and transboundary cooperation.

4.3 Workplan

A detailed 5-year workplan will be prepared early in the implementation of BDP 2011-2015. Based on this, an annual workplan will be developed to be part of the MRC Annual Work Programme. Key activities will be agreed for each quarter to allow monitoring of the progress by all planning partners. These will be the main management tools for the BDP 2011-2015 to deliver its planned outputs and achieve the outcomes. Table 4.1 provides an outline of key outputs and milestones of the outputs across the five year implementation of the Programme. Most important final outputs are highlighted.

A detailed work plan has been prepared for the period May 2011 through April 2012 which is regarded as a bridging phase between BDP2 and the BDP 2011-2015. Outstanding BDP2 activities will be completed and key BDP2 outputs published. New activities will be initiated, such as the implementation of the IWRM-based Basin development Strategy and the establishment of its implementation monitoring system. Other BDP responsibilities will continue, most notably the implementation of the PMFM. And the BDP 2011-2015 will be firmly established in terms of

funding, staff, inception report and Performance Management System as part of the overall MRC PMS.

4.4 Budget

The budget estimate for BDP 2011-2015 is based on the experience of implementing the BDP Programme and the focus on facilitating the implementation of IWRM-based Basin Development Strategy in parallel with the initiation of institutional set up to roll out BDP activities at national level. The total budget required to deliver the planned outputs and outcomes is estimated at USD 13.8 million. Another USD 1.5 million is expected as in-kind and remitted in cash contribution from Member Countries in the form of staff time (from national line agencies, RBOs and other institutions), office facilities for working group sessions and data collection. The current available and pledged funds from DANIDA are approximately US\$ 4.5 million, leaving a funding gap of US\$ 7.0 million

The summary budget is shown in Table 4.2. An indicative output-based budget is provided in Annex 2. The estimate of budget required per output is based on the following:

- **Outcome 1**, dealing with facilitation of the implementation of the Basin Development Strategy (at national and sub-basin level) and implementation of regional level actions would account for the largest portion of budget (40%). Within the outcome, outputs dealing with the preparation of the Basin Action Plan to implement the Basin Development Strategy including Project Portfolio update basin-wide development scenarios are expected to consume a large portion of budget while inputs from MRC Programmes are expected for the others;
- **Outcome 2** would require mostly staff time to prepare the programme of data and information needs for BDP and to coordinate with MRC Programmes for the delivery them. Some riparian consultant inputs would be needed for the macro socio-economic monitoring system and support the pilot programmes to transfer data to national line agencies and NMCSs. Thus, this outcome accounts for 20% of the budget;
- **Outcome 3** requires significant resources to initiate the working groups (both national and regional) and to maintain the participation of various stakeholders and thus accounts for 20% of the budget. Nevertheless, efforts will be put on exploring ways for national line agencies and stakeholders to cover part of the required expenses; and
- **Outcome 4** also requires a high level of resources for capacity development activities, especially institutional capacity development, and Programme coordination and management (20%).

The budget for BDP 2011-2015 implementation is expected to come from several sources. The M-IWRMP provides budget for the implementation of PMFM and the preparation of the 3rd State of the Basin Report by 2014. With the remaining funds from BDP2 to bridge to the next phase and new pledge from Danida, the total funding gap is estimated at USD 7.0 million (Table 4.3)

The current funding gap is mainly for capacity development activities, which will be designed in a way that would meet the most urgent needs while the Programme continues to seek new Development Partners for filling the gap. Recently, Sida and the SDC have indicated interest in supporting the BDP 2011-2015.

The key inputs for the BDP 2011-2015 include the following:

- **Staff time** – this includes both full time staff at MRCS and NMCSs;
- **Consultancies** – Individual International consultants and consulting companies may be contracted to work together with the BDP working group and/or sector working groups to deliver specific tasks while transferring the methodologies and skills to the national experts;
- **Inputs for BDP working groups to deliver certain tasks** – especially to implement the Strategy;

Table 4.1: Key outputs and milestones of the BDP 2011-2015 (note: the period May 2011 to April 2012 is a “bridging period”, see Section 4.3)

Outputs/Key Outputs and Milestones		2011				2012				2013				2014				2015			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1.1	Regional and National Action Plans to implement the IWRM-based Basin Development Strategy																				
	Draft Action Plans for Inception Review																				
	National and Regional Stakeholder Forums on the Action Plans																				
	Endorsed Action Plans																				
1.2	Support to the implementation and monitoring, evaluation and reporting on the Strategy’s Action Plans																				
	Design of Monitoring, Evaluation and Reporting on National and Regional Action Plans																				
	Stakeholder review and report on the Strategy implementation, annually																				
	Scoping, TOR and detailed implementation plan for the identified studies																				
	Results of some studies available, 2013																				
	Package of supporting activities for each country defined based on National Action Plans																				
	Implementation, review and adjustment as necessary, annually																				
1.3	Effective implementation of PMFM																				
	Approved final Technical Guidelines																				
	Continuously implemented and annually reported																				
	Updated Technical Guidelines, 2015																				
1.4	Project Portfolio updated annually and endorsed by JC for necessary actions																				
	Continuously and annually																				
1.5	Update basin-wide development scenario assessment																				
	Report on scope and methodologies for updating the basin-wide development scenarios assessment endorsed by MRC JC																				
	Results of the scenario assessment																				
	Final report of scenario assessment																				

Table 4.1: Key outputs and milestones of the BDP 2011-2015 (cont)

Outputs/Key Outputs and Milestones		2011				2012				2013				2014				2015			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1.6	The IWRM-based Basin Development Strategy reviewed, updated and adopted by the MRC Council by 2015																				
	Draft updated Strategy																				
	Final updated Strategy and MRC Council approval																				
2.1	Needs identification, water-related sector information and strategic assessments, and associated models and tools																				
	Package of sector data and strategic assessments needs prepared																				
	Regular review of delivery and adjustment, annually																				
	Policy, plan and project assessments																				
2.2	Strengthened socio-economic database and assessments for use by countries and MRC activities																				
	Mechanisms for macro economic and social monitoring and data collection																				
	Improved structure of socio-economic database in MRC IS																				
	Updated socio-economic assessment methodologies/tools prepared to serve basin-wide scenario assessments																				
2.3	Development and consensus building on basin environmental and social objectives and indicators																				
	Draft objectives and indicators for JC review and basin-wide discussion																				
	JC endorsement for use in updating basin-wide development scenarios																				
2.4	State of the Basin Report (3rd issue in 2014) covering Lancang-Upper Mekong Basin																				
	3 rd State of the Basin Report published in 2015, with inputs from China																				
3.1	BDP Working Groups, networks of RBOs and mechanisms for proactive engagement of policy makers																				
	Institutional and capacity needs analysis (linked with output 4.1)																				
	Pilot BDP working group for Strategy's Action Plans preparation and implementation																				

Table 4.1: Key outputs and milestones of the BDP 2011-2015 (cont)

Outputs/Key Outputs and Milestones		2011				2012				2013				2014				2015			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
3.2	Wider stakeholders and communities engaged more effectively in the BDP process																				
	Updated BDP Stakeholder Analysis																				
	Updated SPCP																				
	National and regional Stakeholder Forums to review the Strategy implementation and BDP2011-2015 annually																				
3.3	A Roadmap for transitioning towards core planning function prepared and approved as part of MRC Transition Roadmap.																				
	Draft Roadmap as input into MRC draft Roadmap																				
	Finalized Roadmap																				
4.1	A comprehensive 5 year programme for IWRM capacity development for basin development planning prepared and implemented																				
	Design of the IWRM capacity development programme prepared for discussion																				
	Review of programme implementation and update																				
4.2	BDP 2011-2015 effectively managed and key outputs quality assured																				
	Draft Inception Report of BDP 2011-2015 with 5-year work plan																				
	Inception Review																				
	Final Inception Report after national and regional Stakeholder Forums, including agreed TOR of POE																				
	POE review and quality assurance, annually																				
	Mid-term review of MRC Strategic Plan, including BDP 2011-2015																				
	Final evaluation of BDP 2011-2015																				
	Design of BDP 2016-2020																				

- **Workshops and meetings** – will remain the main mechanisms to discuss and reach consensus at national and basin level. These include national workshops to agree on and regularly review the implementation of the Basin Development Strategy, annual Regional Stakeholder Forums, transboundary discussions on critical sub-basins, regular Programme coordination meetings and National and Regional BDP Working Group meetings;
- **Training** – that also includes institutional development activities;
- **Travel and logistics** – to facilitate Programme activities; and
- **Publications and Communication** – also include policy advocacy and awareness raising materials to strengthen participation in the BDP process.

Table 4.2: Summary budget for five year implementation 2011-2015

BL	Description	Budget requirement in USD	2011	2012	2013	2014	2015
11-00-00	International Experts/Consultants	1,925,000	125,000	375,000	475,000	675,000	275,000
12-00-00	International Staff (MRCS)	1,756,428	312,000	320,100	352,110	368,366	403,852
13-00-00	Support staff	237,600	43,200	45,360	47,520	49,680	51,840
15-00-00	Official travel	322,000	41,000	74,000	69,000	69,000	69,000
16-00-00	Programme evaluation	100,000		-	50,000	-	50,000
17-00-00	Riparian Experts/Consultants	1,308,400	145,600	274,320	294,240	296,160	298,080
18-00-00	Riparian Professional Staff (MRCS)	1,226,947	199,333	219,266	241,193	265,312	301,843
21-00-00	Sub-contracts	750,000	150,000	150,000	150,000	150,000	150,000
21-01-00	National activities by line agencies, RBOs	540,000	60,000	120,000	120,000	120,000	120,000
30-00-00	Workshops	1,860,000	280,000	360,000	360,000	410,000	450,000
30-01-00	Training	1,330,000	170,000	280,000	300,000	280,000	300,000
41-00-00	Expendable equipment	76,000	12,000	16,000	16,000	16,000	16,000
42-00-00	Non-expendable equipment	190,000	38,000	38,000	38,000	38,000	38,000
51-00-00	Operation and Maintenance of Equipment	77,000	13,000	16,000	16,000	16,000	16,000
52-00-00	Reporting cost	81,000	13,000	16,000	16,000	16,000	20,000
53-00-00	Miscellaneous	138,000	17,000	30,000	30,000	30,000	31,000
57-00-00	Contingency (5%)	595,919	80,957	116,702	128,753	139,976	129,531
	Sub-total	11,918,375	1,619,133	2,334,046	2,575,063	2,799,518	2,590,615
70-00-00	MRC Management and administration (11%)	1,311,021	178,105	256,745	283,257	307,947	284,968
	Total Technical Cooperation Budget	13,825,315	1,878,194	2,707,494	2,987,073	3,247,441	3,005,114
	MRC Member Countries contribution	1,500,000	300,000	300,000	300,000	300,000	300,000
	GRAND TOTAL	15,325,315	2,178,194	3,007,494	3,287,073	3,547,441	3,305,114

Table 4.3: Overview of BDP 2011-2015 funding

Funding available and pledged	USD
AusAID to M-IWRMP (2011-2014) for PMFM and State of the Basin Report	490,000
Danida remaining from BDP2	1,540,000
Danida	4,500,000
Countries contribution	1,500,000
Total	8,030,000
Funding gap	7,295,315

4.5 Monitoring, Performance Review and Reporting

Monitoring

Monitoring of BDP 2011-2015 will be done at three levels, as follows:

- 1) ***Impacts of BDP 2011-2015***, i.e. the contribution of the implementation of the IWRM-based Basin Development Strategy/basin development planning to the shared Basin' vision of "economic prosperous, environmental sound and social just Mekong River Basin". This will be done through analysing the cause-effects relationship between national/regional policies and decision making in LMB countries and the status and trends in the health of the Basin's resources, socio-economic conditions as well as regional cooperation, provided through the monitoring systems and the State of the Basin Report. This analysis will provide information on how these policies and decisions have integrated the principles and guidance of the Basin Development Strategy;
- 2) ***Progress in the implementation of the IWRM-based Basin Development Strategy***. A separate monitoring and reporting system for the Strategy will be established during the preparation of its Basin Action Plan. This will allow each country to monitor the Strategy implementation, both in the country and at regional level. The NMCSs will coordinate the monitoring and national reporting on the Strategy while MRCS will provide overall monitoring and reporting and facilitating of discussion for adjustments of the Regional Action Plan and the National Indicative Plans, as needed; and
- 3) ***Progress and performance of BDP 2011-2015***. Annual progress reporting will emphasize several levels of progress and performance: 1) the achievement and quality of the set targets for the year and progress toward the outputs; 2) the progress towards achieving and risk management and mitigation strategies; and 3) the BDP 2011-2015 contribution to the MRC Strategic Plan outcomes and goals. Programme Coordination Meetings will allow quarterly self review by NMCSs, MRCS and other agencies.

The NMCSs will lead the monitoring and national reporting, that will contribute to regional reporting, consolidated by MRCS BDP team. The participating national line agencies will monitor their responsible activities and provide inputs to national reporting by NMCSs. Focus will also be on how BDP activities have been in synergies with other national, bilateral trans-boundary and regional initiatives. Attention will also be paid to develop mechanisms for the regular sharing of information and the joint monitoring of the progress between national implementing agencies and between Member Countries on issues of relevance.

The objective of these self reviews and resulting reports will be to discuss progress between MRCS, NMCSs, water related line agencies, and development partners and to identify operational strategies for ensuring that implementation slippages and other problems are addressed in a robust and timely manner. The review shall also explicitly cover context monitoring and risk management, as well as sustainability issues. These reviews will result in bi-annual progress reports (see below).

All of this is part of the overall MRC Performance Management System (PMS) as in future MRC Strategic Plans, the specific goals related to water and related development and management would be derived from prior updates of the IWRM-based Basin Development Strategy. Towards the end of 2011, a practical and easy to use performance management system will be designed as part of the preparation of the Inception Report.

This report notes that the strategic planning could be much streamlined if, in the next cycle in 2015, the update of the IWRM-based Basin Development Strategy precedes the formulation of the MRC Strategic Plan for 2016-20 and that the IWRM-based Basin Development Strategy priorities and actions become the specific goals and desired outcomes of the basin development and management part of the MRC Strategic Plan. It is further proposed that these goals and outcomes would then shape the agenda of the MRC Programmes for 2016-20. Such a process would require that the IWRM-based

Basin Development Strategy update should be completed by no later than Q2 in 2015, the MRC Strategic Plan for 2016-20 by Q3 2015 and the MRC Programme plans by Q4 in 2015.

In the beginning of 2011, PMS capacity building will be provided for the NMCSs and key national agencies.

Reporting

The following management reports will be produced by BDP 2011-2015:

Six-monthly and annual progress reports	Consolidate the monthly and/or quarterly progress notes of the unit's activities, measure the progress towards the set targets/milestones and desired outcomes, diagnose the reasons for identified performance issues, describe the remedial action (to be) taken, and provide an updated detailed work plan. The annual report will be peer reviewed by an independent expert who may also provide periodic expert advice to the planning unit and function.
Periodic Development Partners', IPOE and other independent review reports	Conducted by independent reviewers at critical stages in the Project's implementation. Formative approach used to support capacity-development in performance assessment within national agencies, NMCSs and MRCS.
Mid-term and final reports	Prepared by the BDP team with the main aim to consolidate the progress and achievements of the BDP and documenting the lessons learned from implementation

Performance Reviews

BDP 2011-2015 will be integrated into any review of the MRC Strategic Plan as in line with the MRC Performance Management System.

In addition, Development Partners supporting the BDP may conduct individual or joint review of the Programme as practiced in BDP2.

Depending on the need, independent evaluation may be conducted in the middle and toward the end of the Programme.

4.6 Quality Assurance

The MRC currently has no formal Quality Assurance procedures, although there are internal peer review procedures whereby management functions and outputs are supervised, vetted and "*signed-off*". BDP2 has designed and used additional quality assurance mechanisms that have contributed to the quality of its outputs and confidence of Member Countries and key stakeholders in the basin planning. It is important to stress that quality assurance is not an independent activity in its own right but rather a process that is embedded in all activities.

Building on these experiences, the following quality assurance mechanisms are proposed for BDP 2011-2015:

- Data quality control and verification by the appropriate line agencies and related research and design institutions;

- Peer review of approaches, methods, tools and processes by institutions (national, regional and international) and individual experts through various mechanisms, such as internal peer review by other MRC Programmes, contracts and/or workshops, and web-based forums; and
- Independent Panel of Experts: The IPOE mechanism has worked well in BDP2 and will continue in BDP 2011-2015. Drawing on lessons learned, the TOR including frequency of reviews and potential panel members will be updated and finalized during the inception phase.

The key objective of the IPOE is to provide an independent expert review of the BDP2011-2015 outputs and ensure that the BDP process and outputs are of the highest quality, relevance and responsiveness to the prevailing conditions of the region. Independent external reviews of the Programme will be contracted at key stages during 2011-2015. These will be conducted once a year with more detailed reviews at an early stage (within the first 12-18 months) to correct early design and implementation problems, the mid-way stage (36 months) and towards the end of the five-year period.

Annex 1 – Design and Monitoring Framework

Design summary	Indicators	Source of Data	Risk and Assumption
MRC Long-term Goal			
Member Countries manage water and related resources of the Mekong Basin in an effective, sustainable and equitable manner	<ul style="list-style-type: none"> National legislation, policy and institutional frameworks in Member Countries address Mekong aspects Degree to which decision making on water and related resources in the Mekong Basin is seen by communities and stakeholders as balancing economic benefits, environmental and social costs and impacts 	<ul style="list-style-type: none"> Environmental Law, National water resources strategy and policies and policies on river basin management in LMB countries Reports from various institutions assessing the socio-economic and environmental status of the Basin MRC stakeholder survey 	<ul style="list-style-type: none"> Highest level political commitment to the MRC long-term goal will not be maintained
MRC Strategic Plan 2011-2015 Goal			
Member Countries apply basin-wide IWRM approaches in national water and related sector frameworks and development programmes for sustainable and equitable development	<ul style="list-style-type: none"> Degree to which national water and related policies and strategies, socio-economic development plans and planning for significant projects in LMB consider impacts on the Basin's biodiversity and equitable sharing of benefits and costs/impacts between riparian countries and population groups Extent that Member Countries and stakeholders see the basin-wide IWRM approaches produced by the MRC as relevant and effective 	<ul style="list-style-type: none"> National water resources strategies and policies, National Socio-economic development plans, water and related sector plans, PNPCA reports, EIA report of significant projects MRC stakeholder survey 	<ul style="list-style-type: none"> National interest for economic growth may oversee political comments to basin-wide approach in practice
BDP 2011-2015 Objective			
Planning and decision making on Mekong water and related sector development in LMB countries apply the IWRM-based Basin Development Strategy through an institutionalized basin development planning process, resulting in increased knowledge and capability to produce a much strengthened and integrated approach to basin planning and management	<ul style="list-style-type: none"> Evidence of incorporation of the IWRM-based Basin Development Strategy in national policies and plans in LMB countries Extent to which national and sector policies, plans and decisions on significant projects are in line with the Strategy Extent that Member Countries see the appropriateness of improved institutional mechanisms for a country-owned and sustainable BDP process and adopt them in national systems Extent that basin planning has moved beyond water use aspects to include also land and other factors 	<ul style="list-style-type: none"> National strategic documents on water and related resources 5-year NSEDP and sector plans Report on MRC Procedures implementation Government and/or ministerial decisions NMC regular reporting Updated IWRM-based Basin Development Strategy (2015) 	<ul style="list-style-type: none"> Lack of political will at the sector/institutional level to apply basin-wide approaches in sector planning and decision making Government's reinforcement of integrated approach and IWRM in development planning may be weak

Design summary	Indicators	Source of Data	Risk and Assumption
Outcome			
<p>Outcome 1: Improved integrated basin planning to reduce uncertainties and risks of developments, as a result of the implementation and update of the IWRM-based Basin Development Strategy by Member Countries and stakeholders</p>	<ul style="list-style-type: none"> • Quality of national and regional plans to implement, monitor and report on the Basin Development Strategy • Existence of a transparent monitoring, evaluation and reporting of the Strategy at national and regional level • Relevance and usefulness of the strategic guidance, IWRM guidelines and basin management processes as perceived by Member Countries and stakeholders • Satisfaction level of stakeholders of the Strategy progress and their input and role as to review and acceptance of the updated issues in Strategy implementation and updates • Approval of MRC Council of the updated Strategy (2016 – 2020) that reflects country priorities and interests and with wide stakeholder acceptance 	<ul style="list-style-type: none"> • Strategy Implementation Plans • National and regional reports on the Strategy • MRC stakeholder satisfaction surveys • Proceedings of BDP and other MRC stakeholder forums • MRC Strategic Plan (SP) review reports • Report of MRC JC, Council and other high level multi-lateral and bilateral meetings 	<ul style="list-style-type: none"> • Inadequate coordination between the water resources management agencies, sector and planning agencies and local governments will jeopardise regional efforts • Target national agencies do not have appropriate institutional structures, human and financial resources, monitoring and oversight to contribute to and implement the Basin Development Strategy
<p>Outcome 2: Socio-economic assessments to support basin development planning and the implementation of MRC Procedures strengthened, based on agreed well-defined and realistic basin environmental and social objectives and indicators</p>	<ul style="list-style-type: none"> • Extent to which the data and analysis needs perceived as relevant by national agencies, RBOs, MRC programmes and other stakeholders, • Acceptance by countries of a framework for basin environmental and social objectives and indicators, • Timeliness and quality of data, information and analyses delivered for BDP • Degree to which Member Countries contribute to the maintenance of socio-economic databases for planning and use the data and information in national planning 	<ul style="list-style-type: none"> • MRC stakeholder satisfaction surveys • Annual report on PDIES and other MRC procedures implementation • MRC SP PMS reports • Independent reviews of BDP Programme 	<ul style="list-style-type: none"> • Data and information needs are more demanding than the monitoring systems and capacity to collect and share in some Member Countries, • Countries reject the approach to develop basin environmental and social objectives and indicators,
<p>Outcome 3: Appropriate institutional arrangements developed by Member Countries to implement the IWRM-based Basin Development Strategy, sustain the BDP process, and agree on a Roadmap for the decentralization of selected core basin planning functions</p>	<ul style="list-style-type: none"> • Level of participation of policy makers in BDP process and number of basin decisions/agreements made, • Extent to which institutional changes relate to the recommendations and requirements of the Strategy • Level of increase in contribution from relevant national agencies, RBOs and stakeholders in BDP activities • PMFM effectively implemented to support planning 	<ul style="list-style-type: none"> • MRC stakeholder satisfaction surveys • BDP progress reports and reviews • MRC PMS and SP review reports • Proceedings of BDP and other MRC stakeholder forums • Reports from regional initiatives i.e. ASEAN, GMS and others 	<ul style="list-style-type: none"> • Lack of engagement of policy makers will affect the application of basin approaches in national (sector) planning and institutionalization BDP process • BDP fails to demonstrate visible and feasible

Design summary	Indicators	Source of Data	Risk and Assumption
	<ul style="list-style-type: none"> Extent that Member Countries use the BDP process to enhance cooperation, including beyond water related sectors and with upstream countries Extent that regional organizations and initiatives incorporate the IWRM-based Basin Development Strategy Satisfaction level of stakeholders of the BDP process Extent that Member Countries accept and engage in the Roadmap for transitioning toward core planning function as part of overall MRC Roadmap 	<ul style="list-style-type: none"> Report of MRC JC, Council and other high level multi-lateral and bilateral meetings 	<p>mechanisms to engage communities that will heavily affect the credibility of the process and associated decision making</p>
<p>Outcome 4: The necessary capacity to implement the IWRM-based Basin Development Strategy, and to carry out the selected core basin planning functions within the agreed Roadmap for decentralisation, available with relevant national agencies, RBOs, NMCSs and stakeholders.</p>	<ul style="list-style-type: none"> Extent that defined target groups for capacity building in national agencies, RBOs, NMCSs, MRCS and communities assessed as relevant and their needs captured Increased awareness of basin-wide IWRM issues, approaches and the facilitation role of the MRC among policy makers and the public Level of improvement in the target groups' knowledge and skills in basin-wide IWRM planning (i.e. IWRM principles, data and information collection and sharing, analyses, integrated policy and sector plan formulation and implementation, coordination and dialogue and negotiation on basin issues) 	<ul style="list-style-type: none"> BDP capacity development programme at regional level and for each country BDP review reports MRC stakeholder satisfaction surveys MRC SP PMS reports Independent reviews of MRC capacity development 	<ul style="list-style-type: none"> RBOs are not timely established and/or do not have the adequate institutional structure to promote river basin management approaches in national planning Unstable assignment of staff from target national agencies will affect quality and impacts of BDP capacity development
Outputs			
<p><i>Outcome 1: : Improved integrated basin planning to reduce uncertainties and risks of developments, as a result of the implementation and update of the IWRM-based Basin Development Strategy by Member Countries and stakeholders</i></p>			
<p>Output 1.1 Regional Action Plan and National Indicative Plans to implement the IWRM based Basin Development Strategy prepared – regional endorsed by the MRC JC, national by NMC's - for application in national system, sub-basin and in MRC programmes</p>	<ul style="list-style-type: none"> The Plans produced and endorsed by MRC JC and NMC's by end 2011 Extent that national line agencies, NMCSs, MRC programmes and stakeholders see the relevance and contribute to the Action Plans Accessibility to the Action Plans and their implementation at national and regional level Timeliness and quality of the updates of the Action Plan 	<ul style="list-style-type: none"> Minutes of JC meetings Annual national and regional reports on the Strategy implementation MRC stakeholder surveys MRC and BDP independent review reports 	<p>Participatory process may prolong the preparation and consensus building on the National and Regional Action Plans of the Strategy</p>

Design summary	Indicators	Source of Data	Risk and Assumption
<p>Activities</p> <p>1.1.1. Prepare the National Action Plans for national and sub-basin consultation and endorsement by relevant authorities (linked with 1.2.3, 3.1.1 and 3.3.1)</p> <p>1.1.2. Prepare the Regional Action Plans together with MRC programmes, Member Countries and other stakeholders</p> <p>1.1.3. Design and implement awareness raising and policy advocacy programme on the Strategy and its Action Plans</p> <p>1.1.4. Regular review and adjustment of the Action Plans</p>			
<p>Output 1.2 The implementation of the Strategy's Action Plans supported and adequately monitored, evaluated and reported</p>	<ul style="list-style-type: none"> • The studies, strategic guidance and IWRM guidelines and regional sector strategies prepared as per agreed timeframe and qualities • Level of contribution to and acceptance of national line agencies, NMCS and stakeholders of the priorities within the Strategy Roadmap, 	<ul style="list-style-type: none"> • MRC MSP reports; • Annual national and regional reports on the Strategy implementation • BDP and other MRC programmes independent reviews 	<p>The data and information needs and scope of the studies may become unnecessarily complex and academic, not responding to the needs</p>
<p>Activities</p> <p>1.2.1. Based on National Action Plans, work with other MRC programmes to design package of supporting activities for each country with focus on priority basin-wide issues and reduction of risks and uncertainties</p> <p>1.2.2. As part of the Regional Action Plan, develop scope, detailed TOR, budget and plan for the implementation of the studies, prepare the priority water resources and sector guidelines, and reach consensus with MRC programmes and relevant national agencies for implementation</p> <p>1.2.3. Support MRC programmes to facilitate policy dialogues to develop and reach consensus on the needed regional water related sector strategies in the context of the Strategy</p> <p>1.2.4. Incorporate the results of studies, regional water-related sector strategies and outcomes of the implementation the Action Plans into the update of the Strategy (links with Output 1.5)</p>			
<p>Output 1.3 PMFM effectively implemented, regularly reported on and Technical Guidelines updated</p> <p><i>(This output is supported by M-IWRMP that ends in 2014)</i></p>	<ul style="list-style-type: none"> • The extent to which PMFM is used in national planning and in BDP activities, • Evidence of MRC JC guidance for remedial actions to ensure effective implementation • Demonstration of linkage between PMFM, PWUM and PNPCA implementation 	<ul style="list-style-type: none"> • Annual report on PMFM • Minutes of MRC JC, Council and any other related meetings • M-IWRMP reports 	<p>PMFM considered to be too constrictive and leads to slower notification of projects.</p>
<p>Activities</p> <p>1.3.1 Facilitate agreement between the countries on the outstanding issue and finalize the Technical Guidelines of PMFM</p> <p>1.3.2 Implement, report on and update the approved Technical Guidelines</p> <p>1.3.2 Document the practical links between PMFM (and other MRC procedures, guidelines) and basin development planning</p>			

Design summary	Indicators	Source of Data	Risk and Assumption
<p>Output 1.4 Project Portfolio of basin-wide significant projects updated annually and endorsed by MRC JC for appropriate actions including on controversial projects</p>	<ul style="list-style-type: none"> • The endorsed Project Portfolio published annually • Evidence of the use of the portfolio for PNPCHA and other MRC procedures 	<ul style="list-style-type: none"> • Minutes of the MRC JC meetings • Country information/reports that identify changes/new projects for inclusion in portfolio; • MRC SP PMS reports 	<p>Portfolio becomes too complicated and has less significance as private sector investment overtakes need for promotion of projects through the project portfolio.</p>
<p>Activities</p> <p>1.4.1 Use the direction provided in the IWRM-based Basin Development Strategy to reach consensus on the concept and design of the Project Master Database and the Project Portfolio (building on the concepts and preliminary designs developed in BDP2), including the mechanisms for MRC Programmes and relevant national agencies to regularly update information in the Project Portfolio.</p> <p>1.4.2 Upload the activities, projects and programmes defined in the regional and national action planning (through filled templates with activity/project information) to the Project Portfolio (non-structural and enabling activities; infrastructure developments will be recorded in the Project Master Database and uplifted to the Project Portfolio after passing through the PNPCHA process).</p> <p>1.4.3 Widely disseminate the endorsed Project Portfolio for appropriate actions by concerned stakeholders.</p> <p>1.4.4 Use the Project Portfolio for appropriate purposes, such as for 1) raising awareness, 2) monitoring of implementation, 3) promoting investments for unfunded regional (eg MRC Programmes) and national activities, and 4) evaluation of the implications for the next cycle of basin-wide assessment and updating of the IWRM-based Basin Development Strategy</p>			
<p>Output 1.5 Basin-wide development scenario assessment broadened and updated, addressing the identified gaps in information and knowledge and emerging Basin development issues</p>	<ul style="list-style-type: none"> • Scope and approach to update the basin-wide development scenarios agreed by 2012 • Report on updated scenario assessment published by 2014, also in riparian languages • Relevance and quality of the (new) scenarios in finding optimal options for sustainable development and poverty reduction in MRB • Level of participation and contribution of national agencies, NMCSs and MRC programmes to the update of scenario assessment • MRC JC endorsement • Extent to which the scenarios and assessment results are accepted by stakeholders • Extent to which new scenarios address development of both water, land and related resources 	<ul style="list-style-type: none"> • Minutes MRC JC meetings • Proceedings of BDP stakeholder forums • MRC stakeholder surveys • Independent reviews of MRC SP • Scenario assessment report 	<p>The lack of continuity of staff and understanding of the BDP process may lead the new phase to a new but not relevant direction</p>
<p>Activities</p>			

Design summary	Indicators	Source of Data	Risk and Assumption
<p>1.5.1. Use studies and sector strategies (Output 1.2) and monitoring of the Basin Development Strategy (Output 1.6) to define and build consensus among national agencies, MRC programmes and stakeholders of the scope for updating basin-wide development scenario assessment (by 2012)</p> <p>1.5.2. Design and implement a process for updating the scenario assessment that also focuses on transfer of knowledge and skills (data and information analysis, use of models and assessment tools) to relevant national agencies, NMCSs and MRC programmes</p> <p>1.5.3. Work with NMCSs and other national stakeholders to identify, analyse, and assess additional relevant development scenarios, focusing on both water, land and related basin resources</p> <p>1.5.4. Design and implement a participatory process to discuss the scenario assessment results and their use in the update of the IWRM-based Basin Development Strategy</p> <p>1.5.5. Identify and analyse potential arrangements for increased benefit-sharing among the LMB countries for development of basin resources beyond, but related to, water</p>			
<p>Output 1.6 The IWRM-based Basin Development Strategy reviewed, updated and adopted by the MRC Council by 2015</p>	<ul style="list-style-type: none"> • MRC Council approval • Level of contribution and ownership of relevant national agencies, MRC programmes and stakeholders to the Strategy update • Extent to which the updated Strategy is seen by stakeholders as relevant and responsive to emerging Basin development challenges 	<ul style="list-style-type: none"> • Minutes of MRC JC and Council meetings • MRC SP and BDP independent reviews • MRC stakeholder satisfaction survey 	<p>Countries lose enthusiasm for Strategy approach as a result of slow and theoretical implementation of the Strategy</p>
<p>Activities</p> <p>1.6.1 Integrate the review of the Strategy in MRC SP midterm review</p> <p>1.6.2 Design the process for the preparation and consensus building on the update of the Strategy, using updated basin-wide scenario assessment and lessons learned from Strategy implementation</p> <p>1.6.3 Publish and widely disseminate the MRC Council approved update of the Strategy, also in riparian languages</p>			
<p>Outcome 2: Socio-economic assessments to support basin development planning and the implementation of MRC Procedures strengthened, based on agreed well-defined and realistic basin environmental and social objectives and indicators</p>			
<p>Output 2.1 Needs identified and support provided for MRC programmes and national agencies to provide water-related sector information and strategic assessments and improve associated models and tools</p>	<ol style="list-style-type: none"> 2 MRC JC endorsement of a programme of gender-sensitive data needs, sector assessments and model/tools required for BDP 3 Evidence of regular coordination of PLD/BDP with national agencies and MRC programmes for the implementation of the data and analysis programme 4 Quality and timeliness of the delivered data and water-related sector strategic assessments compared to basin planning needs 5 Evidence of updated information on basin resources beyond water 	<ol style="list-style-type: none"> 6 Minutes of MRC JC meetings 7 Annual progress reports of BDP, IKMP, EP and other concerned programmes 8 BDP independent reviews 	<p>MRC programmes do not have adequate resources to provide the information, sector assessments and strategies</p>

Design summary	Indicators	Source of Data	Risk and Assumption
Activities			
<p>2.1.1. Define sector data and information needs and required strategic assessment and build consensus with MRC programmes on activities for collection, regular update and study, embedded in the implementation of the MRC SP Goal 2 and River Basin Management Function 1 and 2</p> <p>2.1.2. Support, coordinate the integration between MRC programmes and working groups for the implementation</p> <p>2.1.3. Regular update the needs and improve implementation</p>			
Output 2.2 Socio-economic monitoring systems to serve basin development planning designed (2012) and implemented	<p>9 Level of country contribution to the implementation of the monitoring systems</p> <p>10 Degree of integrity of the socio-economic monitoring systems in the overall MRC monitoring systems</p>	<p>11 MRC SP PMS reports</p> <p>12 BDP and EP annual progress reports</p> <p>13 BDP, EP and MRC SP independent review</p>	Countries draw back from collecting and sharing national socio-economic data in a format suitable for basin planning.
Activities			
<p>2.2.1. Based on the defined socio-economic data and information needs, explore existing monitoring and data dissemination mechanisms in Member Countries to design the system(s) that are most appropriate for data collection and exchange by countries</p> <p>2.2.2. Build consensus on the systems and implement as part of the overall MRC monitoring framework</p>			
Output 2.3 Basin environmental and social objectives and indicators developed and consensus built	<p>14 Acceptance by the countries of the need to develop a framework of basin environmental and social indicators,</p> <p>15 Extensive stakeholder consultations of the development of the objectives/indicators framework,</p> <p>16 Supportive peer review of the outputs from the deliberations to develop a suitable framework,</p> <p>17 Adoption by JC/MC of an agreed framework for objectives/indicators</p>	<p>18 Review of MRC IS (through IKMP progress report and independent review)</p> <p>19 MRC SP PMS reports</p> <p>20 BDP and EP annual progress reports</p>	Countries reject the approach to develop basin environmental and socio-economic objectives/indicators as being too restrictive in supporting integrated and 'balanced' river basin planning,
Activities			
<p>2.3.1. In close collaboration with EP, facilitate the process within MRC to consolidate the existing objectives and indicators (i.e. from BDP scenario assessment, Technical Guidelines of MRC Procedures) and further develop the set of environmental and social objectives and indicators</p> <p>2.3.2. Carry out wide consultation process within Member Countries and with wider stakeholders for common understanding and acceptance</p> <p>1.5.1. Submit to MRC JC for endorsement (2013) for use in the update of basin-wide development assessment (2014) and further refinement (2015)</p>			
Output 2.4 State of the Basin Report (3 rd issue in 2015) prepared,	<p>3 3rd State of the Basin Report published by 2014</p> <p>4 Extent of information on the upstream in the 3rd State of the</p>	<p>5 Review of the 3rd State of the Basin Report</p>	Very little risk that this will not occur as funded by M-IWRM,

Design summary	Indicators	Source of Data	Risk and Assumption
incorporating Upper Mekong information and widely disseminated <i>(This activity is partly supported by M-IWRMP that ends in 2014)</i>	Basin Report	6 Minutes of meetings with Dialogue Partners 7 MRC JC and Council Meeting reports	and strongly supported by countries. Main risk could be that countries will not provide essential information.
Activities			
2.4.1. In close collaboration with EP, prepare concept, table of content and implementation plan for the updated State of the Basin Report with specific responsibility for the additional part on Lancang-Upper Mekong Basin			
2.4.2. Under framework of MRC Cooperation programme with Dialogue Partners and M-IWRMP, prepare and discuss with China and Myanmar on the needed data/information for the extended State of the Basin Report that covers the Lancang-Upper Mekong Basin and mechanisms for data collection, preparation, acceptance and dissemination of the State of the Basin Report			
2.4.3. Prepare the information on Lancang-Upper Mekong Basin information and other BDP-related parts of the State of the Basin Report (macro economy and social development trends, transboundary water governance, etc.)			
Outcome 3: Appropriate institutional arrangements developed by Member Countries to implement the IWRM-based Basin Development Strategy, sustain the BDP process, and agree on a Roadmap for the decentralization of selected core basin planning functions			
Output 3.1 BDP Working Groups, networks of water management agencies and RBOs and mechanisms for proactive engagement of policy makers established and work effectively	8 Effective and enthusiastic operation of BDP working groups, 9 Networks of water resource management agencies, and of RBO's, established and operating effectively, 10 Effective links between MRCS sector and policy issues with national water related policy/strategy agencies,	11 BDP, NMC progress reports, 12 MRC JC meeting reports, 13 Reports of changes to institutional arrangements to better reflect Strategy, 14 Minutes of network meetings and 'agendas for actions'	National line agencies and RBO's do not embrace a multi-country perspective and refuse to be part of cooperation networks,
Activities:			
3.1.1. Refine TOR of the National BDP Working Group and update membership in view of the institutional analysis (Output 3.6) and National Action Plans to implement the Basin Development Strategy			
3.1.2. Work with MRC programmes to facilitate the inputs from various regional sector working groups and technical advisory body to support BDP			
3.1.3. Facilitate the establishment and operation of the multi-country networks of water resources management agencies and of RBOs.			
3.1.4. Regular review the operations of the working groups and adjust for improvement			
Output 3.2 Wider stakeholders and communities engaged more effectively in the BDP process	15 Stakeholder participation and communication plan endorsed by stakeholders, JC and NMC's, and used effectively, 16 Stakeholder satisfaction surveys undertaken and the outputs used	18 Stakeholder satisfaction surveys, 19 Stakeholder BDP reports to JC/CEO,	Stakeholders don't accept the 'participation and consultation' plan, Stakeholders do not participate

Design summary	Indicators	Source of Data	Risk and Assumption
	to improve stakeholder relations, 17 Regular stakeholder consultations used to guide progress of BDP Programme	20 BDP and NMC reports	constructively, Countries do not accept the genuine role for stakeholders in basin planning.
Activities			
3.2.1. Update the Stakeholder Analysis with increased inputs from communities and stakeholders			
3.2.2. In conjunction with key stakeholders, update and implement the Stakeholder Participation and Communication Plan for Basin Development Planning (SPCP) that will incorporate lessons learned from its implementation in BDP2, develop the concept of ‘stakeholder satisfaction surveys’, taking into account the required new mechanisms for country-led and institutionalized BDP process, and emphasise new approaches for more effective stakeholder engagement (see Section 3.2),			
3.2.3. Monitor, report on, and exchange of experiences among countries on stakeholder engagement in basin planning			
Output 3.3 A Roadmap for transitioning toward core planning function prepared and approved as part of MRC Transition Roadmap.	21 The Roadmap prepared and agreed at technical level and incorporated into the overall MRC Roadmap 22 MRC JC/Council approval 23 Number of functional working groups, led by relevant national line agencies, coordinated by NMCSs and facilitated by MRCS 24 Level of contribution by national agencies (in kind and in cash) to the BDP activities	25 Minutes of meetings 26 Basin planning annual reports 27 Reports to MRC JC and Council	Countries do not continue to include Roadmap requirements in national strategy and institutional developments.
Activities			
3.3.1. Facilitate a process in each country to review the current arrangements for BDP (national and local) to prepare the Roadmap towards core basin planning function and self finance by Member Countries			
3.3.2. Consultation and approval of the Roadmap as part of the MRC process for the overall Roadmap of the MRC towards decentralisation/core functions.			
3.3.3. Implement certain part of the Roadmap (from year 2012 onward)			
3.3.4. Draw lessons learned and improve the Roadmap in the design of BDP 2016-2020.			
Outcome 4: The necessary capacity to implement the IWRM-based Basin Development Strategy, and to carry out the selected core basin planning functions within the agreed Roadmap for decentralisation, available with relevant national agencies, RBOs, NMCSs and stakeholders.			
Output 4.1 A comprehensive 5 year programme for capacity development in IWRM planning developed and implemented in collaboration with ICBP to support the institutionalization process of basin planning	28 Existence of detailed capacity building activities at national and regional level 29 Number of training/capacity development opportunities provided to different target beneficiaries 30 Evidence of increased participation and quality of contribution	31 Annual BDP progress reports 32 ICBP annual progress report 33 Training reports including pre and post training assessment 34 BDP independent reviews	Capacity building programme too expensive for the resources available to deliver desired outcomes.

Design summary	Indicators	Source of Data	Risk and Assumption
	to BDP process		
<p>Activities</p> <p>4.1.1. Facilitate a process to analyse the adequacy of current institutional arrangements for BDP and capacity building needs within the focus for effective implementation of the IWRM-based Basin Development Strategy and long-term integration of basin planning in national planning. Widely discuss results as part of the preparation of National Action Plan for the Strategy implementation (Output 1.1) and process of strengthening BDP institutional arrangements (Output 3.1)</p> <p>4.1.2. Prepare and implement a programme to strengthen institutional and human capacity for BDP with focus on capacity to address basin-wide issues</p> <p>4.1.3. Draw lessons learned and required improvements to feed in the Roadmap toward core basin planning function (see Output 3.4) and overall MRC Roadmap. Regular update the needs and improve implementation</p>			
<p>Output 4.2 BDP 2011-2015 effectively managed, integrating MRC/PLD management approaches, systems and values</p>	<p>35 BDP 2011-2015 effectively managed and quality assured contributing to the MRC SP and PMS</p> <p>36 Evidence of strong integration within Planning Division</p> <p>37 Level of BDP contribution to the MRC institutional and organizational improvement and transition period</p> <p>38 Stakeholder (both internal within MRCS and external) satisfaction level with BDP management</p>	<p>39 MRC SP PMS reports</p> <p>40 Donor reviews</p> <p>41 MRC and BDP independent reviews</p>	<p>High quality BDP team not recruited; project management performance allowed dropping due to poor supervision through MRC M&E system.</p>
<p>Activities</p> <p>4.2.1. Prepare Inception Report of BDP 2011-2015 in close linkage with Action Plans for the Strategy implementation</p> <p>4.2.2. Continue strengthening BDP performance management and reporting mechanisms as part of the MRC Performance Management System</p> <p>4.2.3. Continuously strengthen the integration of BDP and other MRC programmes/activities to achieve MRC SP Goals and to implement core functions</p> <p>4.2.4. Carry out BDP periodic reviews, IPOE reviews and widely disseminate lessons learned</p>			

Annex 2 – Approach to Activities

Output 1.1 - Regional and National Action Plans to implement the IWRM based Basin Development Strategy prepared and endorsed by relevant authorities

Activities:

- 1.1.1. Prepare the National Action Plans for national and sub-basin consultation and endorsement by relevant authorities (linked with 1.2.3, 3.1.1 and 3.3.1).
- 1.1.2. Prepare the Regional Action Plans together with MRC programmes, Member Countries and other stakeholders.
- 1.1.3. Design and implement awareness raising and policy advocacy programme on the Strategy and its Action Plans.
- 1.1.4. Regular review and adjustment of the Action Plan.

The preparation of the National and Regional Action Plans to implement the IWRM-based Basin Development Strategy will take place immediately after the approval of the Strategy in January 2011. These Action Plans will provide most of the information to ‘translate’ the BDP 2011-2015 Programme Document in a detailed Inception Report that is strongly linked to the implementation of the Strategy.

The process to prepare National Action Plans will start with NMCS/MRCS meetings with the various water-related sectors, both at political and technical level, to generate options for implementation of the Strategy at the national level, including options to create synergies with ongoing national activities, such as the action plans for implementing the new Lao Water Policy and Strategy and the Viet Nam Decree 120 on River Basin Management but also other relevant national strategies and plans for development of water and related basin resources. BDP Working Groups (see also Output 3.1) are expected to be the main mechanisms to prepare, implement and regularly review/update the National Action Plans.

A key issue will be a detailed assessment of the four national planning and decisions making processes, and evaluations as to how the agreed requirements within the Basin Development Strategy can best be incorporated within these national systems. This will need to consider the processes for both private-driven investment projects as well as government-agency developed projects. MRCS can facilitate this work but it is essentially for NMC’s and national agencies to determine the best way to achieve these changes. The Action plans will be the process by which any agreed changes to existing systems are monitored and assessed.

These national plans will ultimately be endorsed by the NMC’s or other relevant national processes and the main role of MRCS will be to assist in identifying all the ‘strategy issues’ that need to be addressed, providing a ‘check’ before the endorsement process that all key issues have been covered, and to identify where gaps within and between the four national plans exist, and advise on how these could be overcome. Also the MRCS monitoring and reporting processes will regularly assess the achievement of the national plans.

BDP 2011-2015 will lead the preparation of the Regional Action Plan in close consultation with MRC programmes and within the Goal 1 of the MRC Strategic Plan 2011-2015. This will focus on basin-wide activities such as the studies to reduce risks and uncertainties of development of water and related basin resources, basin environmental and social objectives and water related sector strategies and the preparation and application of guidelines.

Output 1.2 The implementation of the Strategy’s Action Plans supported and adequately monitored, evaluated and reported

Activities:

- 1.2.1 Based on National Action Plans, work with other MRC programmes to design package of supporting activities for each country with focus on priority basin-wide issues and reduction of risks and uncertainties.
- 1.2.2 As part of the Regional Action Plan, develop scope, detailed TOR, budget and plan for the studies, prepare priority water resources and sector guidelines, and reach consensus with MRC programmes and relevant national agencies for implementation.
- 1.2.3 Support MRC programmes to facilitate policy dialogues to develop and reach consensus on the needed regional water related sector strategies in the context of the Strategy.
- 1.2.4 Incorporate the results of studies, regional water-related sector strategies and outcomes of the implementation the Action Plans into the update of the Strategy (links with Output 1.5).

The MRCS/BDP team will work closely with NMCS and concerned national agencies in the process of preparing the National Action Plans, thus will identify critical areas of the National Action Plans where regional support through BDP 2011-2015 and other MRC programmes/activities would be required in each country. This would be on needs-based basis and with focus on the most important issues of basin significance in the country specific context.

Within the Regional Action Plan, the role of BDP 2011-2015 will be to prepare scoping and TOR for the studies, in close consultation with the MRC programmes, for them to be carried out jointly or individually by the programmes, to support the process of preparation and reaching consensus on regional sector strategies, prioritization and preparation of the guidelines and monitor their implementation.

Output 1.3 PMFM effectively implemented and regularly reported on in close synergies with other MRC Procedures

Activities:

- 1.3.1. Facilitate agreement by the countries on the outstanding issue and finalize the Technical Guidelines of PMFM.
- 1.3.2. Implement, report on and update the approved Technical Guidelines of PMFM
- 1.3.3. Document the practical links between PMFM (and other MRC procedures, guidelines) and basin development planning.

The only outstanding issue, agreement between the countries on dry season flow threshold values for planning purposes (Article 6A of the 1995 Mekong Agreement) will be addressed and the Technical Guidelines finalized. The initial years of implementing the PMFM will require a ‘testing ‘ approach as there will almost certainly be practical issues during an annual flow cycle that will require some interpretation of the PMFM. The countries will need to carefully review annually how the procedures are operating and make recommendations to the JC as to continued applicability.

Output 1.4 Project Portfolio of basin-wide significant projects updated annually, endorsed by MRC JC and appropriate actions taken

Activities:

- 1.4.1 Use the direction provided in the IWRM-based Basin Development Strategy to reach consensus on the concept and design of the Project Master Database and the Project Portfolio (building on the concepts and preliminary designs developed in BDP2), including the mechanisms for MRC Programmes and relevant national agencies to regularly update information in the Project Portfolio.

- 1.4.2 Upload the activities, projects and programmes defined in the regional and national action planning (through filled templates with activity/project information) to the Project Portfolio (non-structural and enabling activities; infrastructure developments will be recorded in the Project Master Database and uplifted to the Project Portfolio after passing through the PNPCA process).
- 1.4.3 Widely disseminate the endorsed Project Portfolio for appropriate actions by concerned stakeholders.
- 1.4.4 Use the Project Portfolio for appropriate purposes, such as for 1) raising awareness, 2) monitoring of implementation, 3) promoting investments for unfunded regional (eg MRC Programmes) and national activities, and 4) evaluation of the implications for the next cycle of basin-wide assessment and updating of the IWRM-based Basin Development Strategy.

The concept of the Project Portfolio is outlined in the approved Basin Development Strategy. It would include infrastructure projects, non-structural projects (being investments in facilities that contribute directly to improved management of water and related resources, such as flood warning systems, navigation aids, and systems for the monitoring of water flows, water quality and sediments) and enabling activities (being improvements to resource management practices, such as sustainable land management practices, research programmes, sectoral studies, and development of assessment tools, the preparation of regulations and procedures, institutional development and capacity building). The directions in the Basin Development Strategy will be understanding of the Project Portfolio will be used to finalize the concepts of the Project Master Database and the Project Portfolio developed during BDP2 in consultation with the relevant national agencies.

Guidelines will be prepared for national and regional action planning for the implementation of the Basin Development Strategy. These guidelines will include information for describing the identified activities, projects and programmes and how they will be uploaded to the Project Portfolio. The Project Portfolio will lead to different actions: either for promotion (mainly non-structural projects and enabling activities) or for governance reasons (mainly infrastructure projects). According to the IWRM-based Basin Development Strategy (see Table 1), infrastructure projects will move into the Project Portfolio only after transboundary assessment during the PNPCA process. A record of the main characteristics of all existing, ongoing and planned water infrastructure projects will be maintained in the Project Master Database at the national and regional levels.

Output 1.5 Basin-wide development scenario assessment broadened and updated, addressing the identified knowledge gap and emerging Basin issues

Activities:

- 1.5.1. Use studies, regional water-related sector strategies and new environmental and social objectives and indicator framework (Output 1.2 and 2.3) and outcome of the Strategy implementation (Output 1.2) to define and build consensus among national agencies, MRC programmes and stakeholders of the scope for updating basin-wide development scenario assessment (by 2012).
- 1.5.2. Design and implement a process for updating the scenario assessment that also focuses on transfer of knowledge and skills (data and information analysis, use of models and assessment tools) to relevant national agencies, NMCSs and MRC programmes.
- 1.5.3. Work with NMCSs and other national stakeholders to identify, analyse, and assess additional relevant development scenarios, focusing on both water, land and related basin resources.
- 1.5.4. Design and implement a participatory process to discuss the scenario assessment results and their use in the update of the IWRM-based Basin Development Strategy.
- 1.5.5. Identify and analyse potential arrangements for increased benefit-sharing among the LMB countries for development of basin resources beyond, but related to, water.

Given the importance of coordination in planning and management across subsectors, these activities will be implemented with due consideration of climate change impacts, droughts, floods and other priorities and assumptions by relevant MRC programmes.

Output 1.6 The IWRM-based Basin Development Strategy reviewed, updated and adopted by the MRC Council by 2015

Activities:

- 1.6.1. Integrate the review of the implementation of the IWRM-based Basin Development Strategy in MRC SP midterm review (2013).
- 1.6.2. Drawing on annual stakeholder review, report on the Strategy implementation and mid-term review and results of updated basin-wide scenario assessment, prepare and widely consult on the update of the Strategy, using and lessons learned from Strategy implementation.
- 1.6.3. Publish and widely disseminate the MRC Council approved update of the Strategy, also in riparian languages.

Output 2.1 Needs identified and support provided for MRC programmes and national agencies to provide water-related sector information and strategic assessments and improve associated models and tools

Activities:

- 2.1.1 Workshops with national agencies and MRC programs to identify what information, and what improved systems, will be needed, and by when, to implement, monitor and update the Strategy.
- 2.1.2 A support programme developed to meet these needs with targets and milestones that are included within the overall M&E framework.

Activities under this output will address the need for additional and updated information on land use and relevant water- and related resources in order to provide the basis for a broad-based and integrated basin planning framework. Recognising that integrated basin planning is complex and relatively new in the LMB context, relevant planning tools will be identified and analyses will be made on how to use them in the regional and national planning contexts, and how they can underpin the basin-wide planning approach promoted by BDP 2011-2015.

Output 2.2 Socio-economic database and assessments strengthened and disseminated for use by countries and in all MRC activities

Activities:

- 2.2.1. Based on the defined socio-economic data and information needs, explore existing monitoring and data dissemination mechanisms in Member Countries to design the system(s) that are most appropriate for data collection and exchange by countries.
- 2.2.2 Build consensus on the systems and implement as part of the overall MRC monitoring framework.

Socio-economic data varies in extent and scope across all Sub-areas of the basin. A detailed review is necessary to better understand the accuracy and integrity of the data and how each country monitors and processes this information. An assessment is then needed as to how this information links into the overall MRC monitoring systems, and how all this can be improved for future updating of the Strategy.

Output 2.3 Basin environmental and social objectives and indicators developed and consensus built

Activities:

- 2.3.1. In close collaboration with EP, facilitate the process within MRC to consolidate the existing objectives and indicators (i.e. from BDP scenario assessment, Technical Guidelines of MRC Procedures) and further develop the set of environmental and social objectives and indicators.
- 2.3.2. Carry out wide consultation process within Member Countries and with wider stakeholders for common understanding and acceptance.
- 2.3.3. Submit to MRC JC for endorsement (2013) for use in the update of basin-wide development assessment (2014) and further refinement (2015).

This is one of the urgent Strategic Priorities of the IWRM-based Basin Development Strategy that will be critical foundation for the future updates of basin-wide development scenario assessment and the Strategy. While EP will lead on the environmental objectives and indicators, BDP will lead the social part, drawing on the initial social objectives of BDP2 scenario assessment and the issues arisen from Social Impact Monitoring and Vulnerability Assessment (SIM/VA). Achieving widely accepted specific environmental and social objectives and indicators would be challenging given the different standards in Member Countries and the more divers expectations of wider stakeholders. Activity 2.3.1 will also start with consolidating the existing standards in Member Countries and facilitate the process for harmonization.

Output 2.4 State of the Basin Report (3rd issue in 2015) prepared and widely disseminated, covering Lancang-Upper Mekong Basin

Activities:

- 2.4.1. In close collaboration with EP, prepare concept, table of content and implementation plan for the updated State of the Basin Report with specific responsibility for the additional part on Lancang-Upper Mekong Basin.
- 2.4.2. Under framework of MRC Cooperation programme with Dialogue Partners and M-IWRMP, prepare and discuss with China and Myanmar on the needed data/information for the extended State of the Basin Report that covers the Lancang-Upper Mekong Basin and mechanisms for data collection, preparation, acceptance and dissemination of the State of the Basin Report.
- 2.4.3. Prepare the information on Lancang-Upper Mekong Basin information and other BDP-related parts of the State of the Basin Report (macro economy and social development trends, transboundary water governance, etc.).

BDP 2011-2015 will continue to work with EP to lead the preparation of the State of the Basin Report as an important source of information to monitor the impacts of the IWRM-based Basin Development Strategy implementation and needed adjustments. In addition, within the framework of M-IWRMP, it will be responsible for working with MRC Dialogue Partners (China and Myanmar) to extend the State of the Basin Report to include information on the Lancang-Upper Mekong Basin. Main resource for BDP input into the State of the Basin Report would be staff time and from the M-IWRMP.

Output 3.1 BDP Working Groups, networks of water management agencies and RBOs and mechanisms for proactive engagement of policy makers established and work effectively

Activities:

- 3.1.1. Refine TOR of the National BDP Working Group and update membership in view of the institutional analysis (Output 3.6) and National Action Plans to implement the Basin Development Strategy.

- 3.1.2. Work with MRC programmes to facilitate the inputs from various regional sector working groups and technical advisory body to support BDP.
- 3.1.3. Facilitate the establishment and operation of the multi-country networks of national water management agencies and of RBOs.
- 3.1.4. Regular review the operations of the working groups and adjust for improvement.

A success of the BDP2 programme has been the much more open and transparent relationships between country agencies and the more open exchange of information, opinions and ideas. This can be further expanded, centred on a ‘learning by doing’ approach, by establishing strong networks amongst the water resource management agencies in the four countries, and also for other relevant agencies such as environment, planning etc., and also amongst the emerging RBO’s in each country.

Output 3.2 Wider stakeholders and communities engaged more effectively in the BDP process

Activities:

- 3.2.1. Update the Stakeholder Analysis with increased inputs from communities and stakeholders.
- 3.2.2. In conjunction with key stakeholders, update and implement the Stakeholder Participation and Communication Plan for Basin Development Planning (SPCP) that will incorporate lessons learned from its implementation in BDP2, develop the concept of ‘stakeholder satisfaction surveys’, take into account the required new mechanisms for country-led and institutionalized BDP process and emphasise new approaches for more effective stakeholder engagement (see Section 3.2).
- 3.2.3. Monitor, report on, and exchange of experiences among countries on stakeholder engagement in basin planning.

Output 3.3 A Roadmap for transitioning toward core planning function prepared and approved as part of MRC Transition Roadmap.

Activities:

- 3.3.1. Facilitate a process in each country to review the current arrangements for BDP (national and local) to prepare the Roadmap towards core basin planning function and self finance by Member Countries.
- 3.3.2. Consultation and approval of the Roadmap as part of the MRC process for the overall Roadmap of the MRC towards decentralisation/core functions.
- 3.3.3. Implement certain part of the Roadmap (from year 2012 onward).
- 3.3.4. Draw lessons learned and improve the Roadmap in the design of BDP 2016-2020.

Activities under this output will draw substantially on Output 1.1 – Action Plans for the Strategy implementation, activity 4.11 that analyses the institutional arrangements and capacity building needs for BDP and Output 3.1 – institutional arrangements to be piloted during this BDP 2011-2015. All will help the Member Countries, individually and collectively, with facilitation of MRCS to develop a realistic targets and Roadmap for decentralisation of BDP activities to national line agencies and RBOs. This process will be carried out as part of the implementation of Goal 5 of the MRC Strategic Plan that aims at developing an overall Roadmap for the MRC towards the identified .core functions including basin planning support function for which BDP programme is responsible.

Output 4.1 A comprehensive 5 year programme for IWRM capacity development for basin development planning prepared and implemented within the overall capacity building framework of the MRC

Activities:

- 4.1.1. Facilitate a process to analyze the adequacy of current institutional arrangements for BDP and capacity building needs within the focus for effective implementation of the IWRM-based Basin Development Strategy and long-term integration of basin planning in national planning. Widely discuss results as part of the preparation of National Action Plan for the Strategy implementation (Output 1.1) and process of strengthening BDP institutional arrangements (Output 3.1).
- 4.1.2. Prepare and implement a programme to strengthen institutional and human capacity for BDP with focus on capacity to address basin-wide issues.
- 4.1.3. Draw lessons learned and required improvements to feed in the Roadmap toward core basin planning function (see Output 3.4) and overall MRC Roadmap. Regular update the needs and improve implementation.

Capacity building under BDP 2011-2015 will focus on planning activities that need to be implemented at the Mekong Basin scale. Ongoing IWRM capacity building supported by other organizations focus on national sector and/or water resources management issues only - these efforts need to be complemented with capacity building for national agencies to enable them to assume or participate in core basin planning functions, such as basin-wide assessments, discussion of national interests at the basin level while considering the interests of other countries as well as the basin needs, and making collaborative decisions. All of this becomes increasingly important as the MRC moves towards core functions and delegation of river basin management responsibilities to Member Countries.

BDP 2011-2015 will continue to work closely with ICBP in the assessment of capacity building needs and in designing and implementing training activities. Many other capacity building activities will be in the form of learning by doing and coaching through MRCS staff and consultants.

Output 4.2 BDP 2011-2015 effectively managed and key outputs quality assured

Activities:

- 4.2.1. Prepare Inception Report of BDP 2011-2015 in close linkage with Action Plans for the Strategy implementation.
- 4.2.2. Continue strengthening BDP performance management and reporting mechanisms as part of the MRC Performance Management System.
- 4.2.3. Continuously strengthen the integration of BDP and other MRC programmes/activities to achieve MRC SP Goals and to implement core functions.
- 4.2.4. Carry out BDP periodic reviews, IPOE reviews and widely disseminate lessons learned.

A Draft Inception Report will be prepared in the 2nd half of 2011 to provide information on the approaches, methodologies, activities, tasks, responsibilities, milestones and deliverables, which will be based on the simultaneous preparation of the Regional and National Action Plans for the implementation of the Basin Development Strategy. As the Regional Action Plan will be implemented through the MRC Strategic Plan 2011-2015 and the National Action Plans will be implemented by the responsible national agencies, all these programmes and agencies will be involved in the preparation of the Action Plans.

The same working group of national planners covering the various sectors that will be preparing the Action Plans for the IWRM-based Basin Development Strategy, will be leading the preparation of the

Inception Report. This working group will be overseen by the Joint Committee Working Group, comprising of decision makers from key national agencies that has established for the finalization of the Strategy. It will also be supported by regional and international consultants who are familiar with national and basin planning in the Mekong Basin.

The management system established in BDP2 has proved to work well and will continue to be improved in BDP 2011-2015, particularly in the following areas:

- Effective management of national activities and their monitoring and reporting within the coherent Programme framework.
- Quality management of activities and outputs and more focus on efficiency and effectiveness of activities in progress reporting, and
- Data collection for verification of outputs and outcomes, in close linkage with the Strategy implementation monitoring and reporting and management of quality of activities and outputs.

Quality management of activities will be achieved throughout the process from detailing the activities into tasks in annual and quarterly work plans, implementation and reporting that will answer the key questions of how its contribution to an output would be verified whether that would be the most cost effective way. Peer review will help quality assure tasks and activities while periodic Programme review and IPOE will focus on quality assurance of key outputs and high level outcomes and objectives of the Programme.

Annex 3 - BDP 2011-2015 Budget Estimate per Output

No	Output	Total 2011-2015		2011	2012	2013	2014	2015
		USD	% of total					
	Outcome 1	4,767,350	40%	733,229	1,034,712	980,904	1,070,576	947,929
1.1	Action Plans to implementation the Basin Development Strategy	1,191,838	10%	183,307	258,678	245,226	267,644	236,982
1.2	Implementation of the Strategy's Action Plans supported and adequately monitored, evaluated and reported	715,103	6%	109,984	155,207	147,136	160,586	142,189
1.3	PMFM effectively implemented, regularly reported on in close synergies with other MRC Procedures	595,919	5%	91,654	129,339	122,613	133,822	118,491
1.4	Project Portfolio of basin-wide significant projects updated annually	476,735	4%	73,323	103,471	98,090	107,058	94,793
1.5	Basin-wide development scenario assessment broadened and updated	1,191,838	10%	146,646	206,942	196,181	214,115	189,586
1.6	The IWRM-based Basin Development Strategy reviewed, updated and adopted by the MRC Council by 2015	595,919	5%	91,654	129,339	122,613	133,822	118,491
	Outcome 2	2,383,675	20%	366,614	517,356	490,452	535,288	473,965
2.1	Needs identified and support provided for MRC Programmes and national line agencies to provide water related sector information	595,919	5%	91,654	129,339	122,613	133,822	118,491
2.2	Socio-economic database and assessment strengthened	595,919	5%	91,654	129,339	122,613	133,822	118,491
2.3	Basin environmental and socio objectives and indicators developed	595,919	5%	91,654	129,339	122,613	133,822	118,491
2.4	State of the Basin Report prepared and widely disseminated	595,919	5%	91,654	129,339	122,613	133,822	118,491
	Outcome 3	2,383,675	20%	366,614	517,356	490,452	535,288	473,965
3.1	BDP Working Groups, networks of RBOs and mechanisms for proactive engagement established and work effectively	595,919	5%	91,654	129,339	122,613	133,822	118,491
3.2	Wider stakeholders and communities engaged more effectively	1,191,838	10%	183,307	258,678	245,226	267,644	236,982
3.3	A Roadmap for transitioning toward core planning function prepared and approved as part of MRC Transition Roadmap	595,919	5%	91,654	129,339	122,613	133,822	118,491
	Outcome 4	2,383,675	20%	366,614	517,356	490,452	535,288	473,965
4.1	A comprehensive 5 year programme for IWRM capacity development prepared and implemented within the overall capacity building	1,191,838	10%	183,307	258,678	245,226	267,644	236,982
4.2	BDP 2011-2015 effectively managed and key outputs quality assured	1,191,838	10%	183,307	258,678	245,226	267,644	236,982
	Contingency (5%)	595,919		91,654	129,339	122,613	133,822	118,491
	Sub-total	11,918,375	100%	1,833,072	2,586,780	2,452,260	2,676,440	2,369,823
	MRC management and administration (11%)	1,311,021		201,638	284,546	269,749	294,408	260,681
	Total Technical Cooperation Budget	13,825,315		2,126,364	3,000,665	2,844,622	3,104,670	2,748,995
		1,500,000		300,000	300,000	300,000	300,000	300,000
	GRAND TOTAL	15,325,315		2,426,364	3,300,665	3,144,622	3,404,670	3,048,995

Annex 4 - Terms of Reference for BDP and Sector Working Groups

National BDP Working Group

1. Background

The 1995 Mekong Agreement emphasizes the coordination and integration of all water and related resources sectors for a sustainable and equitable development of the Basin. In each LMB country, the National Mekong Committee (NMC), commonly comprising of Vice minister level of the key line agencies and chaired by Minister of Natural Resources and Environment/MRC Council Member, acts as the main body for ensuring this integrated sector approach, both within each country and between national and Basin levels. Since the implementation of the BDP1, it became clear that a working level body is needed to provide technical support for the NMC. Therefore, National BDP Working Group (also called BDP Coordination Unit in Cambodia) has been the main mechanism national consultations on BDP Programme implementation and related technical issues, coordinated by NMCS/National BDP Unit. The consultations help NMCS to report and provide policy advice to the NMC for its decision making.

The BDP process in the next five years (2011-2015) makes a significant step forward with facilitation provided for national line agencies and local governments to implement the Basin's agreed directions and development guidance and guidelines in national systems. This subsequently forms the new scope of work of the National BDP Working Group.

2. Objectives of the National BDP Working Group

To serve as the main coordination mechanism for relevant national line agencies, provincial governments and NMCS to coordinate, reach consensus and facilitate the implementation of national level activities by all concerned sectors to achieve the objective of BDP 2011-2015 that is defined as "Planning and decision making on Mekong and water resources apply the IWRM-based Basin Development Strategy through a sustained BDP process".

3. Scope of work

The scope of work of the National BDP Working Group is grounded on the achievement of the BDP 2011-2015 outcomes

- 1) Provide input to the preparation of the Action Plans to implement the IWRM-based Basin Development Strategy, reach consensus among the group and promote the Action Plans as well as facilitate for its implementation
- 2) Provide data and information, sector development plans and contribute to sector and/or basin-wide analyses
- 3) Support the BDP Programme policy advocacy efforts to engage policy makers, advise on the most appropriate institutional support to different national line agencies and promote and facilitate community and stakeholder participation; and
- 4) Participate in the transfer of knowledge and skills as appropriate and support capacity development for IWRM planning, especially with regard to identification of appropriate target beneficiaries.

4. Function and Tasks

The National BDP Working Group refers to the NMC (or National BDP Sub-Committee, established at the delegation of the NMC), coordinated by the NMCSs and facilitated with technical inputs from MRCS. Its function is technical support for NMCSs, reporting/policy advice to concerned national line agencies and facilitation of implementation at the national level.

The tasks may include, but not limited to the following:

- Identify macro-level issues of sector and national concern with potential transboundary implications for consideration in the BDP process;
- Mobilise information from sector and/or local development plans relevant to national and sub-basin planning in the LMB parts of the country for inclusion as part of an information management system operated at NMC Secretariat and for sharing with the MRCS for basin planning
- Provide inputs to the National and Regional Action Plans of the IWRM-based Basin Development Strategy with due consideration of balancing the sector, local national and basin interests
- Liaise with Regional sector working groups and/or technical advisory bodies to facilitate technical activities of BDP such as the implementation of sector studies and strategies and the updated formulation and assessment of basin-wide development scenarios
- Propose a framework for the implementation of the Action Plan in the sector/agency of the member(s) of the National BDP Working Group including identification of agencies, organisations and their representatives and appropriate implementation mechanism;
- Contribute to BDP institutional and capacity needs analysis for the design and implementation of most appropriate activities in specific sector/agency
- Facilitate the implementation of the National and Regional Action Plans
- Contribute to the development and implementation of the monitoring and reporting on the Strategy
- Mobilize data and information on national projects for the regular update of the Project Portfolio
- Promote and facilitate participation of communities and stakeholders in the process
- Incorporate consideration of other regional activities such as ADB/GMS, Initiative of ASEAN Integration, special development zones etc, into the BDP planning process.

5. Membership and Working Modality

The National BDP Working Group would comprise of 12 – 20 members including representatives of planning and/or relevant technical units of key ministries, agencies responsible for national and sector planning (such as planning institutes), 1–2 provincial representatives and 1-2 representatives from communities and non-state stakeholders. Each Member Countries will decide on the membership of the National BDP Working Group to be best appropriate to the country’s context, provided that the composition would be sufficient for the group to achieve its objectives.

The working modalities of the National BDP Working Group include meetings; working sessions on specific activities and delegation of activities to members’ agencies, especially with regard to the implementation of the Basin Development Strategy.

Decision making of the National BDP Working Group will be on consensus basis. The members of the National BDP Working Group are responsible for reporting to his/her agency member of the NMC and/or National Sub-BDP Committee. The NMCSs will synthesize the issues for reporting to the NMC through the NMCS Secretary General/Director General and MRC JC Member.

6. Links with Regional Sector Working Groups and/or Technical Advisory Bodies

The National BDP Working Group and its assigned member(s) will liaise with the different regional sector working group and/or technical advisory body from his/her own sector/agency to facilitate the sector inputs into integrated basin development planning. At the same time, the National BDP Working Group will promote and work with the regional sector working groups to raise awareness and build political commitment of the sector(s) in implementing basin-wide development approaches.

Regional BDP Working Group

1. Objectives of the Regional BDP Working Group

To serve as the forum for representatives from National BDP Working Groups/Member Countries to

- Discuss issues of national and Basin interests and concerns to be addressed in the BDP process
- Jointly monitor the implementation of the IWRM-based Basin Development Strategy at national and regional levels and discuss remedial actions as required
- Coordinate, provide technical support, reach regional consensus and facilitate the implementation of BDP 2011-2015 to achieve its objective that is defined as “Planning and decision making on Mekong and water resources apply the IWRM-based Basin Development Strategy through a sustained BDP process”.

2. Scope of Work

The scope of work of the Regional BDP Working Group covers all aspects of BDP 2011-2015 implementation

- Building consensus among Member Countries on the overall targets to implement the IWRM-based Basin Development Strategy, reporting on national implementation, facilitate the implementation of regional activities and the overall monitoring and reporting of the Strategy
- Build consensus on the programme of data and information needs, sector development plans and strategic analyses and support the programme implementation, especially at national level
- Discuss and facilitate the harmonization of national planning and BDP processes as well as harmonization among Member Countries to gradually embed the BDP process in national systems and build coherence across countries. Support the promotion of community and stakeholder engagement at national level
- Advise on the BDP regional capacity development activities and actively participate in the relevant activities, particularly with regard to negotiation, mediation and collaborative decision making.

3. Function and Tasks

The Regional BDP Working Group refers to the MRC JC and facilitated by MRCS/BDP team. Its function is technical support for MRCS, building regional consensus on national and basin important issues for incorporation in the BDP process and the facilitation of implementation at both national and regional level.

The tasks may include, but not limited to the following:

- Identify macro-level issues of national interest/concern and Basin’s development for regional discussion, consensus building and consideration in the BDP process;
- Facilitation of and reporting on national implementation of the Basin Development Strategy, data/information collection and sharing, national sector and/or local development plans needed for BDP to allow overall progress
- Contribute to the overall monitoring and evaluation of the progress and identification of solutions for problems emerged at regional level.
- Liaise with Regional sector working groups and/or technical advisory bodies to facilitate technical activities of BDP such as the implementation of sector studies and strategies and the updated formulation and assessment of basin-wide development scenarios
- Share up to date information on other regional activities (such as ADB/GMS, Initiative of ASEAN Integration, special development zones etc) and promote discussion and the exploration by the Regional BDP Working Group of opportunities for alternative options or to optimize water resource development.

4. Membership and Working Modality

The Regional BDP Working Group includes five (05) members each from LMB countries, including:

- Representative from National planning agency (i.e. Ministry of Planning or National Socio-economic board)
- Representative from Water Resource Management Agency
- Two (02) representatives from key sectors with most relevance to the country and
- National BDP Coordinator from NMCS

Working modality of the Regional BDP Working Group will be meetings and/or working sessions with actual contribution of the members of the Regional BDP Working Group, based on their expertise.

The BDP team in MRCS/PLD will provide facilitation and secretariat support to the operation of the group including provision of background information and mobilization of sector expertise for certain issues from MRC programmes.

The Regional BDP Working Group can prepare TOR, mobilize more specific technical working group for specific tasks (such as the scenario assessment) and oversight the work to deliver results as agreed in the group.

Terms of Reference for Inputs from Regional Sector Working Group to BDP 2011-2015

1. Background

BDP process is inter-dependent on sector work in twofold: 1) national line agencies provide sector data, development plans and analysis as well as integrated sector analysis and 2) the development of regional sector strategies in the context of the IWRM-based Basin Development Strategy to promote an integrated approach. The central outcome of BDP 2011-2015 objective is defined as “Member Countries and stakeholders implement report on and update the IWRM-based Basin Development Strategy with elaborated sector information”.

BDP 2011-2015 is designed in a way that it integrates the sector data, information and analysis needs in the implementation of the MRC programmes to support basin development planning. The Regional Technical Working Groups of sectors provide technical support and reach regional consensus for MRC activities in the sector as well as on the broad sector development and management. Thus, they play a key role in the BDP process with facilitation by MRCS, jointly provided by MRC programmes and BDP.

2. Scope for sector activities in BDP

The inputs from sectors for BDP work are vital and could be structured around the BDP 2011-2015 outcomes as follows

- Provide input to the preparation of the Action Plans and contribute to the implementation of the IWRM-based Basin Development Strategy, especially with regard to (i) Provision of data and information, sector development plans and analysis; 2) contribute regional sector and/or basin-wide development analyses that brings together several sectors
- Support the BDP Programme policy advocacy efforts to engage policy makers from particular sector(s) to implement and update the Basin Development Strategy; and
- Identify needs from the sector perspective for integrated basin development planning and participate in the relevant training and capacity building activities to strengthen the application of basin approaches in sector planning.

3. Proposed Approach to Mobilize Inputs from the Regional Sector Working Group

- Develop a comprehensive programme for data and information needs, analysis and models/tools (Output 2.1) and reach agreements with MRC programmes
- Together with the MRC programmes, prepare scope of work, detailed TORs for package of activities
- Facilitate the discussion of the TOR by both regional sector technical working group and BDP working groups
- Develop detailed implementation plan with roles and responsibilities
- Regional technical working groups will 1) facilitate the relevant national agencies/institutions to mobilize the needed data and share through PDIES; 2) provide technical support, oversight and discussion/acceptance of final results

4. Coordination Mechanism

At the national level, National BDP Working Group will liaise with members of the Regional technical working group for national activities such as data collection and sharing (see TOR of National BDP Working Group).

Each regional sector working group will report to its respective MRC Programme Steering Committee. BDP report to MRCS Sr. Management and subsequent reporting to the MRC Programme Steering Committee would help foster coordination.

Reporting on progress and outcomes to MRC JC will also help strengthening coordination through NMCs.

Annex 5 – List of Agencies Involved in National and Regional BDP Working Groups

CAMBODIA

BDP Sub-Committee

1. Vice-Chairman of CNMC, Chairmen
2. Director General of Planning Directorate, Ministry of Planning and Secretary General of CNMC, Vice Chairman
3. Deputy Secretary General of CNMC, Member
4. Director General, General Directorate of Technical Affairs, Ministry of Water Resources and Meteorology, Member
5. Director General, Ministry of Tourism, Member
6. Deputy Director General of Administration, Ministry of Interior, Member
7. Deputy Director General, General Technical Directorate, Ministry of Environment, Member
8. Deputy Director General, General Directorate of Administration, Ministry of Public Works and Transport, Member
9. Deputy Director General of Technical Affairs, Ministry of Women and Veteran Affairs, Member
10. Deputy Director General, Ministry of Agriculture Forestry and Fisheries, Member
11. Deputy Director General, Ministry of Land Management, Urbanization and Construction, Member
12. Deputy Director General of Administration and Finance, In-Charge of Planning, Ministry of Rural Development, Member
13. Director, Department of International Organization, Ministry of Foreign Affairs and International Cooperation, Member
14. Director, Energy Development, Ministry of Industry, Mines and Energy, Member
15. Assistant to the National Committee for Disaster Management, Member
16. BDPCU, Secretary

BDP Coordination Unit

1. Secretary General of CNMC and Director General of Ministry of Planning, Chairman
2. Deputy Director General of CNMC, Vice-Chairman
3. Deputy Director, Planning Department, CNMC, Coordinator
4. Director, Planning Department, General Directorate of Administration, Ministry of Public Works and Transport, Member
5. Director, Department of Planning and International Cooperation, Ministry of Water Resources and Methodology, Member
6. Deputy Director General, Ministry of Agriculture Forestry and Fisheries, Member
7. Director, Department of Planning and Legal Affairs, Ministry of Environment, Member
8. Director, Department of International Organization, Ministry of Foreign Affairs and International Cooperation, Member
9. Deputy Director, Department of Economic Planning, Ministry of Planning, Member
10. Director, Department of Planning and Statistics, Ministry of Women and Veteran Affairs, Member
11. Official of Planning Office, Planning Development Department, Ministry of Tourism, Member
12. Director, Department of Urbanization Ministry of Land Management, Urbanization and Construction, Member
13. Director, Department of Planning and Public Relationship Ministry of Rural Development, Member
14. Director, Department of Hydropower Ministry of Industry Mines and Energy, Member
15. Deputy Director, Department of Admin Affairs Ministry of Interior, Member
16. CNMCS's BDP Unit, Secretary

CNMCS's BDP Unit

1. Deputy Secretary General, National BDP Coordinator
2. National Specialist
3. Secretary

Sub -Area Working Groups (SAWG) that comprise of representatives from relevant departments from all provinces in the Sub-areas (Planning, Agriculture, Forestry and Fishery, Water Resources and Metrology, Public Works and Transport, Industry, Mine, and Energy, Tourism and Environment, etc). A Department Director level official of a line ministry – Member of BDP Coordination Unit is assigned with the responsibility to head a SAWG and another member as Deputy Head.

LAO PDR

BDP Sub-Committee

1. Vice-Minister of the Ministry of Agriculture and Forestry (MAF), Vice-Chairman of Lao National Mekong Committee (LNMC), MRC JC Member for Lao PDR, (Chairman)
2. Director General of the Department of General Planning, Committee for Planning and Investment (CPI), (Vice-Chairman)
3. Director General of Foreign Economic Co-operation Department, (MFA)
4. Director General of the LNMC Secretariat, Alternate MRC JC Member for Lao PDR.
5. Director General of the Cabinet, Ministry of Industry and Handicraft (MIH)
6. Deputy Director General of Planning Department, MAF
7. Director of the Water Resources Coordination Committee Secretariat (WRCCS), Science Technology and Environment Agency (STEA)
8. Deputy Director of the Cabinet, STEA
9. Deputy Director of Planning and Cooperation Department, Ministry of Communications, Transport, Posts and Constructions (MCTPC)

BDP National Working Group

1. Deputy Director General, Department of General Planning, Committee for Planning and Investment (CPI), Head of NWG;
2. Director of Planning Division, Department of Planning, Ministry of Agriculture and Forestry (MAP); Member of WG
3. Deputy Director of Waterway Administration Division (WAD), Department of Roads and Bridges, MCTPC
4. Director of Power Development Division, Department of Electricity, Ministry of Industry and Handicraft (MIR);
5. Director of Environmental Health Division, Department of Hygiene and Prevention, Ministry of Health (MoH);
6. Deputy Director of Statistic and Planning Division, National Tourist Authority (NTA);
7. Deputy Director of WRCC Secretariat, STEA;
8. Deputy Director of Technical Division, Department of Irrigation (DOI), MAF;
9. Director of Planning and Cooperation Division, Department of Livestock and Fisheries, MAF
10. Chief of Division, Lao Women Union (LWU)
11. Deputy Director of Planning and Cooperation Department, MoE
12. Deputy Director of Commercial Research Institute, MoC

BDP Unit

1. Director of Planning Division, Acting Head of BDP Unit and National BDP Coordinator;
2. Assistant to National BDP Coordinator, Member of BDP Unit;
3. Member of BDP Unit
4. Secretary

Sub-Area Working Groups that bring together Deputy Director level officials of Planning and Investment Divisions of all provinces in the Sub-areas. One members of the SAWG is nominated to

head the SAWG and another as Deputy Head.

THAILAND

Thailand National Mekong Committee

1. H.E. Minister of Natural Resources and Environment, member of the MRC Council for Thailand, Chairman
2. H.E. Deputy Minister of Agriculture and Cooperative, Vice chairman
3. Permanent Secretary, Ministry of Natural Resources and Environment, Member of the MRC Joint Committee for Thailand, Member
4. Representative of Ministry of Interior, Member
5. Representative of Ministry of Public Health, Member
6. Representative of Ministry of Foreign Affairs, Member
7. Representative of Department of Treaties and Legal Affairs, Member
8. Representative of Office of National Economic and Social, Member
9. Representative of Office of Natural Resources and Environmental Policy and Planning, Member
10. Representative of Royal Irrigation Department, Member
11. Representative of Department of Fisheries, Member
12. Representative of Department of Water Transport and Maritime Commission, Member
13. Representative of Electricity Generating Authority of Thailand, Member
14. Representative of Meteorological Department, Member
15. Representative of High-level Educational Institutes in the Lower Mekong Basin, Member
16. Representative of Policy Control Department, Member
17. Representative of NGOs in the Lower Mekong Basin, Member
18. Director-General of Department of Water Resources, Department of Water Resources, Member and Secretary
19. Deputy Director General of Department of Water Resources, Member and Assistant
20. Director of Bureau of International, Cooperation, Department of Water Resources, Member and Assistant

BDP Unit

1. Head of BDP Unit
2. Assistant BDP Coordinator
3. National Specialist
4. Secretary

Sub-Area Working Groups comprising of representatives from provincial departments, regional offices of national sector ministries, academia and other members of RBCs

VIET NAM

BDP Sub-Committee

1. Vice Minister VNMC, Vice Chairman, MONRE, Chairman
2. VNMC Secretary General, VNMC, Vice-Chairman
3. Deputy Secretary General, VNMC, Head of BDP Unit, Member
4. Deputy Director, Department of Hydraulic Work and Irrigation Management, MARD, Member
5. Senior Official, Department of Agriculture and Rural Development, MPI, Member
6. Director, Sub-Institute for Forestry Inventory Planning, MARD, Member
7. Deputy Director, Sub-Institute for Agricultural Planning and Projection, MARD
8. Deputy Director, Institute for Water Resource Planning, MARD, Member

BDP Unit

1. Head of BDP Unit

2. Coordinator
3. Secretary

BDP National Working Group

1. Secretary General, VNMC, MONRE, Member
2. Deputy Secretary General, VNMC, MONRE, Head of National BDP Unit
3. Deputy Secretary General, VNMC, MONRE, Member
4. Senior Programme Officer, VNMC, MONRE, National BDP Coordinator
5. Senior Programme Officer, VNMC, MONRE, FMM Coordinator, Member
6. Senior Programme Officer, VNMC, MONRE, Member
7. Secretary, VNMC, MONRE, Member
8. Head of Division, Forestry Inventory and Planning Institute, MARD, Member
9. Head of Division, National Institute for Agricultural Planning and Projection
10. Head of Division, Institute of Water Resources Planning, MARD, Member
11. Deputy Director, Department for Management of Water Resources and Hydraulic Work, MARD, Member
12. Deputy Director, Development Strategy Institute, MPI, Member
13. Senior Programme Officer, Department of Agriculture and Rural Development, MPI, Member
14. Programme Officer, Department of Technology, Ministry of Fishery, Member
15. Programme Officer, Power Engineering Consulting Company I, Ministry of Industry, Member
16. Deputy Chief of Section, In-Land Water Way Administration, Ministry of Transportation, Member
17. Deputy Director, Institute of Water Resources Planning, MARD, Member
18. National Specialist, Institute of Water Resources Planning, MARD, Member
19. Director, Sub Institute for Forestry Inventory and Planning
20. Deputy Director, Sub-Institute for Agricultural Planning and Projections, MARD, Member
21. Deputy Head of Division, Sub-Institute for Water Resources Planning, MARD, Member

Sub-Area Working Groups comprising of relevant departments of all provinces in the Sub-area (i.e. Agriculture and Rural Development), national planning institutes and ministries – members of the BDP National Working Group.

Members of the BDP Regional Technical Working Group (in BDP2)

Cambodia

1. Deputy Secretary General of CNMC, National BDP Coordinator
2. Deputy Director General of Planning Affairs, Ministry of Planning (MOP)
3. Deputy Director General of Hydropower, Ministry of Mine, Industry and Energy (MIME)
4. Deputy Director General of Technical Affairs, Ministry of Water Resources and Meteorology (MOWRAM)
5. Director of Planning and Legal Department, Ministry of Environment (MOE)
6. Director of Planning Department, Tonle Sap Authority (TSA)
7. BDP Natural Resources Planning Specialist, CNMC

Lao PDR

1. Deputy Chief of Division, MPI, Member
2. Director of Planning and Cooperation Division, Department of Irrigation, MAF, Member
3. Director of Environmental Health Division, MOH, Member
4. Chief of Power Sector Planning Division, Department of Electricity, MEM, Member
5. Technical Officer, DIWT, MPWT, Member

6. Deputy Director of Fisheries Division, Department of Livestock and Fishery, MAF, Member
7. National BDP Coordinator, LNMCS, Member
8. Director of Planning Division, Department of Planning, MAF, Alternate.
9. Deputy Director General, Planning and Cooperation Department, LNTA, Alternate

Thailand

1. Director, Mekong Branch, DWR, MNRE
2. BDP Natural Resource Planning Specialist
3. Office of the National Economic and Social Development Board (NESDB)
4. Royal Irrigation Department
5. Policy and Planning Bureau, Office of Natural and Environmental Policy (ONEP), MNRE.

Viet Nam

1. Deputy Secretary General of VNMC, BDP Coordinator
2. Director Division, Department of Water Resources Management; Ministry of Natural Resources and Environment (MONRE)
3. Deputy Director, Development Strategy Institute, Ministry of Planning and Investment (MPI)
4. Deputy Director, Institute for Water Resource Planning (IWRP)
5. Deputy Director, Southern Institute for Water Resource Planning (HCM)
6. Director Division; Institute for Agricultural Planning and Projections (NIAPP)
7. Senior Official, Division for Environment Assessment and Verification, Ministry of Natural Resources and Environment (MONRE)

Annex 6 – Summary of Key Responsibilities of BDP Programme Staff

BDP Programme Coordinator

- Head the BDP Team at MRC Secretariat.
- Manage and coordinate all technical, administrative and financial aspects of the BDP Programmes in full compliance with the MRC procedures and standards and applicable donor funding agreements.
- Lead the process to work with Member Countries and stakeholders to ensure that appropriate institutional mechanisms and participatory processes are in place to for a participatory and transparent basin development planning and to achieve the Programme objective.
- Undertake policy advocacy and promotion and dissemination of the MRC/BDP approaches and outcomes to strengthen engagement of policy makers, planners and stakeholders in the BDP process. Support National BDP Coordinators in the same efforts at the national level.
- Lead the needs assessment and design and implementation of institutional and capacity development activities of BDP with the aim to sustain the BDP process in national planning systems.
- Ensure the coordination and integration between BDP and other MRC programmes/activities.
- Liaise, network and promote exchange of MRC/BDP with relevant international and regional organization, programmes and initiatives.
- Lead the preparation of Programme Implementation Plan (PIP) and annual workplan with clear Performance Management System.
- Manage the Programme's budget and mobilize additional financial resources required for its implementation in line with the overall framework of the MRCS.
- Prepare progress, financial and other routine reports in accordance with MRC procedures and specific requirements of the Programme.
- Ensure the timely and effective recruitment of programme staff and mobilization of personnel and resources required to deliver the Programme outputs and outcome.

Chief Technical Advisor (*International by 2012 and riparian thereafter*)

- Guide the BDP Specialists to work closely with MRC programmes, BDP working groups and other partners to ensure the delivery of quality analyses and assessments.
- Lead the needs assessment, procurement and management of external assistance on hydrological assessments, water resources planning and management aspects, and GIS related information.
- Lead the implementation of the PMFM and support the implementation of other MRC procedures, in particular the PWUM and the PNPCA.
- Facilitate regular reviews of the implementation of the IWRM-based Basin Development Strategy and its update by 2015.
- Guide and coordinate the preparation and regular update of the Project Portfolio.
- Guide and manage the BDP activities relating to project level review and (risk) assessment, including provision of technical inputs of expertise areas.
- Work closely with the Socio-Economic Specialist on the identification of scope, technical requirements and required resources for analyses, basin-wide scenarios and other assessments under basin development planning.
- Provide technical directions and inputs including preparation of training materials and guidelines for the design and implementation of training/capacity development activities of the BDP Programme.

- Policy advocate and engage with decision makers and planners and other stakeholders to promote BDP approaches and outcomes.
- Draft inception report, manage and contribute to the drafting of the updated IWRM-based Basin Development Strategy, important reports and strategic documents of BDP.
- Support the BDP Specialists and the BDP Coordinator in the identification and supervision of consultants and experts.
- Support BDP Programme Coordinator in preparing progress reports and other routine reports in accordance with MRCS procedures and specific requirements of the programme.

Socio-Economic Specialist

- Work under supervision of the BDP Programme Coordinator and in close consultation with the CTA of the BDP.
- Lead the overall MRC economic and socio-economic activities, such as strategic studies, basin-wide development scenario assessment and the monitoring and regular updates on economic and socio-economic development trends in the LMB.
- Lead, in cooperation with the Participatory Planning and Capacity Development Specialist, the identification and consensus building on the strategic focus and technical approach(es) to economic and socio-economic framework of activities of the MRC in general and for basin development planning in particular.
- Identify the needs for socio-economic data and information for basin development planning. Ensure that the needs are addressed in MRC related monitoring systems and activities.
- Guide the work of BDP and EP and of other MRC programmes to implement the MRC socio-economic activities in a coherent manner including but not limited to socio-economic database, social impact and vulnerability monitoring and assessment and reporting and other related surveys and assessments.
- Advise and support BDP and EP in designing the process and facilitating the development and consensus building among MRC Member Countries and stakeholders of basin social and environment objectives and indicators.
- Assist the Land Use and Management Specialist in defining, from an economic and socio-economic viewpoint, the scope and assessment framework of updating the basin-wide development scenarios and the IWRM-based Basin Development Strategy.
- Identify training and capacity building needs with emphasis on economic and socio-economic aspects and contribute to capacity building activities.
- Identify the needs for economic and socio-economic data and information and tools for basin development planning.
- In coordination with concerned MRC programmes/divisions, National BDP Units, working groups and other planning partners, ensure timely mobilization of inputs and delivery of quality economic and socio-economic data and information and assessments in the planning process.
- Manage the economic and socio-economic aspects in project level review and assessment. Contribute to the review of project reports to serve the MRC prior consultation and agreement on significant projects and other activities.
- Facilitate the work of sector and planning working groups for BDP.
- Facilitate and support the implementation of BDP at country level.

Land Use and Management Specialist (International, followed by riparian staff when possible)

- Work under supervision of the BDP Programme Coordinator and in close consultation with the CTA.

- Lead the identification and analysis of opportunities for development of land and water-related basin resources and provide guidance on how they can be incorporated into basin and national development planning frameworks.
- Guide the other BDP specialists in updating and improving economic, social and environmental data and information on land, water and related resources of the Basin.
- Lead the identification and consensus building on the strategic focus and methodological approach(es) to achieve objective of basin development planning in the period 2011-2015.
- Work closely with the Chief Technical Advisor to lead the identification, formulation and assessment of scope, technical requirements and required resources for analyses, basin-wide scenarios and other assessments under basin development planning.
- Assist in facilitating regular reviews of the implementation of the IWRM-based Basin Development Strategy and its update by 2015.
- Work closely with EP and other concerned MRC programmes and planning partners on basin-wide social and environmental objectives, climate change scenarios and adaptation measures to be integrated into the IWRM-based Basin Development Strategy.
- Work closely with other BDP Specialists, concerned MRC programmes and national agencies to ensure that relevant sector data and information collection and analyses are delivered for planning.
- Provide inputs from areas of expertise and support the coordination of project level assessments for MRC prior consultation/agreement of significant projects and other activities.

Natural Resources Management Specialist

- Work under supervision of the BDP Programme Coordinator and in close consultation with the CTA.
- Identify the needs for environmental and natural resources data and information for basin development planning.
- Ensure that environmental and natural resources concerns are incorporated in the basin development planning.
- In close coordination with the Environment Programme, other MRC programmes/divisions, National BDP Units, working groups and other planning partners, facilitate EP's timely mobilization of inputs and delivery of quality environment data and information and environmental related assessments in the planning process.
- Guide the environmental and natural resources aspects in project review and assessment. Contribute to the review of project reports to serve the MRC prior consultation and agreement.
- Identify training and capacity building needs and facilitate EP's contribution to the development and implementation of capacity building activities with emphasis on natural resources management aspects.
- Identify training and capacity building needs and contribute to the development and implementation of capacity building activities with emphasis on environmental and natural resources management aspects.
- Facilitate and support the implementation of BDP at country level.
- Coordinating with other MRCS programmes on need for data retrieval, acquisition and analysis for the purposes of enhancing GIS activities at BDP programme.
- Identifying data/information gaps for basin planning purposes in MRC GIS related data and advise the CTA and BDP Programme Coordinator on need for assistance.
- Coordinating with other relevant MRC programmes, NMCs and national line agencies in collecting information for applying BDP assessment tools.

Participatory Planning and Capacity Development Specialist

- Work under supervision of the BDP Programme Coordinator and in close consultation with the CTA.

Management of social related tasks in basin development planning

- Work closely with the BDP Socio-economic Specialist to ensure that social and “people” concerns are incorporated in the basin development planning.
- Work closely with the BDP Socio-economic Specialist to ensure that social related inputs to the overall planning framework, strategic studies, basin-wide development scenario assessment and other impact assessments.
- Work closely with the BDP Socio-economic Specialist for the management and update of the socio-economic databases.
- In close coordination with the concerned MRC programmes/divisions, National BDP Units, working groups and other planning partners, ensure timely mobilization of inputs and delivery of quality social data and information and related assessments to serve the planning process.
- Participate in the improvement and development of relevant social assessment tools and guidelines for basin development planning.
- Contribute to the overall MRC socio-economic activities including, but not limited to, the Social Impact Monitoring and Vulnerability Assessment (SIM/VA) led by EP and the assessment of vulnerabilities to climate change by CCAI, etc.
- Ensure the mainstreaming of poverty reduction and gender equity in basin development planning.
- Guide the social aspects in project level review and assessment. Contribute to the review of project reports to serve the MRC prior consultation and agreement of significant projects and other activities.
- Identify training and capacity building needs and contribute to the development and implementation of capacity building activities with emphasis on social aspects.
- Facilitate and support the BDP activities at country level.

Facilitate stakeholder engagement in basin development planning

- Lead the stakeholder and other necessary analyses for a good understanding by the BDP Programme/MRC of different interests and expectations in the BDP process.
- Lead the regular update the Stakeholder Participation and Communication Plan of BDP.
- Design and guide BDP activities related to civil society participation and stakeholder consultation including BDP regional and transboundary stakeholder forums.
- Assist the BDP Programme Coordinator in facilitating stakeholder engagement in BDP working groups.
- Provide inputs under areas of responsibility to the Programme Implementation Plan (PIP), Annual workplan and reporting.

Support capacity development

- Assist the BDP Programme Coordinator in the analysis of the needs for training/capacity building for basin development planning at country and regional level.
- Assist the BDP Programme Coordinator in the facilitation, technical support and monitoring of the capacity development activities at country level.
- Work closely with the Integrated Capacity Building Programme and other BDP specialists to support the design and implementation of BDP-related training/capacity building activities.
- Provide inputs under areas of responsibility to the Programme Implementation Plan (PIP), Annual workplan and reporting.

- Identify training and capacity building needs and contribute to the development and implementation of capacity building activities based on inputs from other BDP specialists.

Institutional and M&E Specialist

- Work under supervision of the BDP Programme Coordinator and in close consultation with the CTA.
- Assist the BDP Programme Coordinator in the analysis and development of proposals for institutional arrangements (national and regional level) for integrating the BDP process in national systems.
- Assist the BDP Programme Coordinator in working with MRC programmes, national agencies and the National Mekong Committee Secretariats (NMCSs) to establish and facilitate sector and basin planning working groups.
- Assist the BDP Programme Coordinator in identifying institutional capacity development needs and the design and implementation of these capacity building activities.
- Facilitate and support the BDP M&E activities at country level.
- Provide inputs under areas of responsibility to the Programme Implementation Plan (PIP), Annual workplan and reporting.
- Maintain an updated database of national line agencies and stakeholders involved in the BDP process.
- Provide advice and support in institutional analysis and development for the implementation of the IWRM-based Basin Development Strategy and for sustaining the BDP process.
- In close coordination with M-IWRMP and other programmes and countries, facilitate and monitor the implementation of the Procedures for Maintenance of Flow on the Mainstream (PMFM).
- Assist the BDP Coordinator in ensuring that BDP indicators are in accordance with higher-level MRC Strategic Plan for 2011-2015, and ensure that they are monitored appropriately.
- Lead the design and establishment of different monitoring and evaluation systems in BDP: monitoring and evaluation of the IWRM-based Basin Development Strategy, the monitoring and evaluation of BDP Programme implementation (national and regional levels).
- Coordinate with National BDP Coordinators, MRC programmes and relevant stakeholders to ensure the collection of data/information for the monitoring and evaluation systems.
- Assist in facilitating national, transboundary and regional coordination mechanisms.

National BDP Coordinator

- Responsibility for coordinating and managing the day-to-day implementation of the BDP programme at national level.
- Supervising and coordinating the work of the national consultants, national BDP Staff and NMC staff for effective planning and implementation of BDP and related activities.
- Preparing and managing national Programme Implementation Plan (PIP) and budget.
- Preparing agenda, background information and reports for meetings of the National BDP Sub-committee and national working groups.
- Coordinating and Mobilising the resources and technical requirements for the main activities of the BDP.

- Arranging and participating in the drafting of work plans, terms of reference, budgets and employment of national consultants and/or line agency sub-contracts for activities at the national level required to support the BDP Sub-area analysis and project screening process.
- Arranging meetings and workshops as required and specified in work plans.
- Management and reporting of funds provided from the MRC Secretariat for implementation of approved activities.
- Organising assessment of national BDP training needs and identifying training activities consistent with on-going national capacity building.
- Preparing reports for submission to the Director or Secretary General of the NMC Secretariat and the Chairperson of the National BDP Sub-committee (member of MRC Joint Committee) to keep them informed of BDP progress.
- Maintaining regular communication with MRC-BDP team, including the preparation of semi-annual reports (6 monthly reports).
- Undertaking general advocacy, promotion and dissemination of BDP project and its current outcome with stakeholders and civil society at national level.
- Performing any other duties related to the coordination and management of national BDP implementation plan including interaction with national stakeholders as assigned by the Director or Secretary General of the National Mekong Committee Secretariat.

Annex 7 – National Water and Related Resources Planning Systems in LMB Countries

Water and related sectors such as hydropower, irrigated agriculture, flood management, forestry and fisheries are prominent in all LMB countries' development strategies for economic growth and poverty reduction. Their development planning is therefore also a significant part of the countries' national socio-economic development planning, which follow common approaches to promote coordination and integration across sector and area development planning.

Cambodia

Cambodia is still relatively young in long-term development planning, especially sector planning. The “*Rectangular Strategy*” for Growth, Employment, Equity and Efficiency, initiated since the second term of the Royal Government of Cambodia (RGC)⁴ is the overriding development policy for the country. This five-year Rectangular Strategy (2004-2008 and 2009-2013) is based on many strategic documents, formulated to help the Cambodian reform process such as the Governance Action Plan adopted in 2001, the Cambodia Millennium Development Goals (CMDGs) and the National Poverty Reduction Strategy (NPRS) adopted in 2002.

Five-year Socio-Economic Development Plans (SEDP) are also prepared and implemented with central focus on poverty alleviation. Recently, RGC has renamed the current SEDP (2006-2010) to the “National Strategic Development Plan” (NSDP) and updated it (NSDP 2009-2013) to synchronize with the timeframe of the legislature of the RGC and to align with the structure of the Rectangular Strategy 2009-2013. The NSDP is regarded as the Roadmap to implement the Rectangular Strategy II and thus becomes the second important policy document of RGC. Enhancement of agriculture sector, further rehabilitation and construction of physical infrastructure, promoting private investment and employment generation and human resources development are the key thrusts of the NSDP. Clear requirements for sector reforms (i.e. fisheries reform), sector development targets (i.e. for energy sector) as well as priority actions and estimated revenues and expenditures constitute good implementation and monitoring framework of the NSDP.

Under the NSDP, public investment programmes and national budget are prepared. The Ministry of Planning (MoP) has the leading role in preparing the NSDP and monitoring its implementation in close collaboration with the Ministry of Economy and Finance (MEF), the Cambodian Rehabilitation and Development Board of the Council for the Development of Cambodia (CDC/CRDB), and the Supreme National Economic Council (SNEC). Coordination and integration across sectors are supported by the Working Groups with support from Development Partners.

Sectoral strategies and planning is the sole responsibility of the ministerial level based on the policies and priorities in the NSDP. However, only a few long-term sector strategies and plans exist such as the Energy Sector Strategy 2004-2016 and the Strategic Framework for Agriculture and Water 2006-2010. Many others are still in their early stage of development.

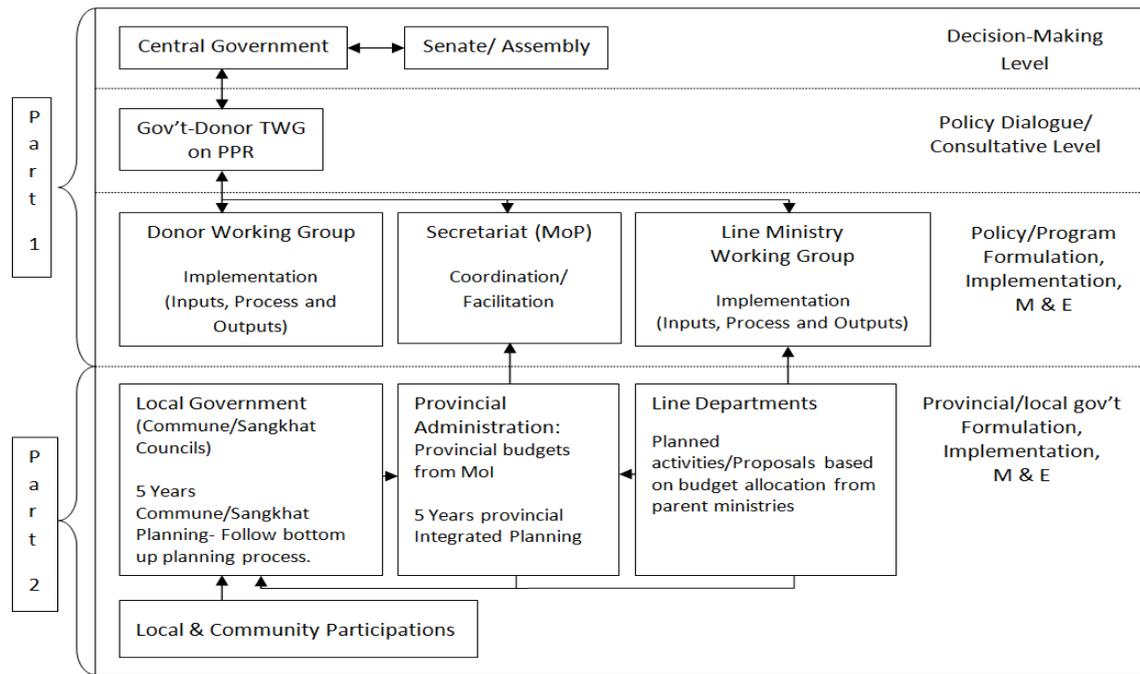
It is important to recognize the strong decentralization and de-concentration process in Cambodia. Commune/Sangkhat Councils are regarded as the lower level of elected government body and currently focus heavily on commune-level planning because their elected council members have a mandate to prepare and adopt a long-term strategic development plan during their first year in the office, which contribute to the provincial plan and possibly also sectoral plan.

⁴ Previously named as *The Triangle Strategy (1998-2003)* that focused on building peace, restoring stability for regional integration and normalisation of international relationships and promoting economic and social development

At the project scale, process for Environmental Impact Assessment (EIA), governed by the Ministry of Environment (MOE) has been developed, requiring MOE's approval of EIA report before decision on funding for projects can be made by CDC/CRDB. Furthermore, RGC is committed to the principles of IWRM and is moving towards river basin management. *All of these suggest an increasingly enabling environment for consideration of basin perspectives into the development of Cambodia's sector strategies and local development plans as well as of significant projects.*

Figure A7.1 describes the institutional arrangement for the formulation of NSDP (Part 1) and the contribution of local level planning to the NSDP (Part 2).

Figure A7.1: National Development Strategic Planning in Cambodia



Lao PDR

Lao PDR has undertaken significant economic reforms to move from a command economy towards a market economy. The process is marked with the introduction and promotion of "market forces" at the Third Congress of the Lao People's Revolutionary Party (LPRP) in 1982 and the official abandon of the central planning system while introducing the New Economic Mechanism (NEM) in 1986.

Lao PDR's overarching development policy and long-term vision are provided at the LPRP Congress held every five years. The policy comprises of three essential elements, namely:

- Growth with equity while safeguarding the social, cultural and political identity of the country;
- National integration; and
- Shifting the perspective from being a landlocked to becoming a land-linked country to enhance the economic and trade cooperation of the Greater Mekong Sub-region.

With the long term development directive to permanently rise Lao PDR above the Least Development Country (LDC) status, several long term development strategies have been prepared including the National Growth and Poverty Eradication Strategy (NGPES) launched in 2003 and the MDGs targets.

Five-year National Socio-Economic Development Plan (NSEDP) is the country's medium term planning, which is translated into annual implementation plan and budget. The seventh NSEDP (2011-2015) is under finalization.

The Ministry of Planning and Investment (MPI) is responsible for the formulation of the NSEDP, long-term strategic cross-sector programs and Public Investment Programme (PIP). The preparation of NSEDP is guided by a Government instruction to all line ministries/sectors, provinces and districts that outlines overall national policies, priorities, targets for the period and guidelines for planning. These are translated into sector specific targets and guidelines to prepare sector plans. The sectoral plans derived from provinces are reviewed at regional meetings (northern, central and southern regions) and submitted to line ministries for incorporation into the sector plans. Based on the regional and ministerial plans, MPI consolidates the NSEDP and PIP for endorsement the Government and adoption by the National Assembly. Annual planning is undertaken through regional fora, which allows provinces to exchange ideas and to develop and promote projects of regional dimensions.

Natural-resource based sectors are dominant in the economy of Lao PDR. The Water and Water Resources Law (1996) sets out the principles, rules and measures related to the administration, exploitation, use and development of these resources. The Law is set to be revised and a National Water Policy, Strategy and Action plan are being finalized while Government policies/directives have been developed for components of the water sector, such as hydropower, irrigation, navigation, fisheries, water supply and waste disposal etc. At the same time, legal, institutional and human resources capacity for IWRM is being developed with the establishment of the Water Resource and Environment Administration (WREA) under the Prime Minister Office in 2007. Recently, the Decree on River Basin Management has been approved, which together with the Laos Government's policy to decentralize planning to provinces, provide opportunities to adopt a basin approach to water resources development and management and to increase the focus on separation of resource management and service provision.

Nevertheless, this process requires more efforts to ensure the broad environmental outcomes and maintaining technical performance as well as cross sector coordination and integration. Figure A7.2 illustrates a process for the development and implementation of a power project by independent power producers as an example. The identification and early selection of significant projects (i.e. a dam on the mainstream or a significant reservoir on a transboundary tributary) by line agencies under the Ministry of Energy and Mine (MEM) must be in line with the national strategy for the sector such as the Lao PDR Power System Development Plan (2008) and would thus benefit from an early view on how the project would fit with other developments in the Basin if the later includes basin perspectives.

WREA has a significant role in power project development process. In cooperation with the Department of Environment of MEM, WREA evaluates the feasibility studies and EIAs and if approved, issues environmental certificates. It also monitors the environmental management of the projects and issues but also revokes the environmental licenses. Nevertheless, capacity development of the newly established EIA Department of WREA is required including the capacity to mobilize inputs from relevant departments. Furthermore, there are opportunities for a more influential role of WREA in the preparation of sector strategies and development plans, which need to consider basin requirements.

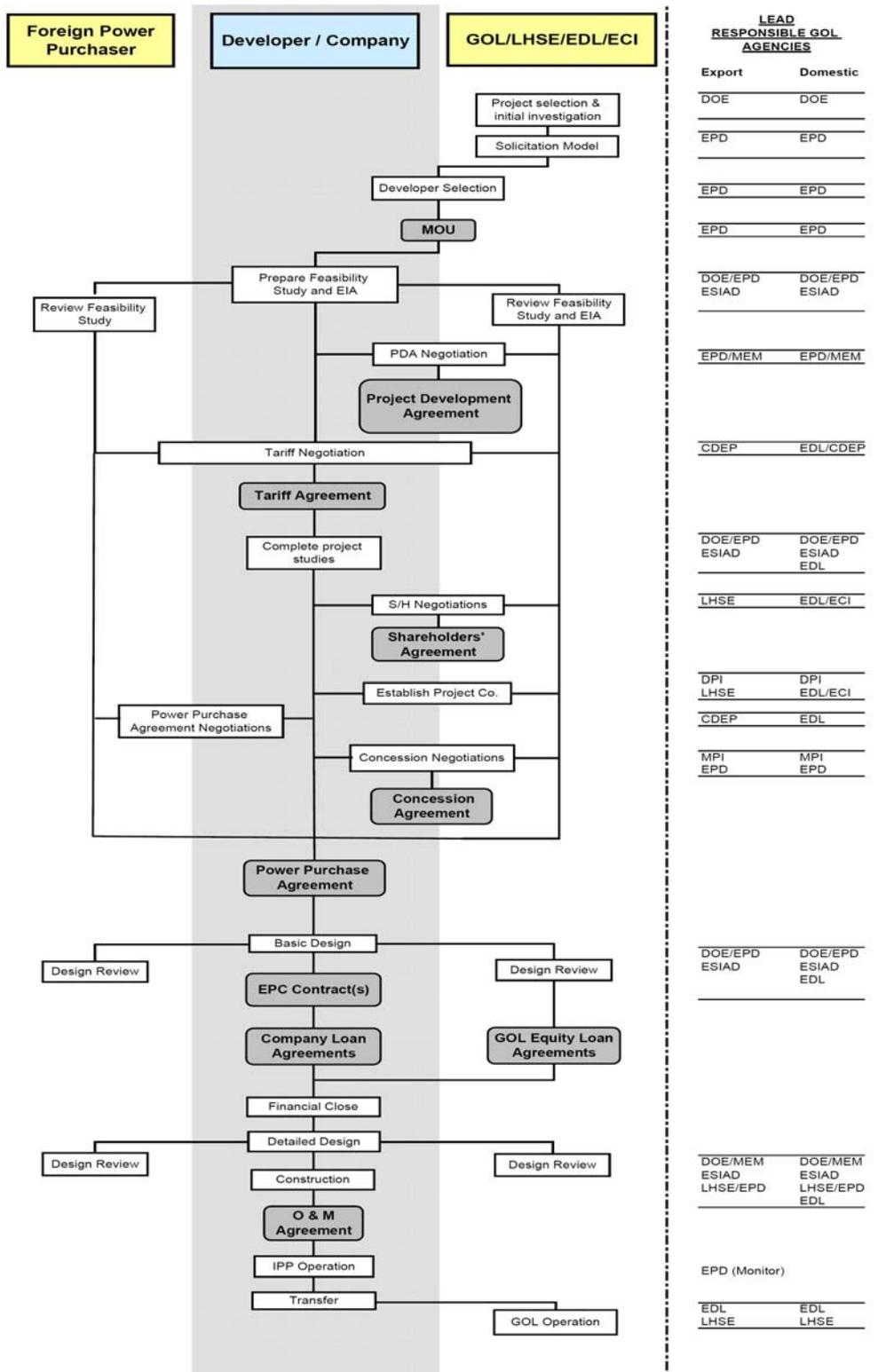
Thailand

Thailand National Water Vision established in 1999 stated *“By year 2025, Thailand will have sufficient water of good quality for all users through an efficient management, organizational and legal system that would ensure equitable and sustainable utilization of its water resources with due consideration on the quality of life and participation of all stakeholders”*.

Figure A7.2: Independent Power Producer Project Implementation Process in Lao PDR

IPP PROJECT IMPLEMENTATION PROCESS

Figure 1 - IPP Procurement Process

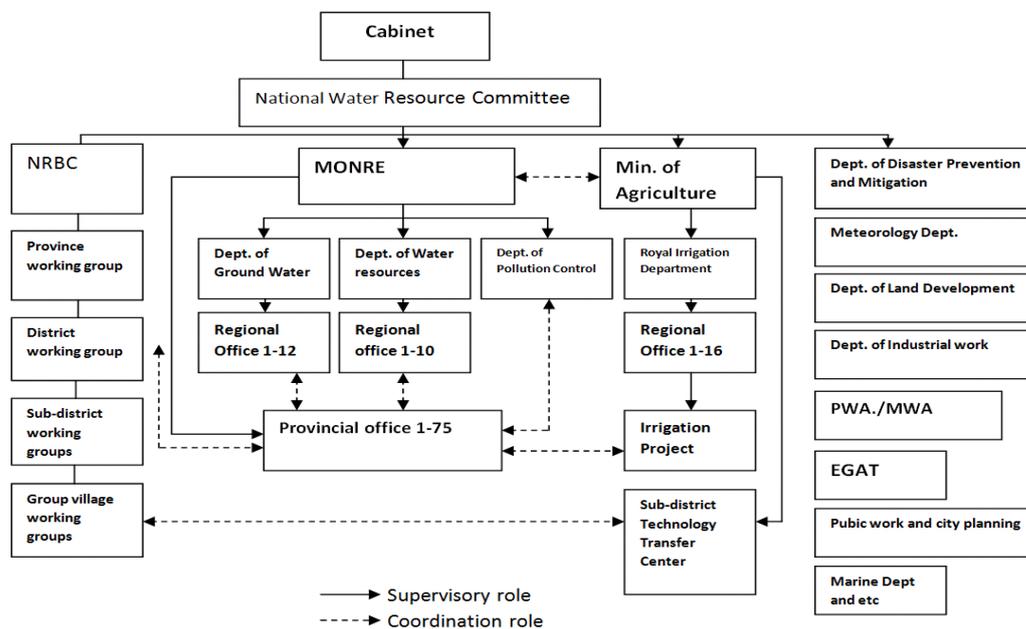


To translate this into action, Thailand has gone through a series of strategic planning and implementation of many large and medium-scale plans and projects. The National Water Policy sets out urgent demands such as equitable water resources developmental for agriculture for all farmers, strengthening public participation in water resources planning and management and flood and drought

response. While the Water Resources Act is still in draft, the National Socio-Economic Development Plan (NSEDP 2007-2011) emphasizes important strategies: to reform the economic structure for balance and sustainability and for the development of biodiversity and conservation of the environment and natural resources. As part of these strategies and in line with the Constitution of the Kingdom of Thailand (2007), the NSEDP promotes community rights and participation in the management of resources including the agreement of local communities for care of the principal natural resources (soil, water, forest, marine and coastal resources, and mineral resources) and instituted measures for temporary bans on the utilization of major resources that are severely depleted. It conceded the impossibility of mega project implementation for irrigation; flood control and drought, taken into account the arisen social conflicts, and prevalent land management inefficiency and inappropriateness in the last decade. For energy, the NSEDP emphasizes the need to ensure national energy security by better demand-side management and the identification of the variety (and cheap) energy sources. However, under Thailand Energy Strategy (2009) prepared by the Ministry of Energy, energy need is addressed by importing electricity from the neighbour countries and there is a plan to increase the purchase of electricity from Laos from 3,000 to 7,000 MG in year 2012-2014.

The National Water Resources Committee (NWRC) is a national level organization established under Office of the Prime Minister's Regulations on National Water Resources Management B.E.2550. The Department of Water Resources (DWR), Ministry of Natural Resources and Environment (MNRE) is a secretariat office of NWRC. NWRC appoints 25 River Basin Committees (RBC). Each RBC comprising of member not more than 35 persons from government agencies, local administration, water use groups, and experts who have experienced in water resources management. DWR Regional Office is a secretariat office of RBC. There are five out of those 25 RBCs located in LMB including Kok and Northern Khong, North Eastern Khong, Chi, Mun and Tonle Sap.

Figure A7.3: Thailand water resources management structure



The role of the RBC is clearly defined as to promote participatory and integrated river basin development and management, to cooperate and support the budgetary process for the implementation of the integrated plans and to reinforce knowledge of water and related resources. With decentralization at sub-district level (*Ao Bo Thor*⁵), Working Groups (WG) at sub-district, district and provincial level collect and summarize local basin development projects/plans to facilitate the

⁵ By the Interior Ministry

formulation of Integrated River Basin Plan by the WG on Planning of the RBC. The formulation of the plan is supported by data and information by the WG on Data and Information and public participation, promoted by the WG on Public Participation. The Integrated River Basin Plan is incorporated into the Provincial Development Plan of concerned provinces and submitted to national line departments. The latter integrate these into the sector plan and submit to the DWR and Budget Bureau. DWR as the Secretariat of the NWRC will facilitate the meeting between line departments to coordinate the plans, which will be reviewed by a Working Committee on budget scrutiny that comprise of the Budget Bureau, National Economic and Social Development Board (NESDB) and DWR. The final plans are approved by the NWRC before submitted to the Budget Bureau and subsequently to the Cabinet for approval and budget allocation

Many challenges remain that prevent RBCs from fully implementing their role and becoming part of national decision making process. These include: diverse water using groups, conflicting interests and views, representational issues and limited power and capacity as well as unclear decision making process of large scale infrastructure development. Nevertheless, there are examples of RBCs successfully becoming part of community network within their own river basin to play a watch dog and check and balance role, preventing harmful development projects resulting from top-down governance and power groups while advocating sound management and sustainable uses of water resources. These networks are growing bigger and influential.

Building on the existing legislation and institutional framework to strengthen the role and capacity of RBCs, especially in planning for sector and large scale project development would provide opportunities to integrate basin and sub-basin/ national planning. This would benefit from DWR/MNRE facilitating closer links between the RBCs and national line agencies.

Viet Nam

The National Socio-Economic Development Strategy (NSEDS) provides broad directions for the development of the country in the next 10 years with vision for the following 5-10 years. Two NSEDS have been guiding the Viet Nam's development since its economic reform in the late 1980s and the next NSEDS for 2011-2020 is under its last stage of preparation. A task-force, led by the Minister of Ministry of Planning and Investment (MPI) drafts the NSEDS, which will be disseminated for public opinions, discussed by the National Assembly and approved at the Party's Congress in 2011.

Taking the directions from the NSEDS, different level planning is undertaken: master planning, 5-year planning and annual implementation plan of the 5-year plan (ref. Decree 04/2008/ND-CP, revised from Decree 92/2006/ND-CP).

Long-term master planning is obligatory for what the Government defines as important regions, economic zones, sectors and key products of the country⁶. The MPI is given the responsibility to lead the preparation of these master plans in order to ensure a coordinated and integrated approach in planning and development. The master plans are prepared with primary inputs from the concerned ministries and provinces and are approved by the Prime Minister (PM) based on the appraisal of a multi-sectoral and multi-stakeholder panel.

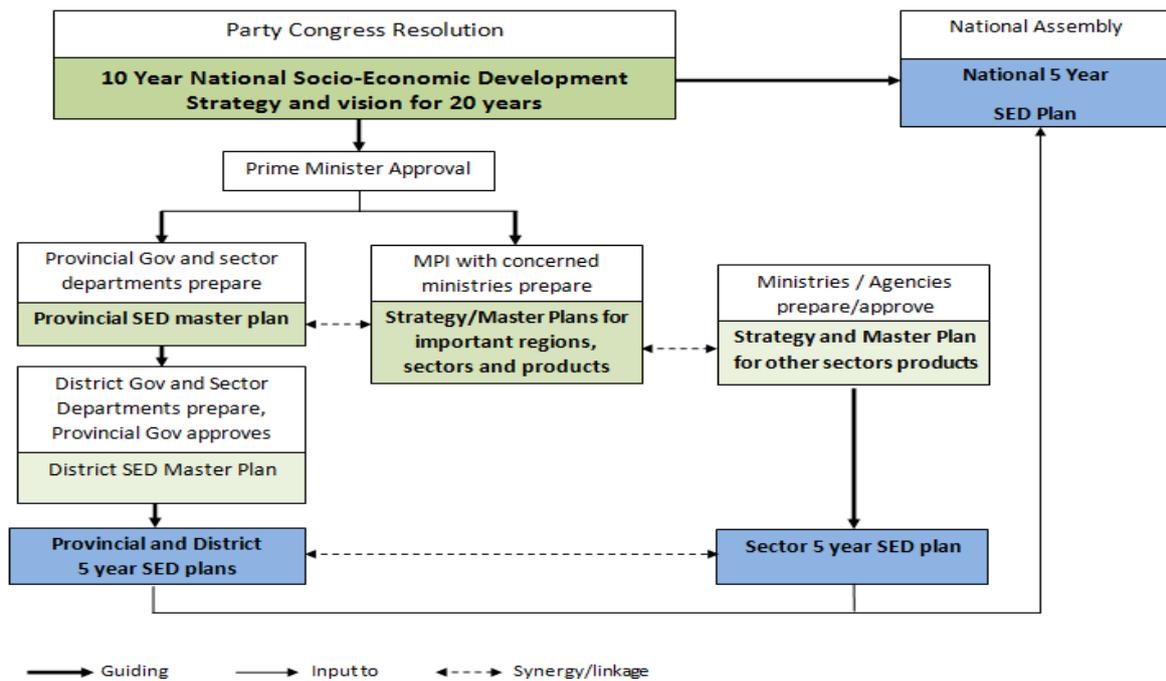
Based on the NSEDS and regional master plans, provinces will prepare their long term master plans to be appraised at provincial level and approved by the PM. These strategies and master plans provide

⁶ According to the Decree 04/2008/ND-CP (revised from Decree 92/2006/ND-CP), Central Highland and Mekong Delta are among these regions. The important sectors and products include the followings and are subject for revision: 1) major infrastructures (high ways, inter-provincial roads, railway, airport, industrial zones, economic zones, marine ports, regional water supply, special urban water supply and waste, information infrastructure, *irrigation*, sea dyke, *fish harbours* and storm safe harbours for ships); 2) regional and provincial universities and hospitals; 3) *electricity*, cement, *integrated exploitation of water resources, mining and forestry*

lists of priority projects. District development master plans are prepared based on the provincial master plan. For sectors that are not listed in the Decree 04/2008/ND-CP, concerned ministers will be responsible for the preparation and approval of sector strategies and/or master plans.

Five-year socio-economic planning is obligatory for all districts, provinces and sectors as input into the NSEDP and annual state budget allocation. The five-year plans and annual implementation plan translate the NSEDS, sector strategies and master plans into actions while prompting their adjustments and updates.

Figure A7.4: Socio-economic development planning in Viet Nam



Policy development and planning for water and related resources development is governed by the Law on Water Resources (currently being revised), the Law on Environment Protection, Land Law, Biodiversity Law and other related laws. Viet Nam has prepared a number of these strategies and/or master plans that are of relevance to LMB include, among others: Socio-economic Development Master Plan of the Cuu long Delta to 2020 and vision to 2050 (Oct 2009); Long term directions and plan for 2000-2005 and key measures for socio-economic development of Central Highland (168/2001/Q \square TTg); National Water Resources Strategy Toward 2020; Directions for Hydraulic Work System until 2020 and vision toward 2050; National Target Programme for Climate Change Adaptation and Master plan for aquaculture development.

These, together with the approved Decree on River Basin Management (December 2008) suggest the need for a systematic approach in integrating basin-wide approaches in national system through long term strategies and master plans. This will be critical for the implementation of these approaches in medium and short-term planning and decision making.